

**DETERMINANTS OF EMPLOYEE TURNOVER AMONG SMALL AND
MEDIUM ENTERPRISES IN NAIROBI CENTRAL BUSINESS DISTRICT,
KENYA**

BY

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DECLARATION

Declaration by the Candidate

This is to declare that this research thesis is my original work and to the best of my knowledge, has not been presented to any other university for a degree award. No part of this project may be reproduced without the prior written permission of the author and / or that of Moi University.

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DEDICATION

I dedicate this thesis to my Father, Bendict Bwire Agweya, my daughters, Violet, Catherine, Florence, my sons Michael and Frank for their moral support during this course. I also dedicate this work to my brother, Griphace, for his financial support in my schooling.

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ABSTRACT

It has been argued that employee turnover is a major determinant of this survival but most SMEs do not have employer-employee contracts governing work relationships. A study on SMEs in Nairobi established that 71.2% of SMEs entrepreneurs had observed Kenyan SMEs face problems in attracting and retaining skilled labour hence impeded their growth. The purpose of this study was to examine factors influencing employee turnover among the Small and Medium Enterprises in Nairobi Central Business District (NCBD) Nairobi County, Kenya. Specifically, the study set out to examine the influence of organization-related factors, training related factors, economic-related factors and motivation factors on employee turnover of Small and Medium Enterprises in Nairobi central business district, Nairobi County, Kenya. The study was anchored on three theories, namely human-capital theory, theory x and theory y and hierarchy of needs theory. The target population in this study was 1000 SMEs. The unit of analysis was SMEs Operating within CBD. The sample size of the SMEs was 286 SMEs. The unit of observation was managers, supervisors and subordinates & technical staffs. From each of the categories of the SMEs, the researcher used stratified random sampling to pick one manager, one supervisor and one subordinate & technical staff. Therefore, the sample size was 858 employees. Questionnaires were used to obtain data from the employees of the respective SMEs at their workplaces. A pilot study was carried out to check the validity and reliability of the questionnaires in collecting the data required for purposes of the study. SPSS was used to organize code and analyze information and generate the quantitative report. The data was analyzed using descriptive and inferential statistics. The descriptive statistics were presented in mean, standard deviation and frequencies, while the inferential statistics included the Pearson correlation and multiple linear regression model. The findings of the study showed that related organizational factors and employee turnover were negatively and significantly related ($\beta = -0.158$, $p=0.071$). Training and employee turnover were negatively and significantly related ($\beta = -0.251$, $p=0.077$). Economic factors and employee turnover was positively and significantly related ($\beta = 0.257$, $p=0.081$). Finally, motivational factors was negatively and significantly related to employee turnover ($\beta = -0.176$, $p=0.077$). The study concludes a positive and significant association existed between training-related factors and employee turnover. The study also concludes that economic-related factors and employee turnover is positively and significantly related. Besides, the study concludes that most of the economic-related factors that enhance the employee comprise of salary and compensation, Commissions and bonus of income and retirement benefits. The study concludes a negative and positive relationship exists between motivational factors and employee turnover. The study recommends that organization justice should be administered to all of the employees in Small and Medium Enterprises in the Nairobi Central Business District (NCBD). The study also recommends that the management of the organizations invest in providing their employees with the necessary training relevant to their job description. Furthermore, the study recommends that SMEs ensure that salary and compensation, commissions, bonus, and retirement benefits are improved. Lastly, the study recommends that management within the SMEs improve the rewarding systems, the service and promotion structure.

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ABBREVIATIONS AND ACRONYMS

CBD : Central Business District

CEO : Chief Executive Officer

KNBS : Kenya National Bureau of Statistics

KPI : Key Performance Indicators

KPLC : Kenya Power and Lighting Company

PIBS : Performance Incentive Bonus Scheme

SME : Small and Medium Sized Enterprises

SPSS : Statistical Package for Social Sciences

OPERATIONAL DEFINITION OF TERMS

Career development: It is vertical and horizontal movement across the organization Structure by an employee especially after the accumulation of skills and knowledge through training, promotions and career growth Ogoshi (2006)

Economic factors: Refers to the external factors that influence the behaviors of an employee in an organization (Machethe, 2011).

Employee Turnover: Employee turnover is the rotation of workers between firms, jobs and occupations and between the states of employment and unemployment (Agyeman & Ponniah, 2014).

Motivational factors: Motivational factors refer to drivers that influence the human behavior to work hard to achieve a certain goal and are related to the intrinsic nature of the work (Fenn, 2000).

Organizational Factors: Organizational Factors refers to all elements within a workplace that have an influence on the people who work there (Akrani, 2010).

Small and Medium Sized Enterprises: Refers to the enterprises that have an annual turnover that ranges between five hundred and five million shillings and consists of less than a hundred employees (Ministry of Industrialization, Trade and Enterprise Development, 2014).

Training: Training includes the measure taken by the organizations for increasing skills and knowledge of an employee (Hogan & Coote, 2014)

Turnover: Employee turnover refers to a measurable incidence of people joining and leaving the organization. It occurs when employees leave an organization and have to be replaced (Mathis & Jackson, 2013).

CHAPTER ONE

INTRODUCTION

1.1 Overview

The chapter presents the background of the study as the variables interlink. It also covers the statement of the problem, the general and specific objectives and hypotheses. The section also covers the scope, justification and significance of the study.

1.2 Background of the Study

Modern day business scene is has significantly becoming dynamic with Small and Medium Enterprises (SME's) exerting presence indicating their increasing importance (Wasim and Khan, 2014). Bayley (2014) defines turnover as the ratio of the number of organizational members that have left during the period under consideration divided by the average number of people in the organization during that period. This term is often utilized in efforts to measure relationships of employees in an organization as they leave, regardless of the reason. According to Armstrong (2006), employee turnover is defined as the rate at which an employer gains and loses employees. Each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired. Some factors are beyond the control of management, such as the death or incapacity of a member of staff which contribute to involuntary turnover (Aworemi, 2011). Other factors have been classed as involuntary turnover in the past, such as the need to provide care for children or aged relatives. The number of leavers that are included in employee turnover only includes natural turnover (Aliogo & Eneh, 2013).

Employee turnover rates are always a concern for businesses, both small and large. It may lead to interruptions in service and customer dissatisfaction. Employee turnover has proven to be expensive to the organization in terms of recruiting, hiring and training new employees (Bernardin, 2003). Organizations are, therefore, keen on keeping

employee turnover in constant check by paying keen attention to how individuals can best be motivated through such means as career advancement, rewards, incentives, effective leadership and the context within which they carry out their work. According to Alnaqbi (2011), the determinants of employee turnover includes the related organizational factors, training related factors, economic-related factors and motivational factors.

Organizational Factors refers to all elements within a workplace that influence the people who work there (Akrani, 2010). Every organization has its own culture. Almost everything that affects an organization's ability to compete and respond successfully to changes in the external environment – ultimately, the organization's success or failure – is an aspect of the organizational justice, organizational culture and organization structure (Blau, 2006). The internal factors determine how the organization moves forward, both as a self-contained organizational entity and in response to its external environment.

Training includes the measure taken by the organizations for increasing skills and knowledge of an employee (Crawford, 2005). Training has a distinct role in the achievement of an organizational goal by incorporating the interests of the organization and the workforce (Fenn, 2000). The primary function of training is to improve the employees' skills for current and future duties and responsibilities (Mainya, 2016). According to Chang (2006) the training of the employees increases their commitment than lowers employee turnover in organizations.

Economic factors refer to the external factors that influence the behaviors of an employee in an organization (Machethe, 2011). The economic factors such Salary and compensation improvement, Commissions and bonus review and retirement benefits

are considered essential in determining employee turnover (Oso, & Onen, 2005). According to Netswera (2005), when more people are receiving a steady income and expecting to continue receiving one, the more people there are to make discretionary spending purchases. Therefore, the monthly unemployment rate report is one leading economic indicator that gives clues to demand consumer goods. The level of wages affects consumer spending, thus influences employee turnover (Martin & Roodt, 2008). Motivational factors refer to drivers that influence human behavior to work hard to achieve a certain goal and are related to the intrinsic nature of the work (Ogoshi, 2006). Olusegun, O (2012) established that the motivational factors such as reward systems, Scheme of Service and promotion structure determine the employee turnover. Organizations and managers consistently acknowledge reward systems and recognition as an essential tool in motivating individual employees. Reward systems are the most transparent ways managers and leaders of an organization can send a message to employees about what they consider essential (Trueman, 2010). According to Agyeman and Ponniah (2014) the most important factor that changes the employee turnover is incorporating rewards, job satisfaction, motivation, and performance with their business strategies. To achieve the desired organizational goals, reward systems should be perfectly aligned to corporate strategy (Walsh, & Oshea, 2010).

1.2.1 Global

Globally employees have become one of the significant challenges to developing the understanding of multifaceted phenomena; researchers have formulated different models of employee turnover across the world. This is somewhat due to multiplicity in the samples which are used for the study. Economic, psychological and organizational consequences are symptomatic of the complexity of employee turnover. Organizations all over the world are giving more attention and importance to this issue as they know

that high-level employee's turnover; slow down the performance of the employees as well as organization. Besides, it inflates the expenses related to recruitment and new employee training (Chen, Lin & Lien, 2010). Employee turnover is a persistent aspect of the market. Employee turnover influences both firms and their workers: firms have to incur the expenses on recruiting and training of new employees, while employees may have to learn specific skills relating to new jobs. Incoming employees, on the other hand, maybe more highly skilled and better educated. Therefore, employee turnover may increase organizational performance, an opportunity which has fascinated limited awareness in the existing literature, which concentrates on the impact of employee turnover rather than on the organizations (Sarah, Gaia & Christopher, 2007).

Employee's turnover issues still exist throughout the world in most of the organizations. In the most developed business nations, the employee's turnover rate is still very high. Furthermore, from a gender point of view, male pay may be more than that of the female, demanding parallel qualification, skills, training and responsibility. The ability or level of performance of tasks accomplished by the employees will be achieved only if the organization's employees are satisfied with the internal environment (Muhammad, Muhammad & Aisha, 2013). Organizational effectiveness is crucial for the success of any economy. In early theories, organizational effectiveness has been recognized with high productivity or with the maximization of the profits or with employee good morale and efficient service. Organizational effectiveness is generally referred to as those organizations that have the potential to achieve maximum output. For achieving sustainable and increased business results, an organization needs to implement a good strategy and engage their employees. For creating organizational effectiveness, business managers need to focus on engaging and aligning their employees, the structure, people management models and competencies to the

organizational strategy. This commitment results in high employee retention, high financial performance and high customer satisfaction (Muhammad, Naseer, Sheraz & Mahfooz, 2012).

1.2.2 Regional

Regionally, Africa is losing significant numbers of primary resources in socio-economic and political development (Tettey, 2006). As the processes of globalization take shape, it is becoming abundantly clear that full, useful, and beneficial participation in the world that is emerging will depend on the ability of societies to build and take advantage of their human resource capabilities. In all Small and Medium Enterprises in Africa are confronted with the tremendous challenge of identifying, recruiting and retaining high caliber employees, particularly managers. These trends have engendered a more strategic approach to human resource management across the higher SME sector (Kubler & DeLuca, 2006). External labor turnover comprises two aspects, voluntary and involuntary turnover.

Some turnover can prove to have positive consequences, such as having poor-performing employees voluntarily quit, leaving room for better-performing employees. Metcalf (2005) reported that academic employee recruitment and retention are affected by the whole employment package (the rewards and benefits of the job) relative to other employment. This cost is calculated conservatively at 30% of an employee's annual salary and for those employees whose skills are in high demand; the cost can rise to two-thirds of their annual salary (Netswera, 2005). However, other studies have found the replacement costs of lost talent to be between 70% and 200% of the lost employee's annual salary (Lavania, 2011). Crawford (2005) stated that to retain employees, leaders need to manage people and not retention; have a culture of caring balanced with a tradition of excellence; never soliciting employee feedback and then ignore it; keep an

eye on the high performers and rewarding outstanding performance; view people management as a strategic management issue and be relentless in pursuit of continuous improvement.

1.2.3 National

Nationally, in Kenya, classification of enterprises is primarily by the number of employees engaged by the firms where firms having 5-49 workers and 50-99 workers are respectively classified as small scale and medium scale enterprises, respectively. In Kenya, there are about 2.2 million micro, Small and Medium Enterprises of which 88% are non-registered (FSD Kenya, 2008). Of the licensed SMEs in Kenya, an estimated 50,000 licensed SMEs are located in Nairobi, with the majority operating in the retail sector (Nyagah, 2013). It is estimated that 75% of those SMEs fail within the first two years of their operations (Kilonzo & Ouma, 2015).

SMEs is the primary source of job creation within a country as it is estimated that up to two-thirds of newly created jobs are sourced from the SME sector (Savlovschi & Robu, 2011). Most states choose SME path to poverty alleviation in addition to job creation for the unemployed since SMEs are posited to create more jobs in comparison with large enterprises as the former tends to adopt more labor-intensive production methods as opposed to capital intensive production method selected by the latter (Kongolo, 2010). Furthermore, the SMEs serve as a nursery where those employed can gain experience for further career advancement, thus presenting a training opportunity for novice employees (de Kok, Deijl, & Veldhuis-Van-Essen, 2013).

As per the Kenya Economic Survey of 2015, it was estimated that 80 percent of the 800,000 jobs created were in the sectors dominated by SMEs. Also, the report indicates that SMEs in Kenya absorb up to 50 percent of new non-farm employment seekers with

an employment growth rate of 12-14 % annually (Kenya National Bureau of Statistics [KNBS], 2015). Due to its potential of creating income opportunities, SMEs are essential to lessening of poverty levels and reduction of income disparities in the long-run as SMEs tend to employ poor and low-income workers (Asian Development Bank, 2012). Furthermore, SMEs present opportunities for the utilization of countries' productive and intellectual resources, thus increasing the tax base for government revenues, therefore, sustainable growth in the country (Fatoki, 2014). However, it has been argued that labor turnover impacts the survival of these SMEs (Ugbam et al., 2012).

SMEs increase competition with large corporations, which forces the large firms and the SMEs to adopt competitive strategies, thus enhancing economy-wide efficiency, innovation and aggregate productivity (ACS Et Al., 2009). SME sector presents continuous opportunities for the rise of new entrepreneurs hence ensuring that the country's economy is continuously supplied with new ideas, skills and innovations (Katua, 2014). With the rise of technology, SMEs have been tasked with the exploitation of new technologies hence granting new economic sub-sectors with the inculcation of innovativeness culture in the economy (Veugelers, 2008). Countries also with a large number of SMEs are likely to attract more large firms who will be seeking to adopt new approaches brought about by SMEs (Jamieson et al., 2012).

1.3 Statement of the Problem

It is estimated that SMEs compose majority of the business entities in Kenya and therefore a major driver in job creation, adoption of innovation, attraction of other large firms, and source of replenishing the economy with new ideas, key source of government revenue and a strategic initiative towards poverty alleviation. Therefore their survival is critical, however it is estimated that up to 75% of these SMEs fail within

the first two years of their operations (Kilonzo & Ouma, 2015). A study on SMEs in Nairobi established that 71.2% of SMEs entrepreneurs had observed Kenyan SMEs face problems in attracting and retaining skilled labour hence impeded their growth (Nyagah, 2013).

Despite high failure rate of SMEs in Kenya mostly due to employee turnover, local studies have largely focused on employee turnover on large corporations as opposed to SMEs (Magero, et al., 2014). These include banks (Amiani, 2014; Ndung'u & Omondi, 2015), insurance companies (Gachanja, 2004; Wangui, 2015) and manufacturing firms (Njoroge, 2007; Mwangangi, 2014). Therefore, the study examined the determinants of employee turnover among Small and Medium Enterprises in Nairobi central business district to bridge the existing knowledge gap.

1.4 General Objective

The general objective of the study was to examine the determinants of employee turnover among Small and Medium Enterprises in Nairobi central business district, Kenya.

1.4.1 Specific Objective

The study was guided by the following specific objectives;

- i. To establish how organizational related factors influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya.
- ii. To evaluate how training related factors influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya.

- iii. To determine how economic related factors Influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya.
- iv. To examine how motivation factors influence esmployee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya.

1.5 Research Hypotheses

The hypotheses underlying this study include the following;

- i. **H₀₁**: There is no significant relationship between organizational related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya.
- ii. **H₀₂**: There is no significant relationship between training related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya
- iii. **H₀₃**: There is no significant relationship between economic related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya
- iv. **H₀₄**: There is no significant relationship between motivation factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya.

1.6 Scope of the Study

This research is based on the Small and Medium Enterprises (SMEs) Sector in Nairobi Central Business District (NCBD) Nairobi County, Kenya. All the employees working in Small and Medium Enterprises (SMEs) Nairobi Central Business District are

included to contribute to this study. The study adopted the explanatory research design. The target population was 1000 SMEs in Nairobi central business district. The sample size of the SMEs was 286 SMEs. The unit of observation was managers, supervisors and subordinates & technical staffs. From each of the categories of the SMEs, the researcher used stratified random sampling to pick one manager, one supervisor and one subordinate & technical staff. Therefore, the sample size was 858 employees. The study was conducted between February 2019 and January 2020.

1.7 Justification and Significance of the Study

Available literature portrayed SMEs as vital entities in the Kenyan economy. SMEs are the main source of job creation. SMEs form a key strategy in receding poverty levels and reduction of income disparities in Kenya which significantly contributed and augments achievement of Kenya Vision 2030. Irrespective of the broad economic viability spectrum of SMEs, a couple of challenges preclude their continuity beyond two years. One of the salient challenges was labor turnover which was concomitant to reduced organizational performance; loss of organizational knowledge; demoralized remaining employees; and anticipated increased costs of hiring new employees. It was noteworthy to comprehend the factors that significantly influenced employee turnover among SMEs. Understanding of these factors would markedly contribute to design and adoption of effective pre-emptive measures. Hence, this study was crucial in eliciting helpful information in creation of policy prescriptions to stem and/or reduce the turnover in order to assure sustainability of SMEs.

Managers in SMEs are experiencing turnover that to them is running out of control. They are available to tell exactly why employees are leaving their organization to other organizations in the same sector or out of the sector. It is hoped that the information gathered will go a long way to aid the endeavors to alleviate this problems and for

adoption of framework which will be used to steer development of efficient and effective organizations with and without the Small and Medium Enterprises in Kenya. To the management of the Small and Medium Enterprises the findings and the recommendations of the study will be quite useful as they will no longer base their managerial decisions, methods and actions on employees personal experiences subjective to judgment or intuition but on concrete knowledge of factors affecting employee turnover as supported by research findings. This will help alleviate the problem of employee turnover and the attendant costs thus helping achieve efficiency and effectiveness leading to sustainable competitiveness of the Small and Medium Enterprises. The researcher hoped that the study will form a basic for further research on controlling employee turnover in the Small and Medium Enterprises sector and other sectors. This will lead generation of new ideas for the better and more efficient management of Small and Medium Enterprises and those in other sectors in Kenya and the rest of the world. The findings of this research would add to the body of knowledge on employee turnover in the Small and Medium Enterprises sector. The study findings would be useful to future academicians and researchers as it would be source of empirical literature and referencing material on employee turnover collection.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This chapter presents a review of empirical literature on factors influencing employee turnover in Small and Medium Enterprises at Nairobi Central Business District in Nairobi County. These determinants are organization factors, employee training and development, and economic factors employee motivation. The chapter also presents the theoretical frame work of the study, conceptual framework and the research gaps for further study.

2.2 The Concept of Employee Turnover in Small and Medium Enterprises (SMEs) in Kenya

2.2.1 Concept of Small and Medium Enterprises in Kenya

The importance and contribution of SMEs to achieving macroeconomic goals of nations, especially in developing nations, has attracted the attention of scholars in the entrepreneurship discipline in recent years (Shelley, 2004). A complex global environment in which SMEs survive, grow and thrive is, therefore, considered an important objective of policy makers in both developed and emerging economies around the world. SMEs are generally known for their labour intensive activities and also for their use of local resources. Support for SMEs is a common theme because it is recognized that SMEs contribute to the national and international economic growth. According to the MSE Baseline Survey (GoK, 1999), the sector employed 2.4 million persons. This increased to 5.1 million persons in 2002 as per the 2003 Economic Survey and translates to 675,000 jobs per year.

The level of employment within Micro and Small Enterprises (MSEs) in 2002 accounted for over 74.2% of the total number of persons engaged in the country. This

is evidence that, with proper development strategies, the sector is capable of providing and surpassing the government's target of creating 500,000 jobs per year. Small enterprise baseline survey; Central Bureau of Statistics (Central Bureau of Statistics, 2004) also indicates that there is high rate of failure and stagnation among many start-up businesses. The survey reveals that only 38% of the businesses are expanding while 58% have not added workers. According to the survey, more enterprises are most likely to close in their first three years of operation. This is confirmed by the recent study conducted by the Institute of Development Studies (GoK, 2008) University of Nairobi which used a sample of businesses operating in Central Kenya.

This study revealed that 57% of small businesses are in stagnation with only 33% of them showing some level of growth. According to Kenya Economic Survey (GoK, 2008) , out of the total 543.3 new jobs created in Kenya in the year 2009, Micro, Small and Medium Enterprises (MSMEs) created 426.9 of them. This was 89.9% of the total new jobs created in Kenya that year. In the same year, the sector contributed KSh. 806,170 million of GDP which is 59 percent of total Gross Domestic Product (GoK, 2009).

The Kenya economic survey (2010) notes that this same sector generated 390.4 thousand new jobs which translated into 87.6 percent of the total jobs generated in 2009. Most countries, Kenya included, cluster Small and Medium Enterprises based on employment (Sessional Paper No. 2, 1992). Sessional Paper No. 2 of 1992 and national baseline survey (1999), cluster enterprises in the following order; micro enterprises- 1-9 employees, small enterprises 10-49 employees; medium enterprises 50-99 employees, large enterprises -100 and above (GoK, 1992). According to the Economic Survey (GoK, 2012), the SME sector contributed 79.8% of new jobs created in the year 2011 in Kenya. Consequently, the Kenya's development plans for the 1989-1993;, 1994-1996

and 1997-2001 periods put special emphasis on the contribution of small and medium size enterprises in the creation of employment in the country (GoK, 1989; GoK, 1994; GoK, 1999).

Job creation in this sector went up by 5.1 percent in 2011. Analysis by province shows that Nairobi County recorded a 5.4 increase (GoK, 2012). According to the sessional paper No.2 of (2005), SMEs have high mortality rates with most of them not surviving to see beyond their third anniversaries. This indicates that SMEs have inherent problems either in their internal environment or from the external environment that makes them fail.

2.2.2 Employee Turnover in Small and Medium Enterprises (SMEs) in (NCBD) Kenya

Globally, the debate for privatization of state corporations has become a global issue in recent years. The debate has come in different forms with different interpretations such as deregulation; increasing the role of Government in the financing of enterprises); private ownership of the funding and management of enterprises and the private investment with focus on cost recovery (Akoptu, 2009) The heavy burden of ever-increasing government expenditure on Enterprises in both developed and developing nations no doubt necessitated the debate.

Small and Medium Enterprises have become a reality and have been growing around the world together with globalization. Even in the centrally planned countries of Eastern Europe, France and the egalitarian Germany; former Soviet Union, China, Mongolia and Tanzania; where the culture of private ownership of enterprises was alien; the wind of globalization and market reforms have reverted the situation(Tinker, 2008). According to Mwebi and Simatwa (2013) China, although a one-party ruling system; the state has deliberately retreated from its role as a welfare service provider and has

been gradually transferring the responsibility of providing employment services to the local level, the community level or even to individuals through the notions of decentralization and marketization.

Globally, employee turnover is a much studied phenomenon but there is no universally accepted account for why people choose to leave organizations (Linkman, 2013). Voluntary turnover is of interest because in most cases, this represents the bulk of turnover within an organization. These turnover represent a significant cost, both in terms of direct costs (replacement, recruitment and selection, temporary employee management time) but also, and indirect costs (morale, pressure on remaining employee, costs of learning, product/service quality, organizational memory) and the loss of social capital. Although there is currently no accepted framework for understanding the turnover process as a whole, a wide range of factors brings about employee turnover namely job satisfaction, labor market variables, various forms of commitment, equity, psychological contract (Clarke, 2010). It should not be assumed that turnover is necessarily a bad thing or that retention for its own sake is inevitably positive; some degree of turnover is inevitable and perhaps desirable, although high rates of turnover can be costly to the reputation of an institution and to the quality of instruction (Tettey, 2006).

In this definition, dysfunctional turnover occurs when an organization loses good performing employees, whereas functional turnover results from the loss of poor performing employees. Functional turnover is a positive development to an organization since it gets opportunity to invigorate itself by finding a more capable substitute. There is a growing global interest in matters of recruitment and employee retention in Small and Medium Enterprises

Research has demonstrated that the quality of employee in an organization has a direct influence on its organizational effectiveness (Du Toit, Erasmus & Stardom, 2008). Growth in global mobility and shifting demographic profiles, means recruiting and retaining talented and knowledgeable lecturers and researchers is an ever-increasing challenge. These trends have engendered a more strategic approach to human resource management across the Small and Medium Enterprises

Africa is losing significant numbers of fundamental resource in socio-economic and political development (Tettey, 2006). As the processes of globalization take shape, it is becoming abundantly clear that full, effective, and beneficial participation in the world that is emerging will depend on the ability of societies to build and take advantage of their human resource capabilities. In all Small and Medium Enterprises in Africa are confronted with the tremendous challenge of identifying, recruiting and retaining high caliber employee, particularly lecturers. These trends have engendered a more strategic approach to human resource management across the higher education sector (Kubler & DeLuca, 2006). External labour turnover comprises of two aspects, voluntary and involuntary turnover.

Involuntary turnover, best known as quitting occur when the employees leave the company for their own reasons. Though turnover in most case seen to be to the detriment of the company, literature has identified turnover to be both functional and dysfunctional (Clarke, 2010). Some turnover can prove to have positive consequences, such as having poor performing employees voluntarily quit, leaving room for better performing employees .Metcalf (2005) reported that academic employee recruitment and retention are affected by the whole employment package (the rewards and benefits of the job) relative to other employment.

This cost is calculated conservatively at 30% of an employee's annual salary and for those employees whose skills are in high demand; the cost can rise to two-thirds of their annual salary (Netswera, 2005). However, other studies have found the replacement costs of lost talent to be between 70% and 200% of the lost employee's annual salary (Lavania, 2011). Crawford (2005) stated that in order to retain employees, leaders need to managing people and not retention; have a culture of caring balanced with a tradition of excellence; never soliciting employee feedback and then ignore it; keep an eye on the high performers and rewarding outstanding performance; view people management as a strategic management issue and be relentless in pursuit of continuous improvement.

2.3 Key Indicators of employee turnover in an organization

Most managers think that the cause of employee turnover in their department is directly linked to money. Although money is important, research conducted by Gallop suggests that of those who quit their jobs, about a third (32%) choose to leave for career advancement or promotional opportunities, while only 22% cite pay and benefits. One in five employees (20%) head for the door because of lack of fit into their role and 17% leave because of management or the general work environment. Managers have influence over most of these reasons, however, they fail to see them or are resistant to making changes in order to reduce employee turnover. Managers need to become more sensitive to the signs and signals to look for when trying to gauge the potential for employee turnover in their departments. The following is a list of predictors compiled by Gallup research that managers should watch for as indicated by Agyeman and Ponniah (2014).

2.3.1 Demographic

Demographic variables act as strong predictors of turnover intentions. They are easy to measure as well. Marital status: people who are married are less likely to switch jobs

compared to people who are not married (Katua, 2014). This is most likely due to extra responsibilities that marriage brings along. Kinship responsibilities: The level of kinship responsibilities people experience influence their willingness to switch. This is probably because higher responsibilities discourage taking risk. Children: In line with the previous two factors, children bring a greater responsibility as well. People with children are less likely to switch jobs. Age: We have all read that Millennials are hard to please and engage and switch jobs frequently (June & Mahmood, 2012). However, this is not necessarily specific to this age group. In general, age is negatively associated to turnover intention. This means that younger people tend to leave their jobs more frequently than older people.

The single biggest indicator of turnover is tenure. People are for example much more likely to leave in their fourth or fifth year, compared to their very first year. People simply do not want to be seen as job-hoppers, so they tend to work at least a few years at the company. When people work for a company a very, very long time, they are less likely to ever work for another company. How to measure demographic variables: Demographic information is in general easily accessible through an organization's Human Resource Information System (Fatoki, 2014).

2.3.2 Stress

Stress makes people leave their jobs. Highly stressful environments usually involve more turnover than environments with less stress. Stress factors explain up to 9% of turnover. Indicators are: Role clarity: clearly defined roles give people more support and lead to less stress. Role conflict: a role conflict happens when a person is expected to fulfill the duties of two contradictory positions (Kamunge, Njeru & Tirimba, 2014). Role overload: employees need a set of resources (e.g. time, autonomy, budget, coaching, career opportunities) to cope with his/her role in a company. Role overload

happens when the employee has insufficient resources and a taxing role. This causes stress and prompts people to leave. How to measure stress: Job descriptions may give information about role clarity. In addition, when someone temporarily takes over the position of his/her manager, it is likely that there will be a role conflict (Idris, 2014).

2.3.3 External environment

People constantly compare their situation with that of others. This also holds true for people's jobs. Alternative job opportunities: people are less likely to leave when there are few alternative job opportunities. Comparison to the present job's alternatives: even when there is a multitude of alternatives, people are still less likely to leave when their job is better than the alternatives out there (Hài, 2012). Their job thus becomes a golden cage. However, when the alternatives are superior – and when the grass really is greener on the other side – people are more likely to leave.

How to measure external environment: Some of the specialized Human Resource consultancy firms have access to large amounts of detailed function data. This data gives a relatively accurate description of the demand for a certain job. People with popular jobs can more easily find an alternative job, have more alternatives and are more likely to be approached by recruiters (Amamo, 2005). By matching the job functions at your company with their respective databases you can estimate which employees will be most tempted to switch.

2.3.4 Work and job satisfaction

Job satisfaction: job satisfaction is a much used measure in surveys to see how satisfied people are with their jobs. Job met expectations: an important element of happiness with one's job, is whether or not the job meets the expectations people had before they started (Alnaqbi, 2011). When people expected to have more responsibilities or more

freedom than they actually have, they are likely to leave. When expectations and reality are really misaligned, people might even leave within a few months. Job involvement: this is about a person's level of involvement in their job. When a job matches a person's interest and he/she feels actively involved in the job, the person is more likely to stay (Trueman, 2010). Work satisfaction: where job satisfaction focuses more narrowly on one's job, work satisfaction looks at a person's work from a broader perspective. Job satisfaction and work satisfaction are very similar. How to measure work and job satisfaction: satisfaction is subjective. In order to accurately measure work and job satisfaction, you can use surveys (Tremblay & Karine. 2005). Alternatively, these variables are often also measured in engagement surveys.

2.3.5 Compensation

Compensation is often seen as an important predictor of why people leave. However, this is not always true. In fact, pay is a non-significant predictor of turnover intention. People are more likely to switch jobs when a colleague or friend with the same job earns considerably more (Bryman & Bell, 2015). In other words: it is not the de facto pay that matters, but the person's satisfaction with this pay. Distributive justice: the same holds true for distributive justice. When a manager with only a few extra responsibilities earns two or three times more than other employees, workers will feel demotivated and will be more likely to leave their job (Amamo, 2005).

How to measure compensation: you can benchmark payment data with market data to find a pay-comparison. When someone is underpaid, he/she will be more likely to be dissatisfied and leave (Amiani, 2014). Benchmark data may give you an indication about whether you under- or overpay your employees.

2.3.6 Organization Stability

A Sign of organization's stability or instability is one factor among many other factors responsible for the strength of employee turnover by level of employee satisfaction. The dependability signature highlights there is a sign that employee can stay with the organization for a long time period. On the other hand, if the organization is inconsistent or unstable in attaining its goals and objectives, then the same process can be disgusting as well (Zuber, 2001). Organizations that are experiencing a high level of ineffectiveness or instability can have high levels of employee's turnover rate (Alexander & Nuchols, 1994).

2.3.7 Salary Scales

Salary has a true alliance between employers and employees that help the organizations to apprehend and view decisions which assist in achieving the preset plans and objectives. Though, the idea of paying the employees is divided into two sections, one is external equity and second one is internal equity. External equity means those employees who are waging similar depending on their position, though the organizations may be different. It can help the organizations retain and magnetize its employees.

2.3.8 Industry

The industry itself is surrounded by one of the causes which relate various dependent aspects that can impact employee's turnover rate in the organization. Several research studies have been conducted explaining various dimensions as market reflection, economic factors which are related to that industry as well as long term industry future aspect. (Taplin, Winterton & Winterton, 2003) conducted a research on British industry of clothing concluded that various aspects having an impact on employee turnover of the organization where those that had a direct influence on that industry.

2.3.9 Working Environment

Employment status is the most conventional issue which is recognized to be the main issue for the employee's turnover. According to the faith of some consultants, the most essential influence on employee satisfaction associated with the work is the character of the work itself, which is the inherent characteristic of work as it is the most critical aspect of the financial executing individual life (Judge & Watanabe, 1994). Employee self-satisfaction associated to the job characteristics highlights some important factors as job challenge, scope of work, the diversity of work and job retention are other ground aspects which finally varies from person to person depending upon their environment and approaches (Houghton, Boston & Ferris, 1987).

2.3.10 Training and Supervision

Employees always need direction and guidance. Those who are newly recruited need extra guidance in learning different jobs. Likewise, absence of training programs may cause employees to fall behind their performance level and realize that their skills are missing (Ibrahim, Usman & Bagudu, 2013). Chiang and Back (2005) concluded that employee turnover has a direct relationship with employee satisfaction and employee satisfaction has a direct relationship with training. This shows that job satisfaction has a significant relationship with an employee turnover rate. On the other hand, the quality of training programs provided to the organization's employees shows an indirect relationship with an employee's plan to remain or give up the organization. He recommended that training of employees' is the main root for the success of an organization.

The employee's turnover rate could be reduced by training the employees' and to keep talented people with them. Kenya's Small and Medium Enterprises (SMEs) sector is facing the problems of employee retention as rate of employee turnover is rising

alarming. Now a day's retention of employees in Small and Medium Enterprises (SMEs) sector is becoming very difficult. No organization can be successful in any sector until and unless the strategies are adopted by the management to reduce the turnover rate efficiently and effectively (Aiza & Abdus, 2013).

2.4 Theoretical Framework

The study was anchored on three theories namely Human-Capital Theory, Theory X and Theory Y and Hierarchy of Needs Theory.

2.4.1 Human-Capital Theory

Schultz proposed the human capital theory in 1961 (Schultz, 1961) and Becker further developed the theory in 1964 (Olaniyan & Okemakinde, 2008). According to the theory, employees in the organization are essential and determine performance and productivity. The theory further postulated maintaining employees sometimes is costly in some situations such as the provision of education and determining motivation factors (Nafukho, Hairston & Brooks, 2004). The theory also articulates that Organization maintains very motivated personnel and talented workforce who will feel to be part of the Organization hence increasing the overall performance when there is a transition of power within the Organization (Schultz, 1961).

However, there are several criticisms to the theory. The theory did not take into consideration the process of transfer of the learning and how costly it will be to the Company (Sweetland, 1996). Also, the motivation of employees through rewarding, giving out gifts, offering non-monetary rewards such as recognition does not necessarily mean the employees will improve the performance since capabilities are different within the organization and they can find other avenues paying a higher amount of money than the current working organizations since the fundamental reasons

for working is to get satisfied through increment of salaries and bonuses (Polachek, 1981).

Furthermore, the theory was relevant to the study and gave ideas as to why the company should consider motivating employees within the organization. The organization should establish a mechanism that will promote the employees and encourage them to work harder and improve their performance. The theory clearly postulated that the approach of motivating workers leads to an improvement in employee performance, which may lead to improved productivity thus lowers the employee turnover.

2.4.2 Theory X and Theory Y

The proponent of this theory is McGregor (1960). This theory explains two conflicting observations of people at work that will influence management style. adopted by different managers according to their view of workers. Theory X is perceived as Theory X and Theory Y represent two extremes of motivation spectrum which inform the style of leadership a traditional view of direction and control. It stipulates that employees are inherently averse to work and must be constantly motivated from external sources and that people have to be directly supervised, coerced, controlled and directed to ensure the organizational objectives are met and that the threat of punishment must exist within an organization for the organizational goals to be achieved. It also suggests that people are generally unambitious and will try to avoid responsibility as much as they can.

Managers who adopt this perspective believe that a hierarchical structure is needed with narrow span of control at each and every level. Theory Y on the other hand has it that employees are motivated, keen to take greater accountability and apply both self-control and direction and that find fulfillment in striving to attain goals. Employees view work as natural as play. Theory Y assumes that under the acceptable conditions

the people will not only take responsibility but also look for more, and the lack of ambition and the qualities of Theory X are not in any way innate human characteristics but are values learned in working environments that suffocate or do not promote theory Y behaviors. Managers who adopt this theory allow self-direction and delegation of duties (Barney, 1990).

In as much as the theories are known to work, they still have their share of weaknesses. McGregor sees these two theories as two quite separate attitudes. Theory Y is difficult to put into practice in large mass production operations. It can only work in managing of managers and professionals in small businesses. Also, it is part of the manager's job to exercise authority, and there may be cases in which this is the only method of achieving the desired results when dealing with subordinates who may not agree that the ends are desirable which then calls for adoption of theory X over theory Y. Neither theory X nor theory Y is better than the other (Blase, Charlier, De Vita & Car, 1997).

The appropriateness of any of the two theories depends on the work circumstances and the specific employee being dealt with. McGregor was of a view that managers who want to achieve a competitive edge should adopt the perspective of theory Y and shun the dictates of theory X because there are situations where it is possible to obtain commitment to objectives, after the matter has been fully explained to the employees so that they may grasp the purpose or the result of an action.

2.4.3 Hierarchy of Needs Theory

The proponent of this theory is Abraham Maslow (1954). Maslow's theory is modeled on three basic assumptions. The first is that people must satisfy needs in the lower level before moving on to the needs in the next level of the hierarchy. Secondly, behavior (or motivation) is only stimulated by unsatisfied needs and the third is that human needs

range from the very basic to the most complex. He postulated that when a need occurs, motivational tension develops and is directed towards satisfaction of the felt need. According to this theory, individuals experience five levels of needs namely physiological needs, safety and security needs, social needs, self-esteem needs and self-actualization needs. Physiological needs include basic and essential needs, sometimes called biological needs. These include heat, light, food, shelter and clothing. These can be directly satisfied by compensation. Once the physiological needs are met, safety and security needs become a motivational factor. Such needs include the need to protect oneself from danger, threat, harm, injury, loss or deprivation.

These needs include an employee's need for job security, seniority, safe working conditions, benefits, insurance and retirement plan, and severance pay. After safety and security needs have been satisfied, the individuals are motivated by social needs. These include the need for companionship, love, and belonging both inside and outside. In organization, such needs may be met through formal and informal work group, teams, and company-sponsored activities. After meeting the social needs, an individual turns to self-esteem needs. Self-esteem involves an individual's sense of worth, self-respect, accomplishment, achievement, maturity, competence and independence. In organizations, esteem needs include recognition, reputation, praise, status and responsibility. Once the other four levels of need have been satisfied, individuals now focus on self-fulfillment. They seek to realize their full potential both personal and professional life. Employees now seek challenging and creative jobs. (Pieter, et al., 2006).

This theory is plagued by a number of criticisms. Cianci and Gambrel (2003) say that the needs and drives of those in individualistic societies tend to be more self-centered with focus on improvement of the self and self-actualization being the apex of self-

improvement. However, in collectivist societies, the needs for acceptance within the society (social needs) outweigh the needs for individual improvement and self-actualization. Maslow's hierarchy of needs theory fails to illustrate and expand upon the difference in priority of the social and intellectual needs of those raised in individualistic societies as opposed to those raised in collectivist societies

2.5 Empirical framework

2.5.1 Organizational effects on employee turnover in Small and Medium Enterprises (SMEs)

Kevin, Loan-Clarke and Wilkinson (2008) indicated that in the 21st century organizations are faced with continuous and rapid pace of change, volatile free market economic environments, rapidly changing technologies, global competition, workforce diversity and new organizational structures which are also organization's challenges. Organizations may differ in the priority they attach to the human resource component, in their efforts toward achieving high productivity and competitive advantage, yet they all recognize the value of a qualified, motivated, stable, and responsive team of employees (Olusegun, 2012).

According to Tella, Ayeni and Popoola (2007), the management of people at work is an integral part of the management process. An effective organization ensures that there is a spirit of cooperation and sense of commitment and satisfaction within the sphere of its influence. In order to make employees satisfied and committed to their jobs in tertiary colleges, there is need for strong and effective motivation at the various levels, departments, and sections of the SMEs. Trueman (2010) stated that if organizations introduce change and experience a resultant increase in turnover, it is important for them to be able to identify whether this change is typically avoidable or unavoidable in order to manage it effectively. Determining this will enable to manage better the

tradeoff between attending to the competitive context on the one hand, and maintaining internal capability on the other.

Machethe (2011) stated that during the last decade, employee retention has become a serious and perplexing problem for all types of organization. Managing retention and keeping the turnover rate below target and industry norms is one of the most challenging issues facing businesses. Thus, employee turnover is a major organizational phenomenon. Labour turnover is important to organizations, individuals and society. Akrani (2010) reported that from the organizational perspective, employee turnover can represent a significant cost in terms of recruiting, training, socialization and disruption as well as a variety of indirect costs. Given the significance of turnover, it is important for the manager to be able to analyze, understand and effectively manage employee turnover. A happy worker will always make an organization to prosper in terms of production, service and costs.

Martin and Roodt (2008) reported that organizational commitment has evolved as a wide range of types like engagement, attachment, commitment and involvement within a wide spectrum of work, job, career, profession, occupation, organization and union. Despite the lack of consensus on the various definitions, conceptualizations and measurements, a common theme is shared across all these deviations, namely that organizational commitment is considered to be a bond or linkage of the individual to the organization. They further said that the growth in the commitment related concepts has not been accompanied by careful segmentation of commitment's theoretical domain in terms of the intended meaning of each concept or the concepts' relations among themselves.

The state of commitment is not only separated from its antecedent and consequential conditions and behaviors, but also from its related affective and conative components that are also present in other widely used constructs, such as job satisfaction and turnover intentions respectively. Simon and Hinkin (2001) observe that organizational instability has been known to have a high degree of high turnover, and that employees are more likely to stay where there is a predictable work environment and vice versa. In addition, Ogoshi (2006) also posited that in organization where there was a high level of inefficiency; there was also a high level of employee turnover. This means that organizations which are not stable, employees tend to quit and look for placement in stable organization where they can predict their career development.

Employees have a strong need to be informed and organizations with strong communication systems capable of creating awareness to their employees on information required by them tend to enjoy low turnover of employee (Lee, 2006). Employees feel comfortable to stay longer in positions where they are well informed on pertinent issues concerning the organization and their welfare. Employees need to fully understand the issues that affect their work (Johnson, 1986). Griffeth, Hom and Gaertner (2000) noted that pay and pay-rated variables have a modest effect on turnover.

2.5.1.1 Organizational Justice

Employees' perceptions of justice influence many key organizational outcomes such as motivation and job satisfaction which results in employee turnover. Many scholars favour organizational justice dimensions with regard to employees' satisfaction, commitment toward the organization and the intent to turn over. Akova, Cetin and Cifcin (2015) established that in hospitality and tourism management, job satisfaction, organizational obligation and turnover intentions are the results of organizational

justice dimensions. According to Alvesson and Sveningsson (2015), contrary is true, that there exists a negative relationship between turnover intention and both procedural and distributional justice.

The perception of organizational justice has an influence on work outcomes and a low degree of turnover intention was observed on employees who showed positive feelings towards procedural and distributive justice. Scholars of organizational behaviour have studied organizational culture with many different definitions and paradigms, and from a variety of employee related variables. Organizational culture has been explored as it relates to job satisfaction, organizational commitment, productivity, and turnover intention (Alvesson & Sveningsson, 2015). The purpose of this paper is to contribute to the literature by exploring organizational culture in the context of job satisfaction and employee turnover intention.

2.5.1.2 Organizational Culture

Organizations having a culture of providing challenging job reduce employees' burnout and thus diminish their turnover intentions from job, organization, and occupation. Additionally, organizations providing a culture of innovation also have a decreased number of employees who intend to quit the organization (Hogan & Coote, 2014). A study by (Hülshager, Alberts, Feinholdt & Lang, 2013) also established that job satisfaction strongly and inversely influences intention to leave the organization for employees in the fitness industry and that the dimensions shown to impact job satisfaction, atmosphere appeared to be most meaningful. They concluded that a positive and friendly workplace is an important indicator of job satisfaction and low employee turnover rate.

The strength of the relationship between job satisfaction and turnover is dependent of the level of cultural satisfaction in the workplace. According to (Hogan & Coote, 2014), employees are likely to assess elements of job satisfaction more precisely when the workplace culture is harmonious and supportive. In this way, the components of culture, such as respectful treatment at work, are viewed as antecedents to job satisfaction.

2.5.1.3 Organizational Structure

The principles of specialization and division of labor by the top management, is a good strategy as noted by O'Neill, Beauvais and Scholl (2016), which can work well with better coordination between the different components in the organization. Even with experts of different fields it is difficult to perform well, outwit your competition, increase market share and customer growth; if there is no coordination. Straus (2018) stated that poor coordination of activities, processes and people in a firm is a recipe for continuous and unending conflicts within the workplace. And of course, the conflicts mean no output is being done leading to wasting of resources at the work place. Strategic leadership a key cornerstone in aligning the leadership structure to formulated strategy to ensure that the strategy implementation process runs smoothly.

Ndunge (2014) argues that in any circumstance where leaders strife to operationalize a new strategy without passing the changes throughout the prevailing organization structure, they are bound to fail. In order to ensure a competitive position, firms need to align their internal organizational structure with the business strategy. Ensuring a conducive structure exists is a prerequisite for a more productive workplace environment because of its ability to improve teamwork and communication among employee (O'Neill, et al., 2016). The employee will also be motivated to creatively think on how to improve the existing processes for timely delivery on their duties. Poorly designed organization structure may result in pursuit of inconsistent strategic

goals hence reducing any chances of emerging competitive in a highly competitive operating environment (Straus, 2018).

2.5.2 Training effects on employee turnover in Small and Medium Enterprises (SMEs)

2.5.2.1 Employee Training effect on Employee turnover

Olaniyan and Okemakinde (2008) stated that formal education and training is highly instrumental and an imperative to improve national production capacity, in particular that an educated population is a productive population. Metcalfe, et al (2005) observed that human resource managers and heads of department do not always have the skills needed to develop employee and apparently many heads of department did not see employee development as one of the responsibilities of their post.

Opportunities for training and development are among the most important reasons why employees stay especially young and enthusiastic ones (Ng'ethe, 2012). It is however instructive that training must not be conducted for its own sake, but must be systematic and procession, hinged on effectively administered performance appraisals, identification of training needs, and establishment of a competence framework that addresses organizational goals. According to Andrew, Bankole, and Olatunde (2000), Lack of employee have lead to decline of employee quality which has led to obsolete research facilities tertiary institutions. Laboratories are not well-equipped or are practically non-existent. Computer science courses are sometimes offered without computer laboratories, let alone Internet connectivity. Libraries have become archives of stale, archaic, and irrelevant materials.

Adeyemi and Uko (2004) posit that there is no gainsaying that curriculum planning and physical expansion without adequate and sustainable human and material resources

would definitely fail to produce the desired results. The ability of Small and Medium Enterprises to produce quality employees depends largely on the quantity and quality of management standard of the organization. Ayodeji (2002) reported that, Managers adequacy is a function of many factors, which include funding, employee recruitment over time and employee turnover.

2.5.2.2 Participation and Involvement

Employee involvement and participation is a process for empowering employees to take part in training and development decision-making and improvement activities appropriate to their levels in the organization. Since McGregor's Theory Y first brought to managers the idea of a participative management style, employee involvement has taken many forms, including the job design approaches and special activities such as quality of work life programs. Involving employees in the education and training contributes very effectively to developing the learners' skills and knowledge and to preparing them for their duties. The employees are able to identify more precisely the skills and behaviors that are needed to perform effectively at work and the employers are more effective in supporting learners to develop these skills (Wilson, 2005).

2.5.2.3 Work Performance

Training effects on behavior of employees and their working skills which resulted in enhanced employee performance and further constructive changes that serves as increase employee performance (Kraiger, 2002). Technical and professional skills are very important for the employees to perform a job in an effective way. Providing training opportunities to employees can enhance the performance of the employees. Reference to invention, training increased the educated mechanics to figure up two Jeep bodies using only a homemade hammer, chisel, and oxyacetylene welder. Concerning to implicit skills and the profession of a mechanic needs "feel" to remain successful.

Barber (2004) described in the result of an effective training that a mechanic had worthy emotion of how to hit the metal at the particular spot so that work must be performed in a systematic and proper way. Saleem (2011) notes that training and development enhances job satisfaction and productivity for organizations because the employees know what is expected of them as they are also equipped with the knowledge and tools to perform their jobs efficiently. Training is a type of activity which is planned, systematic and it results in enhanced level of skill, knowledge and competency that are necessary to perform work effectively.

2.5.2.4 Reward and Recognition

Employees understand that training can lead to superior duties and higher remuneration (Fenn, 1999). After communicating what is expected of employees to learn and how doing so will not only serve the business, but how it will also help them grow and prosper on a personal level, it's time to reward the employees for putting that new skill to work, base pay, incentives and benefits.

Rewards and recognition programs keep high spirits among employees, boosts up their morale and create a linkage between performance and motivation of the employees. The basic purpose of recognition and reward program is to define a system to pay and communicate it to the employees so that they can link their reward to their training which ultimately leads to employee's job satisfaction. When we recognize and acknowledge the employees in terms of their training, their working capacity and performance is very high. In today's dynamic environment the highly motivated employees serve as a synergy for accomplishment of company's goals, business plans, high efficiency, growth and performance (Hogan & Coote, 2014).

2.5.2.5 Career Growth

Employee development is important for any organization to stay solvent and competitive in the market. Though it is expensive for the organization to spend the money on their employees but this investment is positive for the organizations to hold the place in the market. American Society for training and development mentioned two motives that are significant for employee's knowledge, first employees identify the worth of training and marketable by organization and second Chief Executive Officers of the companies understand that how fast information is transferring in current business environment (Fenn, 2000).

Organizations are required to develop and maintain such learning environment for the employees that expand the knowledge of organization and competitive ability. However, employee training is derived through a high price but have a positive impact on return-on-investment. Microsoft, and General Electric Company are entirely large effective organizations, and these organizations realize training opportunities as an investment described in his study that American Society for training and development found an association between financing in employee development and higher revenues from stock market. Organizations can utilize employee training and development to improve their appearance as best employer in the job market (Greengard, 2000).

2.5.2.6 Job Satisfaction

Employees have no feeling about their organizations, if they think that their organizations are not caring about them while the companies which are willing to spend money on their employees give value to work even though that investment eventually benefits the organization (Wilson, 2005). Companies which are providing the training and development for their employees are achieving high level of employee satisfaction and low employee turnover. Training increase organization's reliability for the reason

that employees recognize their organization is spending in their future career despite the matter that loyalty with the organization cannot be calculated but it is substantial to intrinsic reward that employee feel.

Employees feel comfortable, motivated and wants to stay with their organization, when they feel they are putting their efforts and skills in the bottom line for their organization. Employees, who are satisfied with their jobs, believe that their work has a purpose for their organization and usually being the best performers do not leave a job for the purpose of financial benefits. Though salary and benefits plays an important part in selecting and retention of the employees, employees are always observing the opportunities to acquire novel skills, to get the encounter of different duties, and looking for personal and professional development and therefore nourishing these requirements facilitates in figure up confidence, self-esteem and job gratification in employees(Nunn, 2000).

2.5.3 Economic Effect on employee turnover in Small and Medium Enterprises (SMEs)

2.5.3.1 Economic Effect on employee turnover

Netswera (2005) stated that irrespective of salaries, some employee members would opt to work for particular organizations because of their perceived reputation and relevance of their experiences in the job market. Employees who are creative, self-motivated and energetic require stimulating work opportunities, personal challenge, growth and a contributing stake in the organizational action. If workers find that their jobs no longer provide these necessities, they will decide they are no longer suitable and will leave for a job that will meet their new challenges (Kjerulf, 2007).

Management's role in governance of the organisation is revealed to be a critical area of organization performance. Most managers and supervisors think that they can keep good employees with money. Research suggests that 89% of managers truly believe it is largely about money. These managers put the responsibility for keeping key people squarely in the hands of their finance departments (Netswera, 2005). The cause of brain drain is driven by such concerns as economic constraints, political turmoil or intolerance, as well as social and psychological pressures (Nunn, 2005).

Industrialized countries are attractive to many professionals from poorer countries because of promise of economic success or political sanctuary. In the face of skilled labor shortages, developed countries are devising subtle strategies to address the problem with commensurate injections of professionals from other parts of the world. Among countries that have put in place incentive policies that specifically target such professionals are Canada, Australia and the United Kingdom (Tremblay, 2005). Thus in all Organization for Economic Co-operation and Development (OECD) countries, the proportion of skilled immigrants originating from low-income countries has increased, especially in North America, with a notable increase of highly-skilled immigration from Asian countries (Docquier & Rapoport, 2005).

The average ratio of expenditure on Small and Medium Enterprises per employee in Africa in 1995, which was about five times the global average of 77 percent of GNP (Gross National Product) per capita the financial cost of emigration to these countries is enormous (Lucas, 2005). In Ghana, the vacancy rates for doctors increased from 43% to 47%, between 1998 and 2002, while the rates for registered nurses catapulted from 26% to 57% during the same period, mainly due to emigration (Walsh & Oshea, 2010).

Docquier and Rapoport (2005) indicated that African professional migrant at \$184,000 is probably closer to the loss that the continent makes per individual, taking into account the investment that went into their training and the spin-offs that that investment could have generated.

In addition to directly contributing to socio-economic development, skilled labor injects other multiplier effects or externalities that are critical to the overall progress of their societies. These include paying taxes, the synergies that are derived from working with each other, providing significant complements to the productivity of low skilled workers particularly in the context of developing countries and attracting foreign direct investment. In South Africa, the emigration of professionals is estimated to have cost the country about 8.4 billion rand in tax earnings between 1994 and 1997 (Tettey, 2006).

2.5.3.2 Income and Employment

Other important aspects of the economy that affects a business operation are the employment density and rate of income. The per capita income and density of employment determines the rate of demand, density of demand, and also the purchasing power of the people. For example, during an economic upturn, there are employment opportunities which generate income that enables people to possess a stronger purchasing power. On the contrary, as the employment density and income rate go down during recession period, the purchasing power of the people also diminishes (Ndunge, 2014).

2.5.3.3 Recession

During recession, companies face a decrease in sales revenues and profits. To curtail cost, they resort to cutting back on hiring new employees, making capital expenditure,

marketing and advertising expenditures, research and development activities, etc. This not only affects large organizations, but also the small ones which act as vendors to these big companies. Smaller organizations may find it difficult to survive in recession due to lack of financial funds or availability of loans. Also, people may shift their preferences to slightly affordable products during recession or may not spend on luxury items at all. This will also have a negative impact on the demand for these products. Factors like falling stocks, lack of dividends, below par quality, employee lay-offs, bankruptcy, etc. during recession may also affect the business adversely. For example, in 2007, when the banking industry was unable to face the meltdown of the mortgage market, it inadvertently led to a free fall of the stock market and a decrease in consumer spending. It also set into motion a chain of events that resulted into a global recession within a year (Meaghan & Bonts, 2002).

2.5.4 Motivation effects on employee turnover in Small and Medium Enterprises (SMEs)

2.5.4.1 Employee motivation

Olusegun (2012) indicated that motivation is the willingness to exert a persistent and high level of effort towards organizational goals, conditioned by the efforts' ability to satisfy some individual needs. The key elements in this definition are intensity of efforts, persistence, direction towards organizational goals and needs. Aworemi (2011) stated that motivation is the result of the interaction between the individual and the situation. Certainly, individuals differ in the motivational drive, but an individual's motivation varies from situation to situation, from culture to culture.

Iguisi (2009) defined motivation as, the willingness to exert high levels of efforts to reach organizational goals, conditioned by effort's ability to satisfy some individual needs. Tella (2007) stated that motivation and motivating both deals with the range of

conscious human behavior somewhere between two extremes: reflex actions such as a sneeze or flutter of the eyelids; and learned habits such as brushing one's teeth or handwriting style. Along with perception, personality, attitudes, and learning, motivation is a very important element of behavior. Tella (2007) further said that motivation interacts with and acts in conjunction with other cognitive processes. Motivating is the management process of influencing behavior based on the knowledge of what make people tick.

Daft (2014) stated that motivation refers to the forces either within or external to a person that arouse enthusiasm and persistence to pursue a certain course of action. Motivation is intrinsic (internal), it comes from within based on personal interests, desires, and need for fulfillment. However, extrinsic (external) factors such as rewards, praise, and promotions also influence motivation. Motivation is said to be intrinsic or extrinsic. The term is generally used for humans but, theoretically, it can also be used to describe the causes for animal behavior as well.

This study refers to human motivation. According to various theories, motivation may be rooted in the basic need to minimize physical pain and maximize pleasure, or it may include specific needs such as eating and resting, or a desired object, hobby, goal, state of being, ideal, or it may be attributed to less-apparent reasons such as altruism, selfishness, morality, or avoiding mortality. Conceptually, motivation should not be confused with either volition or optimism. The fact that paying attention to workers could improve their behavior was called the Hawthorne effect. As a result of this research, it was evident that employees should be treated in a human way.

These findings started the human relations movement a change in management thinking and practice that viewed increased worker productivity as grounded in satisfaction of

employees' basic needs. Many years later, it was discovered that the workers in the Hawthorne experimental group had received an increase in income; therefore, money was probably a motivating factor, although it was not recognized as such at the time (Hayden, 2007). Dehlor (2006) indicated that workers need to be motivated through avoiding the frustration and tardiness of appointment and promotion processes and foster transparency, by ensuring that they are devolved to faculties, and anchored in a representative committee system at every level. Reconsider the retirement age for employees, at least, as a short term measure to ensure that the institutions are employed by qualified personnel until long term solutions are found.

Small and Medium Enterprises should maintain, non-salary benefits such as allowances and compensations, preferential recruitment for employee and their families, and access to childcare and primary school facilities provided by their organizations. Bushe (2012) indicated that to survive the increasing global competition, expand and maintain its sustainability, Small and Medium Enterprises requires a highly motivated workforce. However, despite management's recognition that motivation is important to the organization's competitiveness and the inclusion of motivation in the strategic planning agenda, little or nothing is done to not only understand employee motivation or retention factors but also commitment to execute those policies and practices that enhances the same. Musah and Nkuah (2012) reported that the greatest amount of motivation is present when people perform tasks that are rewarding, both intrinsically and extrinsically. Extrinsic rewards relate to tangible things that an organization makes available to employees in order to induce or influence their behavior to perform. One of the major criteria for the quality of work life is adequate and fair compensation.

Compensation broadly refers to all the ways in which an organization may reward employees for the services that they render. These rewards could include wage and

salary payments, fringe benefits, such as vacations, pensions, and medical aid, status symbols, promotion and security. Compensation is the primary inducement offered to employees in exchange for the contributions of labour services in the employment contract. Labour turnover comes with enormous effects on organizations as it distorts the wage and salary systems put in place by managements. Employee turnover is expensive from the view of the organization and the subsequent replacement process entails manifold costs to the organization (Curran, 2004).

The loss of intellectual capitals adds to this cost, since not only does the organization loses the human capital and relational capital of the departing employee, but other competitors tend to gain through the employment of these personnel (Meaghan & Bonts, 2002). Therefore, if labour turnover is not properly managed it would adversely affect an organization in terms of personal costs and in the long run affect its liquidity position. According to Meaghan and Bonts (2002), turnover is described as a costly phenomenon and a difficult exercise to undertake. The difficulty of estimating the financial costs of labour turnover arises because of the range of variables involved.

Chang (2006) stated that certain professional jobs often take a year or more to fill; for example, a hospital that loses a Urologist may struggle for a longer period to get one due to the scarcity of these professionals. Chang (2006) further asserts that the cost of labour turnover varies from industry to industry and from company to company.

There are both positive and negative effects associated with high and low labour turnover. High labour turnover can potentially facilitate adjustment if firms that need to decrease or restructure their employing can utilize attrition and layoffs to adjust, and if workers can profit from hiring and job opportunities to secure better job matches.

Also, larger flows may bring more fragility, less security and more uncertainty to workers (Gimpelson & Lippoldt, 2001).

2.5.4.2 Leadership Style

Leadership is about influencing people to do things the right way. To achieve that you need people to follow and to have them trust you. And if you want them to trust you and do things for you and the organization, they need to be motivated. Theories imply that leader and followers raise one another to higher levels of morality and motivation. Motivation is purely and simply a leadership behavior. It stems from wanting to do what is right for people as well as for the organization. Leadership and motivation are active processes in management (Rukhman, 2010).

2.5.4.3 Information and Communication

Managers can stimulate motivation by giving relevant information and making it readily available to the employees. To this researcher it seems that there is no known organization in which people do not usually feel there should be improvement in the way departments communicate, cooperate, and collaborate with one another. Information availability brings to bear a powerful peer pressure, where two or more people running together will run faster than when running alone or running without awareness of the pace of the other runners. By sharing information, subordinates compete with one another hence lifting up each other's self-confidence (Chiang & Jang, 2008).

2.5.4.4 Work Environment

Employee level of motivation is also influenced by the quality of the working environment both its physical attributes and the degree to which it provides meaningful work. While a comfortable physical environment is correlated with employee

motivation, the relationship is not merely as strong as the relationship between motivation and managerial behavior (Yazdani et al 2011). Work environment plays an essential role since it influences employee motivation.

Employees are concerned with a comfortable physical work environment that will ultimately provide extra optimistic level of motivation. Lack of favorable working conditions, amongst other things, can affect badly on the employee's mental and physical well-being. According to Arnold and Feldman (1996) factors such as working hours, temperature, ventilation, noise, hygiene, lighting, and resources are all part of working conditions. Negative performance will be provoked by poor working conditions since employees job demand mentally and physically tranquility (Irons and Buskist, 2008).

2.5.4.5 Managerial Relations

A good managerial relation is an important factor in fostering employee motivation. Those who act to maintain good relations with their employees exhibit the following behaviors: help with job related problems, awareness of employee difficulties, good communication, and regular feed-back about the performance so that employees always know where they stand. Employees want to have input into decisions that affect them, to feel important and appreciated. They want to be informed and involved at work place. When a job brings recognition and respect, employees are motivated with it. This is an easy condition to create with feedback (Tella, 2007).

The evidence that “good management” plays a part in affecting employee motivation puts a responsibility on both the managers and the supervisors in the organization. Management needs information on employee motivation in order to make sound decisions, both in preventing and solving employee problems .A typical method used

is employee motivation surveys, also known as a morale, opinion, attitude, or quality-of-work-life survey. An employee motivation survey is a procedure by which employees report their feelings towards their jobs and work environment. Individual responses are then combined and analyzed (Yazdani et al 2011).

2.5.4.6 Promotion opportunities

Promotional opportunities affect employee motivation considerably. The desire for promotion is generally strong among employees as it involves change in job content, pay, responsibility, independence and status among others. An average employee in a typical government organization can hope to get two or three promotions in his entire service, though chances of promotions are better in private sector. It is no surprise that the employees take promotion as the ultimate achievement in their career and when it is realized, he/she feels extremely satisfied (Turkyilmaz et al, 2011). If an organization provides employees the necessary factors for promotion such as facilities, ability and skills, then employees will be automatically motivated and satisfied. Promotion and satisfaction have a direct relationship. Naveed and Bushra (2011) indicated that Maslow's hierarchy of need theory also described that when esteem needs (autonomy, power, recognition and status) of people are fulfilled, they will be more satisfied with their job. Herzberg theory of motivation states what employees demand from their job.

2.6 Conceptual Framework

The conceptual framework is a diagrammatical representation that shows the relationship between dependent and independent variables. The figure 2.1 presents the conceptual framework for the determinants of employee Turnover in Small and Medium Enterprises (SMEs) in Nairobi Central Business, Nairobi County, Kenya

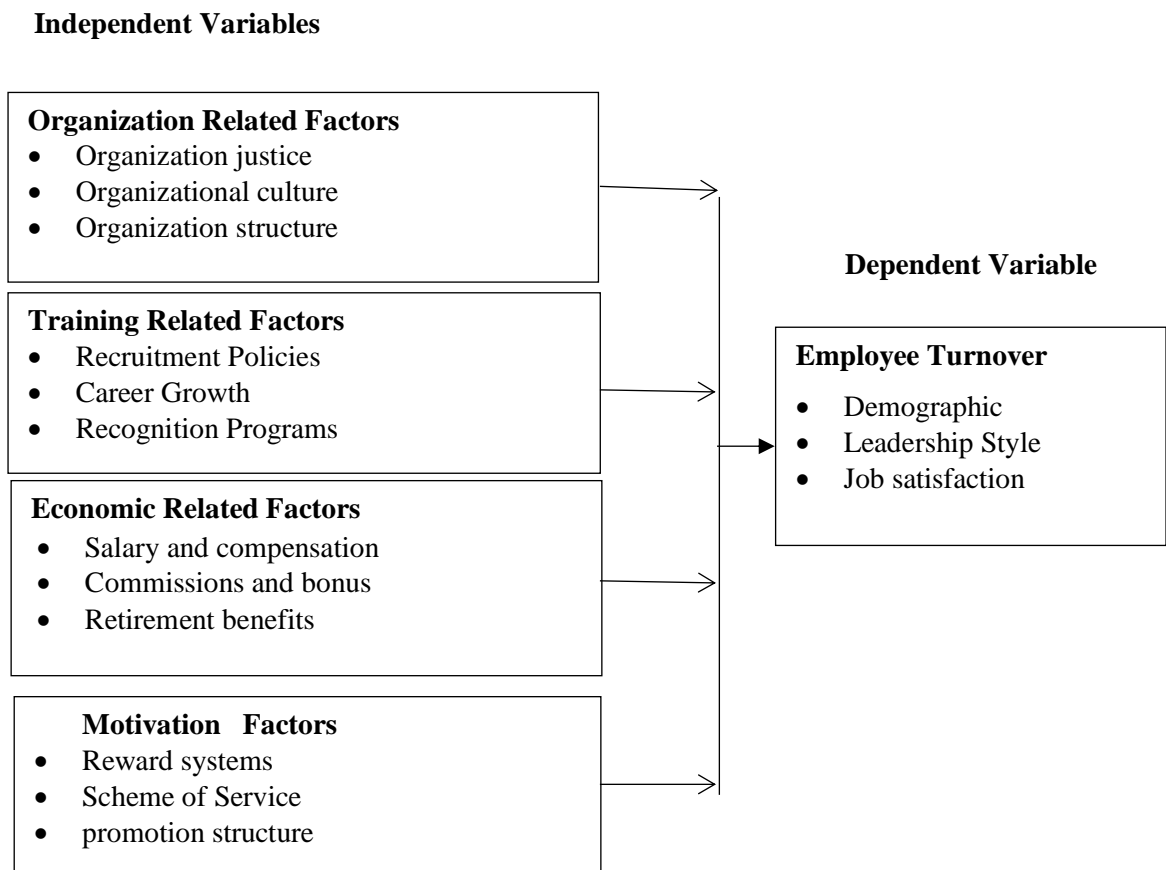


Figure 2.1: Conceptual Framework

Source: Researcher (2020)

2.7 Research Gap

Review of literature on employee turnover markedly brings out the contemporary need of employee retention. This is because identification of salient aspects related to, organization, training, economic and motivation factors of employee augment mitigation of employee turnover, concomitant costs and associated effects. Available literature focused on employee turnover on large corporations and did not delineate how the organization related; training related, economic related and motivation factors determined by the SMEs. This study was designed to fill in the gap by examining the determinants of the organization related; training related, economic related and motivation related factors on employee turnover in Small and Medium Enterprises.

Although many studies have been done on the determinants of employee turnover, most of them concentrated on the developed countries and very little research has been done on the developing countries specifically Kenya. In Kenya most of the studies have concentrated on manufacturing companies and the government sectors and little has been done on SMEs sector which is very important sector of the economic growth. Nairobi central business district is one of faster growing centre within Kenya and its attracting more investors from all over the world .Very little is documented and specifically in the SMEs in Nairobi Central business district, Nairobi county to ascertain the courses of rampant employee turnover in the SMEs sector and therefore the study seeks to fill the above mentioned gap.

2.8 Summary of Literature Review

The chapter presented the concept of employee turnover in Small and Medium Enterprises (SMEs) in Kenya, causes of Employee Turnover that comprised of organizational structure, salary scales, industry, working environment, training and supervision. Critical indicators of employee turnover in an organization were also discussed and consist of demographic, stress, external background, work and job satisfaction and compensation; the empirical framework was presented to examine the existing literature on employee turnover. Also, the theoretical and conceptual framework was discussed.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Overview

This chapter consisted of the research design, description of the study area, target population, sampling design and sample size. The section also presented data collection instruments, data collection procedures, pilot study, data analysis and presentation, ethical considerations, measurement of the study variables and limitations of the study.

3.2 Research Design

According to Cooper and Schindler (2014), a research design is used to determine the analysis approach or strategy that a researcher used. Research design is also used as a blueprint or guide to collect and analyze data based on research questions (Saunders, Lewis & Thornhill, 2016). The research design that was used in the study was the explanatory research design. The explanatory research design was deemed appropriate for the study since the researcher aimed at explaining the casual relationship of the variables. According to Awino (2011), the explanatory research design is suitable when the researcher wants to get a better understanding of an issue and to come up with new ideas on what should be done to improve the current situation. Besides, Nyaribo, Prakash and Owino (2012) established that the explanatory research design is used to develop hypotheses that can explain the occurrence of specific phenomena and is a research conducted for a problem that has not been studied more clearly. Based on the arguments from the scholars, the study decided to use the explanatory research design that help to determine the factors influencing employee turnover among Small and Medium Enterprises (SMEs) in Nairobi Central Business District (NCBD), Kenya.

3.3 Description of the Study Area

The study was carried out in Nairobi Central Business District (NCBD). The Nairobi Central Business District (NCBD) is surrounded by Uhuru Highway, University way, Moi Avenue and Haile-selassie Avenue (Mulandi, 2013). This study targeted the registered SMEs within Nairobi CBD. Majority of SMEs were located in the Nairobi Central Business District (NCBD) which made it strategic for data collection. The map of Nairobi central business district is presented in Appendix IV.

3.4 Target Population

Oso and Onen (2005) defined target population as the total number of the subjects of interest to the researcher. According to Bayley, (2014), a population refers to any group of institutions, people or objects that have common characteristics. The target population in this study was 1000 SMEs in Nairobi central business district, Nairobi County, Kenya. The researcher categorized the employee in three units namely commercial and trade, pharmaceutical and food and beverages. Table 3.1 presents the targeted total population.

Table 3.1: Population

SME category	Targeted Population
Commercial & Trade	313
Pharmaceuticals	194
Food and Beverages	493
Total	1000

3.5 Sampling Design and Sample Size

Sampling is the process by which a relatively small number of individual, object or event is selected and analyzed to find out something about the entire population from

which it will be chosen (Cooper & Schindler, 2014). The study adopted the Yamane (1967) simplified formula to compute the sample size of the SMEs the equation;

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample size

N = population size

e = the level of precision (0.05)

1 = Constant

This formula assumes a degree of variability (i.e. proportion) of 0.5, the level of precision of 5% and a confidence level of 95%.

The sample size of human resource management and support staffs, n will be

$$n = 1000 / (1 + 1000(0.05)^2)$$

$$= 286$$

The 286 SMEs were apportioned as per their total population for each category. The study used stratified sampling to select the sample size. Table 3.2 presents the sample size of the SMEs.

Table 3.2: Sample size of SMEs

SME category	Workings	Sample Size
Commercial & Trade	313/1000*286	90
Pharmaceuticals	194/1000*286	55
Food and Beverages	493/1000*286	141
Total		286

From each of the category of the SMEs, the researcher used stratified random sampling to pick one manager, one supervisor and one subordinate & technical staff. Therefore, the sample size was 858 employees (286*3). However, Mugenda and Mugenda, (2003) established that when the sample size is large, any meaningful study of 10% -30% of the sample is adequate. Kothari (2004) indicates that 10% and above a small population is sufficient for a descriptive study. Therefore, the study used 257 employees from the three categories (Commercial & Trade, Pharmaceuticals and Food and Beverages), which represented 30% of the target employees. Thus, 81 employees were randomly selected from Commercial & Trade, 49 from Pharmaceuticals and 127 from the Food and Beverages. The stratified sampling is applicable if a population from which a sample to be drawn does not constitute a homogeneous group (Mugenda & Mugenda, 2008). According to Shields, Teferra, Hapij and Daddazio (2015), with stratified sampling, the researcher divides the population into separate groups, called strata and then a probability sample is drawn from each group.

3.6 Data Collection Instruments

Questionnaires were used to obtain data from the employees of the respective SMEs at their workplaces. The research questionnaires were circulated to managers, supervisors, subordinate and technical staff. The questionnaire was formulated in six different sections with section one, including the general information, part two organization-related factors, part three training-related factors, part four economic factors, part five motivation factors and part six the employee turnover. The questionnaire was designed with closed-ended questions where most of the close-ended questions were formulated on an ordinal and Likert scale of 1–5 for strongly agree to disagree strongly. The five format scale Likert scale items were appropriate because it enabled the respondents to stay focused on the questionnaire and answer the questions with more honesty without

struggling a lot to write. Further, the Likert scale items enabled the respondents to choose the option that best supported their opinion by measuring the extent to which they agree or disagree with a particular question or statement.

3.7 Data Collection Procedures

Before the instruments' administration, the researchers sought permission through a letter of authority from NACOSTI. The researcher also obtained an introductory letter from the School of Business and Economics. After getting permission, the researcher applied to the universities through their respective registrar administration to be allowed to use their institutions for the study. This enhanced confidence to the respondents that the information given was only used for study only and not for any purposes. One research assistant, who was trained on the subject matter was used to administer the refined questionnaire and also helped in data entry. The respondents were guided through illustrated answers to ensure that they have a clear understanding of the questions and thus respond appropriately. Drop and pick later method of data collection was applied to enhance the response rate. Pole (2007) proposed that at least 75 percent of the duly filled questionnaires are appropriate for the examination.

3.8 Pilot Study

Kombo and Tromp (2009) define a pilot test as duplication and preparation of the main study. According to Kothari (2004), a pilot study or test is a small scale version, or trial run, done in preparation for the main study. The reason for pilot testing is to build up the precision and suitability of the examination outline and instrumentation (Saunders, Lewis & Thornhill, 2012). It refines the questionnaire with the goal that respondents will be having no issues in noting the response and in recording the information. Additionally, it empowers one to acquire some appraisal of the question's validity and the reasonable dependability of the information that will be gathered (Saunders, Lewis

& Thornhill, 2012). A pilot study was carried out to check the validity and reliability of the questionnaires in collecting the data required for purposes of the study. The rule of the thumb suggests that 5% to 10% of the target sample should constitute the pilot test (Cooper & Schilder, 2014). Therefore, the study used 10% of the sample size for piloting and thus, 26 respondents were used. However, the respondents used in piloting were excluded when collecting the final data.

3.8.1 Validity of Research Instrument

Validity decides if the questionnaires genuinely measure what it is expected to measure or how honest is the research outcomes (Golafshani, 2003). According to Kimberlin and Winterstein (2008), validity is the precision and seriousness of inductions, which depend on the investigation outcomes. To ensure content validity, the questionnaire was subjected to a thorough examination by the supervisor in charge of the project development. The supervisor evaluated the statements in the questionnaire for relevance. Based on the evaluation, the instruments were adjusted appropriately before subjecting it to the final data collection exercise. The review comments from the supervisor were used to ensure that content validity is enhanced. Therefore, the content and construct validity were obtained by the help of the supervisor, who counterchecked the research instruments to ensure that the content inside was sufficient and justifiable for the study.

3.8.2 Reliability of Instrument

Reliability is the consistency of estimation, or how much an instrument measures a similar way each time it is utilized under the same condition with related subjects (Cronbach, 1951). To ensure reliability, the researcher calculated the Cronbach alpha co-efficient using the results of the piloted questionnaires (26 respondents). Cronbach Alpha is used as a measure of the internal consistency of items in the questionnaire

(Carmines & Zeller, 1979). Morse, Barrett, Mayan, Olson and Spiers (2002) posit that reliability is the extent to which an experiment or any measuring procedure yields the same results on repeated trials. An instrument must be more reliable if it provides an accurate representation and that any measure is considered valid if it is able to measure what it is intended to measure (Stellmack, Konheim-Kalkstein, Manor, Massey & Schmitz, 2009). Taber (2018) suggests that Cronbach's alpha values of items included in the study should not be lower than 0.8. According to Golafshani (2003), Cronbach alpha should not be lower than 0.7, while Gliem and Gliem (2003) recommend a Cronbach alpha should exceed 0.7. The reliability of the questionnaire in the study was thus tested using Cronbach's alpha correlation coefficient. The closer Cronbach's alpha coefficient is to 1, the higher the internal consistency and reliability. Therefore, in this study, a Cronbach alpha of 0.7 and above was considered acceptable.

3.9 Data Analysis and Presentation

The Statistical Package for the Social Sciences (SPSS) was used to organize code and analyze information and generate the quantitative report. The data was analyzed using descriptive and inferential statistics. The descriptive statistics were presented in mean, standard deviation and frequencies, while the inferential statistics included the Pearson correlation and multiple linear regression model (Wagner, Halley & Zaino, 2011). The ANOVA analysis measured the best fit and also determined whether the overall model was statistically significant. The model fitness was measured using the coefficient of determination also known as R square. The relationship between the independent and dependent variables were analyzed. Multiple regression model was

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon_i$$

Where:

Y = Employee turnover

X_1 = organizational related factors

X_2 = Training related factors

X_3 = Economic related factors

X_4 = motivational factors

β_0 = constant

$\beta_1, \beta_2, \beta_3$ & β_4 = Coefficients

ϵ_i = Error term

The results were presented using tables, charts and graphs.

3.9.1 Tests for Regression Model Assumptions

Furthermore, the researcher will conduct the Normality Tests and Multicollinearity test.

These are the only tests that need to be undertaken for the primary data.

3.9.1.1 Normality Tests

The test of normality determines if the data is well modeled and normally distributed (linear). It is a determination of the likelihood of a random variable of being normally distributed. It is an assessment of the normality of data in statistical tests. Kolmogorov-Smirnov test was used to test for normality. The hypothesis was tested at a critical value at 0.05, where the rule is that rejects H_0 if the probability (P) value is less than 0.05 or else fail to reject.

H_0 : The data is not normal.

H_1 : The data is normal

3.9.1.2 Multicollinearity

Multicollinearity is a statistical phenomenon in which two or more predictor variable in a multiple regression model are highly correlated, the undesirable situation where the correlations among the independent variables are strong. A set of variables is perfectly multicollinear if there exists one or more exact linear relationship among some of the variables. Variance Inflation Factor (VIF) value were used where values less than 10 for VIF means that there is no multicollinearity.

3.10 Measurement of the Study Variables

Table 3.3 presents the measurement of the study variables

Table 3.3: Measurement of the Study Variables

Objectives	Variable	Indicators	Scale of Measurement	Data Collection Tools	Tools of Analysis
To establish how organizational related factors influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya	Organizational related Factors	<ul style="list-style-type: none"> • Organization justice • Organizational culture • Organization structure 	Ordinal	Questionnaire	Frequency, percentage, Mean, Standard deviation
To evaluate how training related factors influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya.	Training related factors	<ul style="list-style-type: none"> • Recruitment Policies • Career Growth • Recognition Programs 	Ordinal	Questionnaire	Frequency, percentage, Mean, Standard deviation
To determine how economic related factors Influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya	Economic related factors	<ul style="list-style-type: none"> • Salary and compensation • Commissions and bonus • Retirement benefits 	Ordinal	Questionnaire	Frequency, percentage, Mean, Standard deviation
To examine how motivation factors influence employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya	Motivation factors	<ul style="list-style-type: none"> • Reward systems • Scheme of Service • promotion structure 	Ordinal	Questionnaire	Frequency, percentage, an, Standard deviation
The dependent variable was employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya	Employee Turnover	<ul style="list-style-type: none"> • Demographic • Leadership Style • Job satisfaction 	Ordinal	Questionnaire	Frequency, percentage, Mean, Standard deviation

3.11 Limitation of the Study

This study should have been conducted in all the Small and Medium Enterprises in Kenya; however, time and financial constraints dictated a smaller sample. Small and Medium Enterprises are quite busy entities. The respondents, therefore, had limited time and availability to enhance the study. This, therefore, limited the accessibility to the respondents; there was also a dearth of literature on employee turnovers in Kenya's economic sector in general.

Also, some of the respondents were unwilling to respond to the questionnaire because of the fear of victimization and thus not willing to share essential information about their leaders regarding the study. A letter seeking the consent of the respondents was administered to each respondent and assured them of their anonymity and that the research was for academic purposes only. The researcher also encountered the challenge of returning the questionnaires. To overcome this limitation, the questionnaires were self-administered to the respondents by the researcher and the research assistant. The researcher and research assistant dropped those questionnaires to the respondents and picked them latter.

3.12 Ethical Considerations

The letter to confirm approval to conduct the study was obtained from School of Business and Economics, Moi University before the actual study commenced. Permit to conduct the research was obtained from National Council for Science Technology and Innovation (NASCOSTI) permission was sought from County Authority to conduct research within the County.

The respondents were treated with great respect and courtesy in order to avoid misunderstanding between the enumerators and respondents. The respondents were

informed of the purpose of the study. Each respondent was politely requested to fill the questionnaire and assured of confidentiality with regard to any information they will provide. The study was also flexible to allow any respondent to withdraw if he/she feels uncomfortable to continue with the study. The interviews were based on voluntary participation and only respondent who are willing to answer questions honestly were recruited.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Overview

The section presents the response rate, the Demographic Characteristics of the Respondents, the descriptive statistics, test for the reliability, the correlation analysis, regression analysis, the summary of the hypothesis and the discussion of the study findings.

4.2 Response Rate

The number of questionnaires that were administered to the respondents were 231 out of which 203 questionnaires were duly filled and returned. This represented an overall successful response rate of 87.88% as shown on Table 4.1.

Table 4.1: Response Rate

Response	Frequency	Percent
Returned	203	87.88
Unreturned	28	12.12
Total	231	100%

According to Mugenda and Mugenda (2003) and Kothari (2004), a response rate of above 50% is adequate for a descriptive study. Babbie (2004) also asserted that return rates of above 50% are acceptable to analyse and publish, 60% is good and 70% is very good. Based on these assertions from renowned scholars 87.88 % response rate was very good for the study.

4.3 Demographic Characteristics of the Respondents

This section consisted of information that described basic characteristics such as gender of the respondent, age of the respondents, academic qualification, job position, duration of service and employee working experience. Demographic information provided data

regarding research participants and was necessary for the generalization purposes of the entire population.

Gender of the Respondent

The respondents were asked to indicate their ages and they responded as shown in Figure 4.1

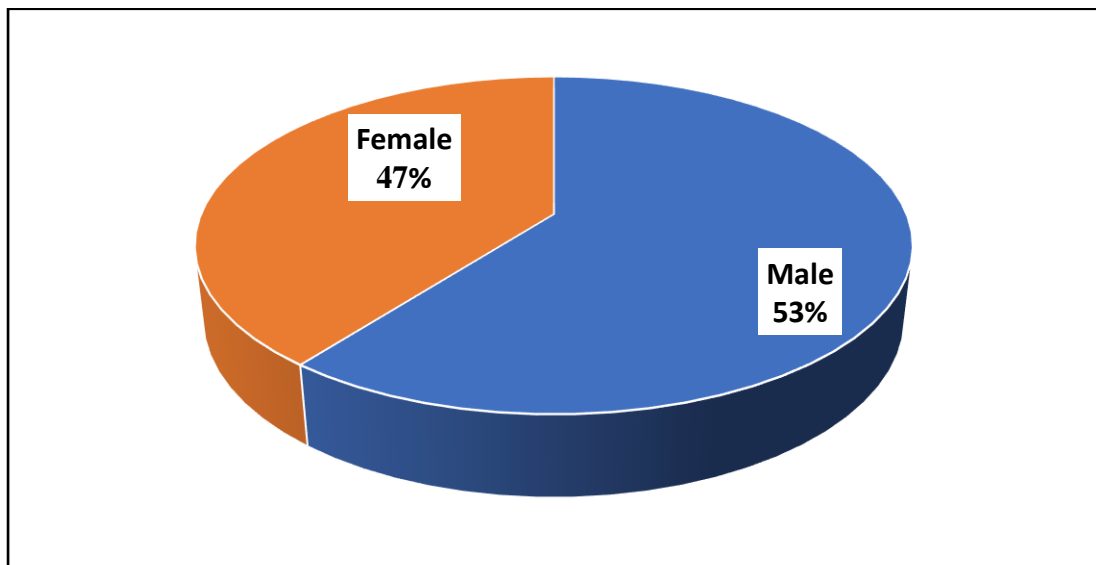


Figure 4.1: Gender of the Respondents

The results in Figure 4.1 indicate that majority of the respondents (53%) were males while 47% were females. The results revealed majority of the respondents were males which implied that most of the employees at the county of SMEs in Nairobi were males. This pointed to the fact that there is gender imbalance in the opportunities given by those SMEs in Nairobi County. This however does not violate third rule as provided in the Kenya Constitution 2010.

Age of the Respondents

The respondents were asked to indicate their age and Figure 4.2 shows their responses

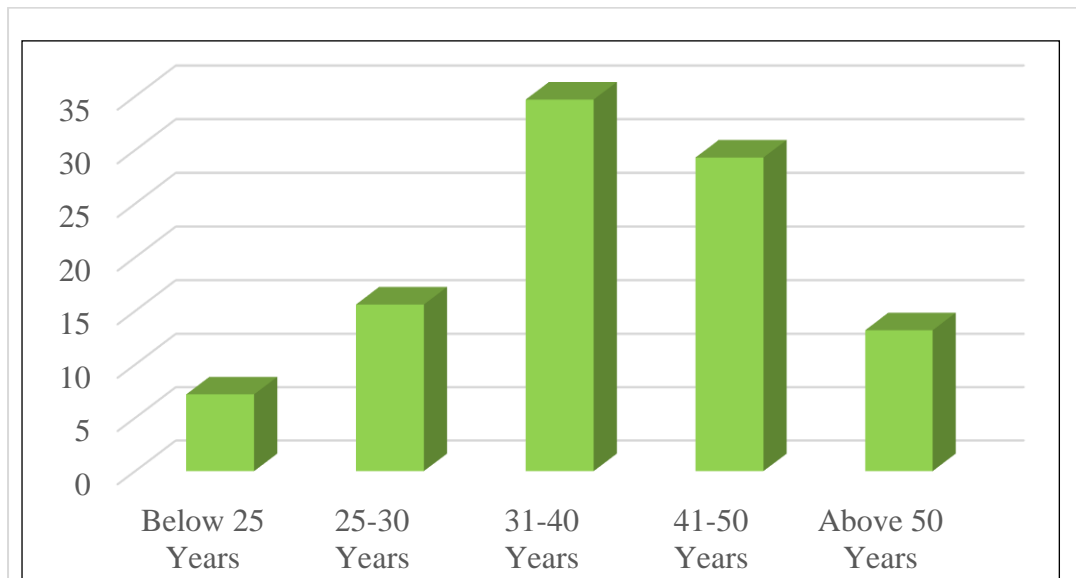


Figure 4.2: Age of the Respondents

The results in figure 4.2 show that most of the respondents were between the ages of 31-40 with 34.7 %. Moreover, 29.3 % of the respondents were aged between 41-40 years. Additionally, those respondents with ages between 25-30 Years were 15.6 % and those aged 50 years and above are 13.2%. The lowest age group of the respondents with 25 years and below has 7.2 %. The results obtained implied that most of the employees at SMEs were aged between the age of 31-40 years meaning the enterprises was more concerned with the experience of the workers noting that 31-40 years were more energetic and experienced.

Academic Qualification

The respondents were also asked to indicate their highest level of education. Figure 4.3 shows the results

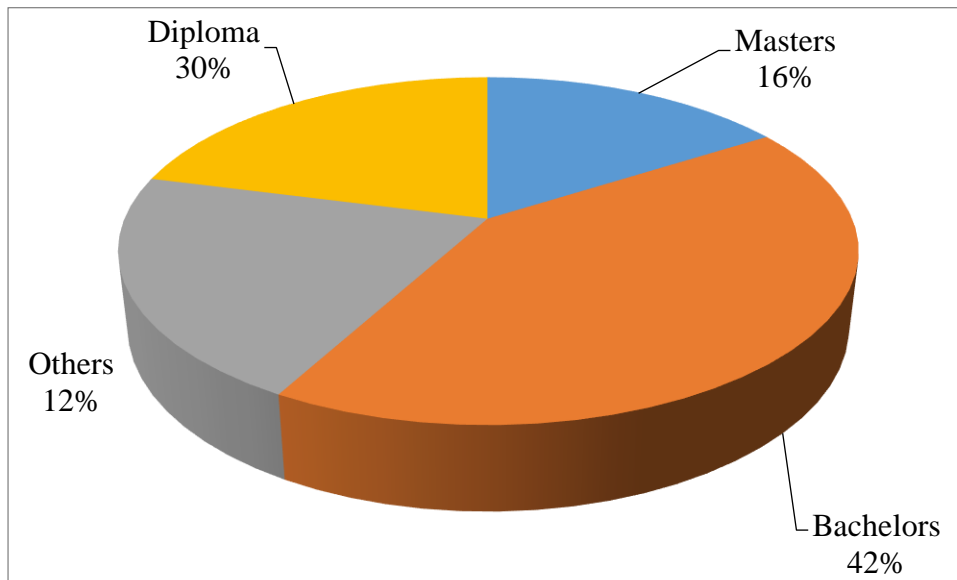


Figure 4.3: Academic Qualification

Based on Figure 4.3, the majority (42%) of the respondents were university graduates with bachelors. Those with a diploma were 30% and masters 16%. Lastly, 12% of the respondents had other qualifications apart from diploma, bachelors and masters. The results imply that most of the employees at SMEs are university graduates, which justifies the fact that most of the workforce in the county are university graduates. This indicated that the respondents were knowledgeable and thus appropriate in responding to the questionnaires.

Job Position

The respondents were also asked to indicate job position in the SMEs. Figure 4.4 shows the results job position in the organization

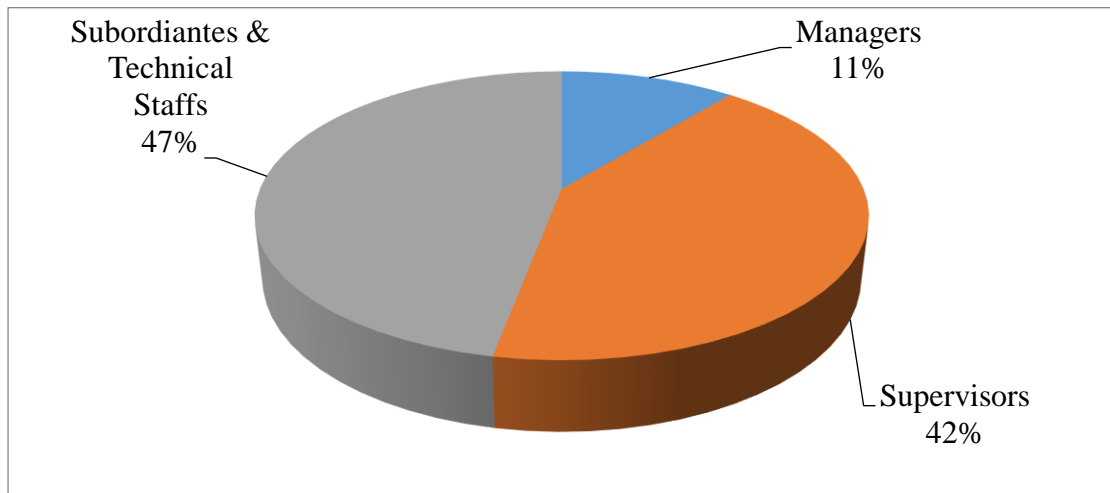


Figure 4.4: Job Position

Figure 4.4 depicts that majority of the respondents were subordinates and technical staff with 47%. Moreover, 42% of the respondents were supervisors and finally managers were represented by 11 % of the total respondents. This implied that at SMEs, majority of the employees are the subordinates and technical staff since SMEs needs more manpower to operate.

Duration of Service

The researcher was interested in capturing the information concerning the number of years the respondents had worked at SMEs and so they were asked to indicate their duration of service at SMEs. The results in Figure 4.5 shows their responses

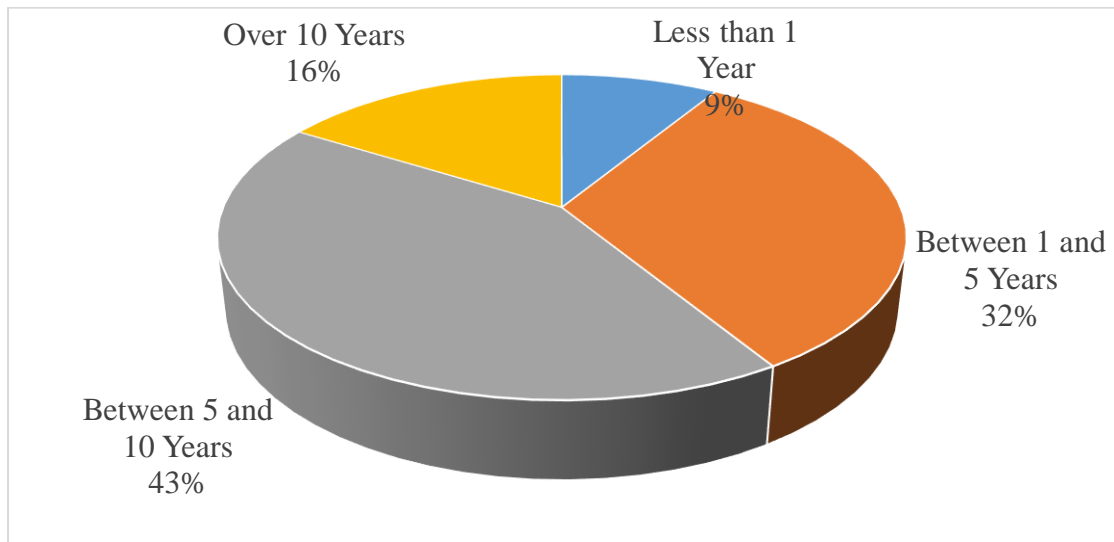


Figure 4.5: Duration of Service

From the results in Figure 4.5, majority (43%) of the respondents had worked at SMEs for between 5 and 10 years. Further, 32 % have worked between 1 and 5 years, 16 % have worked for more than 10 years and finally, those who have worked for less than 1 year were 9%. The results implied that majority have worked for more than 5 years and thus understands the overall performance of the SMEs over the past period and therefore, they give the more accurate information.

Employee working experience

The study sought to establish number of years each employee have worked in the organization. Figure 4.6 presents the employee working experience number of years in the organization

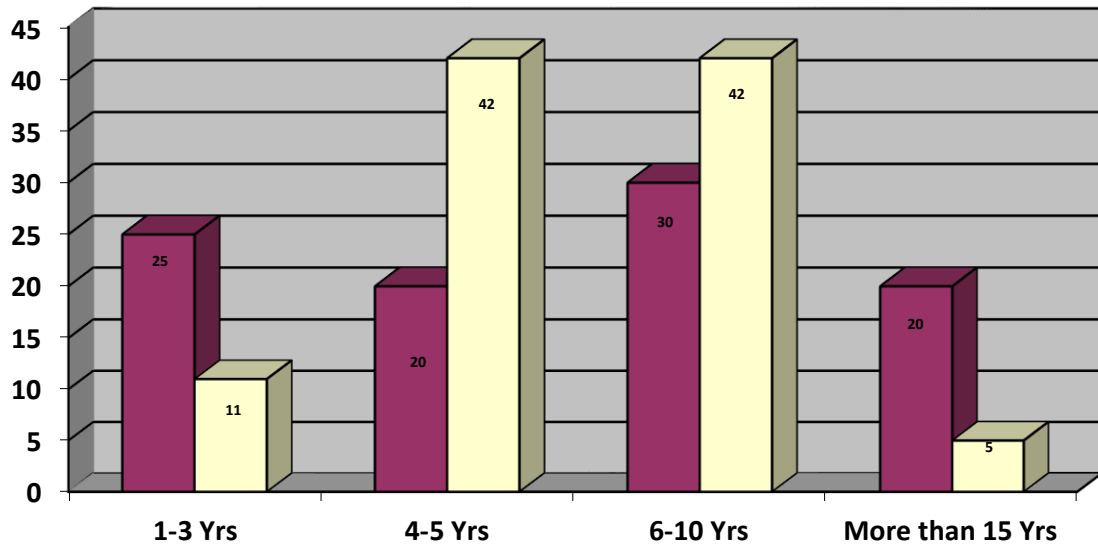


Figure 4.6: Employee working experience

The results in figure 4.6 show that 26 % have worked in the organization for between 1-3 years, 21% of respondents for 4-5 years, 32 % have worked in the organization for 6 - 10 years and 21% have worked for more than 15 years. This implied that the majority of the employees have worked for more than six years; thus, they have the experience of how the SMEs operate and the factors influencing the employee turnover.

4.4 Descriptive Statistics

4.4.1 Descriptive Statistics of Organizational Related Factors

The first objective of the study was to establish how organizational related factors influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District. The descriptive statistics of organizational related factors is presented in Table 4.2

Table 4.2: Descriptive Statistics of Organizational Related Factors

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
The SMEs has active departments.	59.3%	30.30%	9.20%	1.20	0.00%	2.54	1.21
Am satisfied with work lord.	15.30%	58.30%	13.90%	8.30	4.20%	2.31	1.08
Employees are meeting targets	22.20%	50.00%	19.40%	5.60	2.80%	2.03	1.44
Employees Satisfied with Supervisors	47.20%	36.10%	11.10%	5.60	0.00%	1.94	0.98
Employees Satisfied with organizational Structure.	29.20	31.90	23.60	9.70	5.60	1.78	1.02
Employees Satisfied with job security	0.00	23.60	36.10	22.20	18.10	3.23	0.97
Staff are likely to resign from SMEs	29.10	2.7	27.80	22.20	18.20	3.34	1.05
Average						2.45	1.11

The results from table 4.2 shows that majority of the respondents 89.60% (30.30%+59.30 %) disagreed with the statement that the SMEs has active department, 1.20% of the respondents agreed with the statement and 9.20% of the respondents were neutral. The results showed a mean of 2.54 and standard deviation of 1.21. This implied that the results if the respondents varied. Additionally, 73.60 of the respondents disagreed with the statement that employees are satisfied with work lord, however, 12.50 % agreed with the statement and 13.90% were neutral. The results had a mean of 2.31 and standard deviation of 1.08. Moreover, 72.20% of the respondents disagreed with the statement that employees are meeting targets, 8.40% agreed with the statement and 19.40 % of the respondents were neutral. Further, the results showed a mean of 2.03 and standard deviation 1.44. Further, majority of the respondents, 83.30 % disagreed with the statement that employees are satisfied with supervisors, 5.60%

agreed with the statement and 11.10 % of the respondents were neutral. Moreover, the results had a mean of 1.94 and a standard deviation of 0.98. Also, 61.10% of the respondents disagreed with the statement that Employees are satisfied with organizational, 15.30% agreed with the statement and 9.70% were neutral. The results had a mean score of 1.78 and standard deviation of 1.02. In addition, 23.60% of the respondents disagreed with the statement that employees are Satisfied with job security, 40.3% agreed with the statement and 36.10% were neutral. The results had a mean score of 3.23 and standard deviation of 0.97. Finally, 31.80% of the respondents disagreed with the statement that staff are likely to resign from SMEs, 40.40% of the respondents agreed with the statement and 27.80% were neutral. The results had a mean of 3.34 and standard deviation of 1.05. The overall mean of the statements is 2.45 and standard deviation of 1.11 implying that respondents were in disagreement with most of the statements; however, their responses were spread about the mean.

4.4.2 Descriptive Statistics of Training related factors

The second objective was to evaluate how training influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District, (NCBD), Kenya.

The descriptive statistics of training is presented in Table 4.3

Table 4.3: Descriptive Statistics of Training related factors

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Our recruitment policies encourage employees continue working for the company	26.50%	33.80%	5.90%	31.60%	2.20%	2.49	1.25
Our training culture encourages employees to continue working for the Company	21.30%	43.40%	5.90%	27.90%	1.50%	2.45	1.15
Our Career growth path encourages employees continue working for the Company	32.40%	36.00%	11.00%	17.60%	2.90%	2.23	1.17
Our new employee induction procedures encourage employees to continue working for the Company	35.30%	39.70%	6.60%	16.20%	2.20%	2.10	1.12
Our recognition programs encourage employees to continue working for the Company	31.60%	47.10%	10.30%	9.60%	1.50%	2.02	0.97
Our reporting structure encourage employees to continue working for the Company	36.00%	47.80%	5.10%	8.80%	2.20%	1.93	0.98
Conflict resolution mechanisms in our organization encourage employees to continue working for the Company	33.10%	39.70%	2.20%	23.50%	1.50%	2.21	1.18
Average						2.20	1.12

The results from table 4.2 shows that the majority 60.30 % (26.50 % +33.80) of the respondents disagreed with the statement that the recruitment policies encourage employees to continue working for the organization, 33.80% (31.60% +2.20%) agreed with the statement and 5.90% of the respondents were neutral. Besides, the results had a mean of 2.49 and standard deviation of 1.25 indicating that the results varied.

Additionally, 64.70 % of respondents disagreed with the statement that training culture encourages employees to continue working for the company while 29.40 % agreed with the statement and 5.90 % were neutral. The results had a mean of 2.45 and standard deviation of 1.15 indicating that the results varied. Further, 68.40% of the respondents disagreed with the statement that career growth path encourages employees continue working for the company, 20.50 % agreed with the statement and 11.00% of the respondents were neutral. The results had a mean of 2.23 and standard deviation of 1.17 indicating that the results varied

Additionally, 75% of the respondents disagreed with the statement that employee induction procedures encourage employees to continue working for the company, 18.40% agreed with the statement and 6.60% were neutral. Also, the results had a mean of 2.10 and standard deviation of 1.12 indicating that the results varied. Likewise, 78.70 % of the respondents disagreed with the statement that recognition programs encourage employees to continue working for the company, 11.10% of the respondents disagreed with the statement and 10.30 % were neutral. The results had a mean of 2.02 and standard deviation of 0.97 indicating that the results varied. Additionally, 83.80% of the respondents disagreed with the statement that reporting structure encourages employees to continue working for the Company, 11% agreed with the statement and 5.10 % were neutral. Further, the results had a mean 1.93 and standard deviation of 0.98 indicating that the results varied. Lastly, 72.80 % of the respondents disagreed with the statement that conflict resolution mechanisms in our organization encourage employees to continue working for the company, 25% agreed with the statement and 2.20% were neutral. The results had a mean of 2.21 and standard deviation of 1.18 indicating that the results varied. The overall mean of the statements is 2.20 and standard deviation of

1.12 implying that respondents were in disagreement with most of the statements; however, their responses were spread about the mean.

4.4.3 Descriptive Statistics of Economic Factors

The third objective was to determine how economic factors Influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District,(NCBD) Kenya. The descriptive statistics of training is presented in Table 4.4

Table 4.4: Descriptive Statistics of Economic Factors

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Rewards in our organization encourage employees to continue working with the Company.	33.10%	41.90%	13.20%	5.90%	5.90%	2.10	1.11
Salary increments encourage employees to continue working with the Company.	22.10%	42.60%	14.00%	16.90%	4.40%	2.39	1.14
Commissions and bonus encourage employees to stay in organization.	16.90%	48.50%	11.00%	16.20%	7.40%	2.49	1.17
Marketing standards encourages employee to stay in organization.	23.50%	44.90%	12.50%	14.70%	4.40%	2.32	1.12
Average						2.31	1.16

The results in Table 4.4 shows that 75% (33.10%+41.90%) of the respondents agreed with the statement rewards in the organization encourage employees to continue working with the company, 11.80% (5.90%+5.90%) of the respondents disagreed with the statement and 13.20% of the respondents were neutral. The statements have a mean score of 2.10 and standard deviation of 1.11 implying that the results varied of the respondents varied. Likewise, 64.70% of the respondents agreed with the statement that salary increments encourage employees to continue working with the company, 21.30%

disagreed with the statement and 14% were neutral about the statement. Furthermore, 65.40% of the respondents agreed with the statement that Commissions and bonus encourage employees to stay in organization, 23.60% disagreed with the statement and 11% were neutral about the statement. Finally, 68.40% of the respondents agreed with the statement that marketing standards encourages employee to stay in organization. 19.10% disagreed with the statement and 12.50% of the respondents were neutral. The results had an overall mean of 2.31 and standard deviation 1.16. This implied majority of the respondents agreed with the statements but their responses varied.

4.4.4 Descriptive Statistics of Motivation Factors

The fourth objective was to examine how motivation factors influence employee turnover in Small and Medium Enterprises in Nairobi Central Business District, (NCBD) Kenya) Kenya. The descriptive statistics of training is presented in Table 4.5

Table 4.5: Descriptive Statistics of Motivation Factors

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
Our organization offers commensurate salaries to its employees.	15.40%	53.70%	6.60%	16.90%	7.40%	2.47	1.16
The Company has a medical insurance cover for all employees.	22.80%	50.70%	8.10%	12.50%	5.90%	2.28	1.13
The promotion structure in the organization is clear.	17.60%	55.10%	14.00%	11.00%	2.20%	2.25	0.95
Basic pays are commensurately fixed.	26.50%	48.30%	9.60%	6.10%	9.60%	2.28	1.31
Overtime pay is fair	25.70%	43.80%	8.40%	14.70%	7.40%	2.35	1.22
Bonuses are fairly determined in the organization.	25.70%	44.90%	13.20%	6.60%	9.60%	2.29	1.20
Commissions for employees are fairly determined.	27.90%	43.40%	15.40%	9.60%	3.70%	2.18	1.06
Employee allowances are fairly determined.	20.60%	45.40%	14.10%	13.20%	6.60%	2.45	1.15
The company has retirement benefits for employees.	23.50%	42.80%	11.80%	7.40%	9.60%	2.32	1.19
Average						2.32	1.14

The results in Table 4.5, majority of the respondents 69.10% (15.40%+53.70%) disagreed with the statement that the organization offers commensurate salaries to its employees, 24.30 (16.90% +7.40%) agreed with the statement and 6.60% were neutral about the statement. Also, the results had a mean of 2.47 and standard deviation of 1.16 meaning that most of the respondents disagreed with the statement but their responses varied. Furthermore, 73.50% of the respondents disagreed with the statement that

company has a medical insurance cover for all employees, 18.40% agreed with the statement and 8.10% were neutral. Additionally, 72.70% disagreed with the statement that promotion structure in the organization is clear, 13.20% agreed with the statement and 14% of the respondents were neutral about the statement. Furthermore, 75.80% of the respondents disagreed with the statement that Study/training leave allows them to take time off for study or training to improve on their personal growth, 15.70% agreed with the statement and 9.60% were neutral about the statement. Additionally, majority of the respondents, 69.50% disagreed with the statement that basic pays are commensurately fixed, 22.80 agreed with the statement and 8.40 were neutral about the statement. In addition, 70.60% of the respondents disagreed with the statement that bonuses are fairly determined in the organization, 16.20% agreed with the statement and 13.20% of the respondents were neutral. Additionally, 71.30% of the respondents disagreed with the statement that commissions for employees are fairly determined, 13.30% of the respondents agreed with the statement and 15.40% of the respondents were neutral about the statement. Likewise, 66% of the respondents disagreed with the statement that employee allowances are fairly determined, 19.80% agreed with the statement and 14.10% of the respondents were neutral. Finally, 66.30% of the respondents disagreed with the statement that the company has retirement benefits for employees, 17% agreed with the statement and 7.40% were neutral about the statement. In general, the results had an average mean of 2.32 and standard deviation 1.14. This implied majority of the respondents disagreed with the statement but their responses varied.

4.3.5 Descriptive Statistics of Employee Turnover

The dependent variable of the study was employee Turnover. Table 4.6 shows the descriptive statistics of employee turnover. Descriptive Statistics of Employee turnover is shown in Table 4.6

Table 4.6: Descriptive Statistics of Employee Turnover

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	SD
The organization fairly compensates me in exchange for effort put	22.80%	49.30%	14.00%	8.10%	5.90%	2.25	1.08
Many employees have worked with this company for more than five years	21.30%	48.50%	14.70%	11.00%	4.40%	2.29	1.06
Our company is regarded as employer of choice by new and aspiring employees.	24.30%	44.10%	11.80%	12.50%	7.40%	2.35	1.19
The organization is willing to extend itself to help me perform my job to the best of my ability	27.20%	41.90%	16.90%	11.80%	1.50%	2.32	1.98
Many employees aspire to continue working with this company into the unforeseeable future	29.40%	37.50%	17.60%	14.00%	1.50%	2.21	1.06
Average						2.25	1.22

From Table 4.6, majority of respondents, 72.10% (22.80% +49.30%) disagreed with the statement that organization fairly compensates employees in exchange for effort put, 16% (8.10%+ 5.90%) agreed with the statement and 14% were neutral. Furthermore, the results had a mean 2.25 and standard deviation of 1.08. This implied that majority of the respondents disagreed with the statement but their responses varied. In addition, 69.80% disagreed with the statement that many employees have worked with this company for more than five years, 15.40% disagreed with the statement and

11% of the respondents were neutral. Besides, 68.40% of the respondents disagreed with the statement that the company is regarded as employer of choice by new and aspiring employees, 17.90% agreed with the statement and 12.50% were neutral. Additionally, 67.20% disagreed with the statement that the organization is willing to extend itself to help me perform my job to the best of my ability, 15.20% agreed with statement and 11.80% were neutral. Furthermore, 66.90% disagreed with the statement that many employees aspire to continue working with this company into the unforeseeable future, 15.50% agreed with the statement and 14% were neutral concerning the statement. The overall mean of the statements was 2.25 and the standard deviation of 1.22. This meant that the most of the respondents disagreed with the statements, however, their responses varied.

4.5 Test for Reliability

Reliability is the consistency of measurement, or the degree to which an instrument measures the same way each time it is used in the same condition with the same subjects. The reliability measure offers away to consistently measure the significance of the research instruments using the internal consistency reliability. The reliability of the research instruments for this study was obtained using the Cronbach's Alpha formula to establish the degree of their accuracy and consistency. The reliability is expressed as a coefficient between 0.00 and 1.00. The higher the coefficient, the more reliable is the test (Mugenda & Mugenda, 2003). The reliability of coefficient is presented in table 4.7

Table 4.7: Reliability coefficient

Variable	Cronbach's Alpha	Number of items	Comment
Organizational Related Factors	0.775	7	Reliable
Training related factors	0.846	7	Reliable
Economic related Factors	0.874	4	Reliable
Motivation Factors	0.784	9	Reliable
Employee Turnover	0.838	5	Reliable

Source: Author (2020)

Results on Table 4.7 shows that all the statements were reliable since the Cronbach alpha was above 0.7 which was used as a cut-off of reliability for the study. Organizational related factors (0.775), training (0.846), economic factors (0.784), motivation factors (0.874) and employee turnover (0.838). Therefore the internal consistency reliability of the measure was excellent. This indicates that the data was reliable since an alpha coefficient higher than 0.70 signifies that the gathered data has a relatively high internal consistency and could be generalized to reflect the respondent's opinions on the study problem

4.6 Correlation Analysis

Table 4.8 presents the Correlation Analysis results

Table 4.8: Correlation Analysis Results

Correlations		Employee Turnover	Organizational related factors	Training	Economic factors	Motivational Factors
Employee Turnover	Pearson Correlation Sig. (2-tailed)	1.000				
Organizational related factors	Pearson Correlation Sig. (2-tailed)	.572** 0.000	1.000			
Training	Pearson Correlation Sig. (2-tailed)	.582** 0.000	.548** 0.000	1.000		
Economic factors	Pearson Correlation Sig. (2-tailed)	.618** 0.000	.579** 0.000	.548** 0.000	1.000	
Motivational Factors	Pearson Correlation Sig. (2-tailed)	.547** 0.000	.525** 0.000	.455** 0.000	.581** 0.000	1.000

The results from Table 4.8 show that organizational factors and employee turnover is positively and significantly associated ($r=0.572$, $p=0.000$). Training and employee turnover are positively and significantly associated ($r=0.582$, $p=0.000$). Also, economic factors and employee turnover had a positive and significant association ($r=0.618$, $p=0.000$). Similarly, results showed that motivational factors and employee performance had a positive and significant association ($r=0.547$, $p=0.000$).

4.7 Tests for Regression Model Assumptions

This section included Normality Test and Multicollinearity Test.

4.7.1 Normality Test

Normality was tested using Kolmogov-Smirnov test. The results presented in Table 4.9 indicate the normality test results.

Table 4.9: Normality Test

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Employee Turnover	0.102	194	0.000	0.982	194	0.012
Organizational Related Factors	0.264	194	0.000	0.851	194	0.000
Training Related Factors	0.271	194	0.000	0.849	194	0.000
Economic Related Factors	0.254	194	0.000	0.858	194	0.000
Motivation Factors	0.263	194	0.000	0.849	194	0.000

Table 4.9 indicates that using the of Kolmogorov-Smirnov and Shapiro-Wilk test of normality, variables data are normal since the p-values are 0.000 which are below 0.05 for all the variables and thus we reject the null hypothesis (H0) and accept the alternative hypothesis (H1). The study concluded that there is a significant relationship between organizational related factors, training related factors, economic related factors, motivation factors and employee turnover in small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya.

4.7.2 Multicollinearity Test

Multicollinearity exists when two or more predictor variables in a multiple regression model are highly correlated. The results presented in Table 4.10 depict the multicollinearity test. Variance Inflation Factor (VIF) value were used where values less than 10 for VIF means that there is no multicollinearity.

Table 4.10: Multicollinearity Test

	VIF
Organizational Related Factors	3.705
Training Related Factors	2.376
Economic Related Factors	4.071
Motivation Factors	3.306

Based on the results presented in Table 4.10, all the variables had VIF values less than 10 as shown in Table 4.10. The results indicated there is no multicollinearity among the

independent variables (organizational related factors, training related factors, economic related factors and motivation factors).

4.8 Regression Analysis

The regression was conducted to identify the determinants of employee turnover among Small and Medium Enterprises in Nairobi central business district, Kenya. The results presented in table 4.11 indicate the Model Fitness

Table 4.11: Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.719a	0.516	0.502	0.22642

a Predictors: (Constant), organizational related factors, training, economic factors, motivational factors

The model fitness results in Table 4.11 show that organizational related factors, training, economic factors and motivational factors were found to be satisfactory variables in explaining employee turnover among Small and Medium Enterprises in Nairobi central business district, Kenya. This is supported by coefficient of determination also known as the R square of 0.516. This means that organizational related factors, training, economic factors and motivational factors explain 51.6% of the variations in the dependent variable, which in this case is employee turnover.

Table 4.12 shows the results of Analysis of Variance (ANOVA).

Table 4.12: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.172	4	1.793	52.74	.000b
	Residual	6.716	198	0.034		
	Total	13.888	202			

a Dependent Variable: employee turnover

b Predictors: (Constant) organizational related factors, training, economic factors, motivational factors

The ANOVA results in Table 4.12 show that the general model was statistically significant. Further, the outcomes suggest that the independent variables were good indicators of job Performance. This was supported by an F statistic of 52.74 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

The Multiple Regression of Coefficient is presented in Table 4.13.

Table 4.13: Multiple Regression Results

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
1 (Constant)	0.318	0.152		2.092	0.039
Organizational Related Factors	-0.158	0.071	0.183	-2.225	0.027
Training related factors	-0.251	0.077	0.253	-3.260	0.001
Economic related Factors,	0.257	0.081	0.268	3.173	0.002
Motivational Factors	-0.176	0.077	0.18	-2.286	0.023

a Dependent Variable: Employee turnover

$$Y=0.318 - 0.158X_1 - 0.251X_2+0.257X_3-0.176X_4$$

Where:

Y= Employee turnover

X₁= organizational related factors

X₂= Training related factors

X₃= Economic related factors

X₄= Motivational factors

Regression of coefficients results in Table 4.13 shows that organizational related factors and employee turnover are negative and significantly related ($\beta = -0.158$, $p=0.071$).

Further training and employee turnover are negatively and significantly related ($\beta = -0.251$, $p=0.077$). Similarly, the results show that the economic factors and employee turnover is positively and significantly related ($\beta = 0.257$, $p=0.081$). Finally, motivational factors is negatively and significantly related to employee turnover ($\beta = -0.176$, $p=0.077$). This implies that an improvement in organizational related factors, training and motivational factors leads to decrease in employee performance. However and increase in economic factors leads to an increase in employee turnover. The regression results are consistent with those of Rhoades and Eisenberger (2012) who established that the presence of career growth opportunities like training in the organization's aids in minimizing employee turnover rates.

4.8.1 Hypothesis Testing For Organizational Related Factors and Employee Turnover

The null hypothesis was that there is no significant relationship between organizational related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. The hypothesis was tested by using multiple linear regressions (Table 4.10). The acceptance/rejection criteria was that, if the p value is greater than 0.05, the H_0 is not rejected but if it's less than 0.05, the H_0 fails to be accepted.

Results in Table 4.10 shows that the P value was 0.027 that is less than 0.05. The P-value of 0.027 implied that the null hypothesis was rejected hence there is a significant relationship between organizational related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. This was supported by a calculated t-statistic of 2.225 that is larger than the critical t-statistic of 1.96. The null hypothesis was therefore rejected.

4.8.2 Hypothesis Testing For Training Related Factors and Employee Turnover

The null hypothesis was that there is no significant relationship between training related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. The hypothesis was tested by using multiple linear regressions (Table 4.10). The acceptance/rejection criteria was that, if the p value is greater than 0.05, the H_0 is not rejected but if it's less than 0.05, the H_0 fails to be accepted.

Results in Table 4.10 shows that the P value was 0.001 that is less than 0.05. The P-value of 0.001 implied that the null hypothesis was rejected hence there is a significant relationship between training related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. This was supported by a calculated t-statistic of 3.260 that is larger than the critical t-statistic of 1.96. The null hypothesis was therefore rejected.

4.8.3 Hypothesis Testing For Economic Related Factors and Employee Turnover

The null hypothesis was that there is no significant relationship between economic related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. The hypothesis was tested by using multiple linear regressions (Table 4.10). The acceptance/rejection criteria was that, if the p value is greater than 0.05, the H_0 is not rejected but if it's less than 0.05, the H_0 fails to be accepted.

Results in Table 4.10 shows that the P value was 0.002 that is less than 0.05. The P-value of 0.001 implied that the null hypothesis was rejected hence there is a significant relationship between economic related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. This was

supported by a calculated t-statistic of 3.173 that is larger than the critical t-statistic of 1.96. The null hypothesis was therefore rejected.

4.8.4 Hypothesis Testing For Economic Related Factors and Employee Turnover

The null hypothesis was that there is no significant relationship between motivational factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. The hypothesis was tested by using multiple linear regressions (Table 4.10). The acceptance/rejection criteria was that, if the p value is greater than 0.05, the H_0 is not rejected but if it's less than 0.05, the H_0 fails to be accepted.

Results in Table 4.10 shows that the P value was 0.023 that is less than 0.05. The P-value of 0.023 implied that the null hypothesis was rejected hence there is a significant relationship between motivational related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. This was supported by a calculated t-statistic of 2.286 that is larger than the critical t-statistic of 1.96. The null hypothesis was therefore rejected.

4.9 Summary of Hypotheses

The summary results of the hypotheses are presented in Table 4.14

Table 4.14: Summary of Hypotheses

Objective No	Objective	Hypothesis	Rule	p-value	Comment
Objective 1	To establish how organizational related factors influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya.	H₀₁ : There is no significant relationship between organizational related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya.	Reject Ho if p value <0.05	p<0.05	The null hypothesis was rejected hence there is a significant relationship between organizational related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya
Objective 2	To evaluate how training related factors influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya	H₀₂ : There is no significant relationship between training related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya	Reject Ho if p value <0.05	p<0.05	The null hypothesis was rejected hence there is a significant relationship between training related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya
Objective 3	To determine how economic related factors Influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya	H₀₃ : There is no significant relationship between economic related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya	Reject Ho if p value <0.05	p<0.05	The null hypothesis was rejected hence there is a significant relationship between economic related factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya
Objective 4	To examine how motivation factors influence employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya Nakuru County	H₀₄ : There is no significant relationship between motivation factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya	Reject Ho if p value <0.05	p<0.05	The null hypothesis was rejected hence there is a significant relationship between motivational factors and employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya

4.10 Discussion of the Findings

This section involved the discussion of results on identifying the determinants of employee turnover among Small and Medium Enterprises in Nairobi central business district, Kenya.

4.10.1 Model Fitness

A fitness of model was used in the regression model in explaining the study phenomena. Organizational related factors, training related factors, economic factors and motivational factors were found to be satisfactory variables in explaining employee turnover among Small and Medium Enterprises in Nairobi central business district, Kenya. This is supported by coefficient of determination also known as the R square of 0.516. This means that organizational related factors, training, economic factors and motivational factors explain 51.6% of the variations in the dependent variable, which in this case is employee turnover.

4.10.2 Organizational related factors and Employee Turnover

The first objective of the study was to establish how organizational related factors influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. The average mean of the questionnaire responses on organizational related factors were 2.45 which meant that majority of the respondents disagreed with most of the statements; however, the answers were varied as shown by a standard deviation of 1.11. Further, correlation results showed organizational related factors and employee turnover was positively and significantly associated ($r=0.572$, $p=0.000$). Further, the regression results revealed that organizational related factors and employee turnover were negative and significantly related ($\beta = -0.158$, $p=0.071$). This was supported by a calculated t-statistic of 2.244 that is larger than the critical t-statistic of 1.96. This means that a unitary improvement in organizational related factors leads

to a decrease in employee turnover in the SMEs in Nairobi County by 0.158 units holding other factors constant. The results concur with the findings of Ogoshi (2006) who reported that in organization where there was a high level of inefficiency; there was also a high level of employee turnover. Also, Bushe (2012) reported that the quality of employee in an organization has a direct influence on its organizational effectiveness.

4.10.3 Training related factors and Employee turnover

The second objective was to evaluate how training related factors influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. From the descriptive statistics, the overall mean of the statements was 2.30 and standard deviation of 1.11, implying that the majority of the respondents disagreed with the statements in the questionnaire, but the responses varied. From the correlation results, training related factors and employee turnover were positively and significantly associated ($r=0.582$, $p=0.000$). Further, regression results showed that training related factors and employee turnover was negatively and significantly related ($\beta =-0.251$, $p=0.077$). This was supported by a calculated t-statistic of 3.258 that is larger than the critical t-statistic of 1.96. This means that a unitary improvement in training related factors leads to a decrease in employee turnover of the SMEs in Nairobi by 0.251 units holding other factors constant. The results are in agreement with the findings of Ayodeji (2002) who reported that teacher adequacy is a function of many factors, which include funding, student enrollment over time and employee turnover.

4.10.4 Economic related factors and Employee turnover

The third objective was to determine how economic related factors Influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. The average mean of the questionnaire responses on economic related factors was 2.31 thus, majority of the respondents disagreed with most of the

statements; however, the answers were varied as shown by a standard deviation of 1.16. It was further established that economic related factors and employee turnover was positively and significantly associated ($r=0.618$, $p=0.000$). The regression results showed economic factors and employee turnover were positively and significantly related ($\beta =0.257$, $p=0.081$). This was supported by a calculated t-statistic of 3.175 that is larger than the critical t-statistic of 1.96. This means that a unitary improvement in economic related factors leads to an increase in employee turnover of SMEs in Nairobi by 0.257 units holding other factors constant. The results concur with the findings of Olaniyan and Okemakinde (2008) who stated that formal sector and training is highly instrumental and an imperative to improve national production capacity, in particular that an educated population is a productive population

4.10.5 Motivational factors and Employee Turnover

The fourth objective of the study was to examine how motivation factors influence employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. The average mean of the questionnaire responses on motivational factors were 2.32 which means that majority of the respondents disagreed with most of the statements; however, the answers were varied as shown by a standard deviation of 1.14. Similarly, correlation results showed that motivational factors and employee turnover of SMEs in Nairobi was positively and significantly associated ($r=0.547$ $p=0.000$). Regression results revealed motivational factors and employee turnover were negatively and significantly related ($\beta =-0.176$, $p=0.077$). This was supported by a calculated t-statistic of 2.301 that is larger than the critical t-statistic of 1.96. This means that a unitary improvement motivational factors leads to decrease in employee turnover of SMES in Nairobi by 0.176 units holding other factors constant. The results of the study concur with the conclusions of Olusegun (2012) who indicated

that motivation is the willingness to exert a persistent and high level of effort towards organizational goals, conditioned by the efforts' ability to satisfy some individual needs.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Overview

The chapter presents the summary of findings, conclusion and the recommendations of the study. Also, the section entails the suggestions for further studies.

5.2 Summary of Findings

This section provides a summary of the findings from the analysis. This was done according to the objectives of the study, where the analysis was done. The general objective of the study was to identify the determinants of employee turnover among Small and Medium Enterprises in Nairobi central business district, Kenya.

5.2.1 Organizational related factors and Employee Turnover

The first objective of the study was to establish how organizational related factors influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. The average mean of the questionnaire responses on organizational related factors were 2.45 which meant that majority of the respondents disagreed with most of the statements; however, the answers were varied as shown by a standard deviation of 1.11. Further, correlation results showed organizational related factors and employee turnover was positively and significantly associated ($r=0.572$, $p=0.000$). Further, the regression results revealed that organizational related factors and employee turnover were negative and significantly related ($\beta = -0.158$, $p=0.071$). This was supported by a calculated t-statistic of 2.244 that is larger than the critical t-statistic of 1.96. This means that a unitary improvement in organizational related factors leads to an decrease in employee turnover in the SMEs in Nairobi County by 0.158 units holding other factors constant.

5.2.2 Training related factors and Employee turnover

The second objective was to evaluate how training related factors influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. From the descriptive the results, the overall mean of the statements was 2.30 and standard deviation of 1.11, implying that the majority of the respondents disagreed with the statements in the questionnaire, but the responses varied. From the correlation results, training related factors and employee turnover were positively and significantly associated ($r=0.582$, $p=0.000$). Further, regression results showed that training related factors and employee turnover was negatively and significantly related ($\beta = -0.251$, $p=0.077$). This was supported by a calculated t-statistic of 3.258 that is larger than the critical t-statistic of 1.96. This means that a unitary improvement in training related factors leads to a decrease in employee turnover of the SMEs in Nairobi by 0.251 units holding other factors constant.

5.2.3 Economic related factors and Employee turnover

The third objective was to determine how economic related factors Influences employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. The average mean of the questionnaire responses on economic related factors was 2.31 thus, majority of the respondents disagreed with most of the statements; however, the answers were varied as shown by a standard deviation of 1.16. It was further established that economic related factors and employee turnover was positively and significantly associated ($r=0.618$, $p=0.000$). The regression results showed economic factors and employee turnover were positively and significantly related ($\beta = 0.257$, $p=0.081$). This was supported by a calculated t-statistic of 3.175 that is larger than the critical t-statistic of 1.96. This means that a unitary improvement in

economic related factors leads to an increase in employee turnover of SMEs in Nairobi by 0.257 units holding other factors constant.

5.2.4 Motivational factors and Employee Turnover

The fourth objective of the study was to examine how motivation factors influence employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD), Kenya. The average mean of the questionnaire responses on motivational factors were 2.32 which means that majority of the respondents disagreed with most of the statements; however, the answers were varied as shown by a standard deviation of 1.14. Similarly, correlation results showed that motivational factors and employee turnover of SMEs in Nairobi was positively and significantly associated ($r=0.547$ $p=0.000$). Regression results revealed motivational factors and employee turnover were negatively and significantly related ($\beta = -0.176$, $p=0.077$). This was supported by a calculated t-statistic of 2.301 that is larger than the critical t-statistic of 1.96. This means that a unitary improvement motivational factors leads to decrease in employee turnover of SMES in Nairobi by 0.176 units holding other factors constant

5.3 Conclusions

Based on the findings, the study concludes that related organizational factors are negative and significantly related to employee turnover. The correlation results showed a positive and significant association between the organizational factors and employee turnover. The study found that most of the organizational factors that influenced the employee turnover in the Small and Medium Enterprises in Nairobi Central Business District (NCBD) Included organization justice, organizational culture and organization structure.

The study also concludes that there exists a positive and significant association between training-related factors and employee turnover. The study also concludes that training-related factors and employee turnover is negatively and significantly related. The study further concludes that most of the training related factors that influence employee turnover in the Small and Medium Enterprises in Nairobi Central Business District (NCBD) comprises of improving the level of education, professional networking, organizing seminars and conferences.

The study also concludes that there is a positive and significant association between economic-related factors and employee turnover. The study also concludes that economic-related factors and employee turnover is positively and significantly related. Besides, the study concludes that most of the economic-related factors that enhance the employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD) comprise of salary and compensation, Commissions and bonus of income and retirement benefits.

Also, the study concludes that motivational factors and employee turnover are positively and significantly associated. The study also concludes that there exists a negative and positive relationship between motivational factors and employee turnover. Likewise, the study concludes that the most critical factors that drive the employee turnover in Small and Medium Enterprises in Nairobi Central Business District (NCBD) comprises of reward systems, the scheme of service and promotion structure.

5.4 Recommendations

Based on the findings, the study recommends that organization justice should be administered to all of the employees in Small and Medium Enterprises in the Nairobi Central Business District (NCBD). The study recommends that all of the Small and

Medium Enterprises SMEs to have an active department, to work on methods of improving the workload of employees, and set targets that are set to be achieved to be realistic and achievable. The study also recommends that organizational culture and organization structure of the Small and Medium Enterprises in Nairobi County be enhanced. The SMEs should always follow the organizational structure to ensure effective strategy implementation. The structure of administration within the SMEs should not be rigid but flexible to be compatible with the strategy that is being implemented. The study also recommends that the job security of the employees within the SMEs should be enhanced through designing valid contracts.

The study also recommends that the management of SMEs should increase the number of training of the employees. The study recommends that the Management of the organizations to invest in providing their employees with the necessary training which is relevant to their job description. The study also recommends the management of the SMEs to establish effective recruitment policies, career growth and recognition programs to all of the employees. Besides, the management and stakeholders of the organization should ensure their employees are regularly inducted and subjected to refresher courses as a way of increasing their output.

Furthermore, the study recommends that SMEs should ensure that salary and compensation, commissions, bonus and retirement benefits are improved within the organizations. The study recommends that SMEs should establish a way of increasing the salaries of the employee regularly to compensate them for their efforts that they have put into achieving the goals of the organization. Commissions and bonuses given to the employees should be given relatively without any form of discrimination and the retirement benefits to be modified.

The study recommends that management within the SMEs should improve the rewarding systems, the scheme of service and promotion structure. The study recommends the organizations should promote the packages of medical insurance to the employees and further enhance their extrinsic reward mechanisms by investing more in salaries and wages that show management commitment to rewarding work in an equitable manner; enhance paid vacations not only for managers, but also employees based on set performance criteria, and also invest in paid leave and bonuses as a way of motivation.

5.5 Suggestions for Further Studies

The study determined the determinants of employee turnover among Small and Medium Enterprises in the Nairobi central business district, Kenya. Future studies can be done in other organizations, including both the private and public. This will be key in comparison with the results of the current research and further identification of more research gaps for future studies. A study can also be carried out to reveal determinants of employee turnover in other organizations in Kenya using different variables such as remunerations, retention of employees, motivation, Job design and management style in a different time scope.

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APPENDICES

Appendix I: Introduction Letter

Dear Participant,

I am writing to kindly request for permission to obtain data from your organization for the above mentioned purpose. I am a Post graduate candidate at the Moi University, School of Business and as part of the requirements of the award of the degree; I am conducting a research on "Determinants of Employee Turnover among Small and Medium Enterprises in Nairobi Central Business District, Kenya ". I therefore, request you to spend some of your time to answer the questions in this questionnaire. Thank you in advance for your help and co-operation.

Your Faithfully,

Gerald Avonny Agweya

Appendix II: Questionnaire**SECTION A: GENERAL INFORMATION**

1. Gender
 - i. Male []
 - ii. Female []
2. What age bracket do you belong?
 - i. Below 25 years []
 - ii. 25 – 30 []
 - iii. 31 – 40 years []
 - iv. 41 – 50 years []
 - v. Above 50 years []
3. Academic Qualification
 - i. Diploma []
 - ii. Bachelors []
 - iii. Masters []
 - iv. Others []
4. Job position
 - i. Subordinates & Technical Staff []
 - ii. Supervisors []
 - iii. Managers []
5. Duration of Service
 - i. Less than 1 Year []
 - ii. Between 1 and 5 Years []
 - iii. Between 5 and 10 Years []
 - iv. Over 10Years []
6. Employee Working Experience
 - i. 1-3 Years []
 - ii. 4-5 Years []
 - iii. 6-10 Years []
 - iv. More than 15 Years []

SECTION B: INFLUENCE OF ORGANIZATION RELATED FACTORS ON EMPLOYEE TURNOVER

Below are several statements on how organization factors influence employee turnover.

Kindly indicate the extent of your agreement with each of these factors on a scale of 1-5, where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree.

Factor	1	2	3	4	5
1. The SMEs has active departments					
2. Am satisfied with workload					
3. Employee always meet set targets					
4. Satisfied with current supervisors					
5. The overall SMEs organizational structure					
6. Satisfied with job security					
7. Staff are likely to resign from SMEs					

SECTION C: INFLUENCE OF TRAINING RELATED FACTORS ON EMPLOYEE TURNOVER

10. On a scale of 1-5, where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree kindly indicate the extent of your agreement on how each of the following organizational related factors influence employee turnover in SMEs.

Factor	1	2	3	4	5
1. Our recruitment policies encourage employees continue working for the Company					
2. Our training culture encourages employees to continue working for the Company					
3. Our Career growth path encourages employees continue working for the Company					
4. Our new employee induction procedures encourage employees to continue working for the Company					
5. Our recognition programs encourage employees to continue working for the Company					
6. Our reporting structure encourage employees to continue working for the Company					
7. Conflict resolution mechanisms in our organization encourage employees to continue working for the Company					

**SECTION D: INFLUENCE OF ECONOMIC FACTORS ON EMPLOYEE
TURNOVER**

14. Below are several statements on how leadership influence employee turnover. Indicate the extent of your agreement with each of these statements on a scale of 1-5, where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree

Factor	1	2	3	4	5
1. Rewards in our organization encourage employees to continue working with the Company					
2. Salary increments encourage employees to continue working with the Company					
3. Commissions and bonus encourage employees to stay in organization					
4. Marketing standards encourages employee to stay in organization					

**SECTION E: INFLUENCE OF MOTIVATION FACTORS ON EMPLOYEE
TURNOVER**

12. Kindly indicate the extent of your agreement on how compensation influences employee turnover among SMES. Use a scale of 1-5, where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree

Factor	1	2	3	4	5
1. Our organization offers commensurate salaries to its employees					
2. The Company has a medical insurance cover for all employee					
3. The promotion structure in the organization is clear					
4. Basic pays are commensurately fixed					
5. Overtime pay is fair					
6. Bonuses are fairly determined in the organization					
7. Commissions for employees are fairly determined					
8. Employee allowances are fairly determined					
9. The company has retirement benefits for employees					

SECTION F: EMPLOYEE TURNOVER

Using a scale of 1-5, where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree; kindly rate the following statements on employee turnover in SMEs.

Factor	1	2	3	4	5
1. The organization fairly compensates me in exchange for effort put					
2. Many employees have worked with this company for more than five years					
3. Our company is regarded as employer of choice by new and aspiring employees.					
4. The organization is willing to extend itself to help me perform my job to the best of my ability					
5. Many employees aspire to continue working with this company into the unforeseeable future					

Appendix III: list of SMEs Operating within NCBD

SMEs	NATURE OF BUSINESS	AREA OF BUSINESS	STREET
Napro Industries Ltd	Commercial & Trade	Nairobi	Uhuru Highway
Polygon Logistics Ltd	Commercial & Trade	Nairobi	Uhuru Highway
North Star Cooling Systems	Commercial & Trade	Nairobi	Uhuru Highway
Ravenzo Trading Ltd	Commercial & Trade	Nairobi	Uhuru Highway
Life Care Chemists	Pharmaceuticals	Nairobi	Haileseasie venue
solutions supplies	Commercial & Trade	Nairobi	Haileseasie venue
Valley Hospital Limited	Pharmaceuticals	Nairobi	Haileseasie venue
Soloh Worldwide Limited	Commercial & Trade	Nairobi	Haileseasie venue
Super Broom Services Ltd	Commercial & Trade	Nairobi	Haileseasie venue
Total Food & Beverage	Food & Beverage	Nairobi	Haileseasie venue
Novel Technologies Ea Ltd	Commercial & Trade	Nairobi	Haileseasie venue
Melvin Food & Beverage	Food & Beverage	Nairobi	Haileseasie venue
Polucon Services (K) Ltd	Commercial & Trade	Nairobi	Haileseasie venue
Specom Food & Beverage Ltd	Food & Beverage	Nairobi	Moi Avenue
Manix Food & Beverage	Food & Beverage	Nairobi	Moi Avenue
Lake land food and Bevarages	Food & Beverage	Nairobi	Moi Avenue
Highland bar and Restaurant	Food & Beverage	Nairobi	Moi Avenue
Praful Pharmaceutical ltd	Pharmaceuticals	Nairobi	Moi Avenue
Amex Pharmaceuticals ltd	Pharmaceuticals	Nairobi	Moi Avenue
Sheffield Pharmaceutical ltd	Pharmaceuticals	Nairobi	Moi Avenue
Vivek Pharmaceutical	Pharmaceuticals	Nairobi	Moi Avenue
Bluekey Medical Supplies	Pharmaceuticals	Nairobi	Moi Avenue
Skypex medical Supplies Ltd	Pharmaceuticals	Nairobi	Moi Avenue
Pathcare Pharmaceutical	Pharmaceuticals	Nairobi	Uhuru Highway
Orange Pharma Limited	Commercial & Trade	Nairobi	Uhuru Highway
Pinnacle Kenya Travel Ltd	Commercial & Trade	Nairobi	Moi Avenue
Superior Homes Limited	Commercial & Trade	Nairobi	Moi Avenue
Furn Food & Beverage	Food & Beverage	Nairobi	Moi Avenue
Bagda Food & Beverage	Food & Beverage	Nairobi	Moi Avenue
Nairobi Food & Beverage	Food & Beverage	Nairobi	Uhuru Highway
Express Food & Beverage	Food & Beverage	Nairobi	Moi Avenue
Gina Din Commercial supplies	Commercial & Trade	Nairobi	Moi Avenue
Zaverchand Punja Ltd	Commercial & Trade	Nairobi	Uhuru Highway
Patmat Bookshop Ltd	Commercial & Trade	Nairobi	Moi Avenue

Executive Healthcare Solutions	Pharmaceuticals	Nairobi	Moi Avenue
Natural Pharmaceutical Ltd	Pharmaceuticals	Nairobi	Moi Avenue
Bimas Pharmaceutical Ltd	Pharmaceuticals	Nairobi	Moi Avenue
Mandhir Commercial Supplies	Commercial & Trade	Nairobi	Uhuru Highway
Hot Water Food & Beverage	Food & Beverage	Nairobi	Uhuru Highway
General Spares Corp Ltd	Commercial & Trade	Nairobi	Moi Avenue
Economic Food & Beverage	Food & Beverage	Nairobi	Moi Avenue
Waterman Pharmaceutical ltd	Pharmaceuticals	Nairobi	Moi Avenue
Ndugu Pharmaceutical ltd	Pharmaceuticals	Nairobi	Moi Avenue
Fayaz Food & Beverage	Food & Beverage	Nairobi	Moi Avenue
Mopart Commercial Agencies	Commercial & Trade	Nairobi	Moi Avenue
Trident Pharmaceuticals	Pharmaceuticals	Nairobi	Moi Avenue
Sonny Telecommunication	Commercial & Trade	Nairobi	Moi Avenue
Mills Food & Beverage	Food & Beverage	Nairobi	Parliament Road
Techno technology	Commercial & Trade	Nairobi	Parliament Road
Wakulima Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Parliament Road
Total Food & Beverage	Food & Beverage	Nairobi	Parliament Road
Seal Food & Beverage	Food & Beverage	Nairobi	Parliament Road
Palm Dairies Ltd	Commercial & Trade	Nairobi	Parliament Road
Sensations Pharmaceutical	Pharmaceuticals	Nairobi	Parliament Road
Makini Pharmaceuticals	Pharmaceuticals	Nairobi	Harambee avenue
Computer Pride Ltd	Commercial & Trade	Nairobi	Harambee avenue
General Pharmaceutical	Pharmaceuticals	Nairobi	Harambee avenue
Varsani Pharmaceutical	Pharmaceuticals	Nairobi	Harambee avenue
Imaging Pharmaceutical	Pharmaceuticals	Nairobi	Harambee avenue
Nandos Food & Beverage	Food & Beverage	Nairobi	Harambee avenue
Phila Food & Beverage	Food & Beverage	Nairobi	Agakhan Walk
Global Bar and Restaurant	Food & Beverage	Nairobi	Agakhan Walk
Synergy Bar and Restaurant	Food & Beverage	Nairobi	Agakhan Walk
Mach Bar and Restaurant	Food & Beverage	Nairobi	Agakhan Walk
Orbit Hotel and Restaurant	Food & Beverage	Nairobi	Agakhan Walk
Zen Food & Beverage	Food & Beverage	Nairobi	Agakhan Walk
Norda Bar and Restaurant	Food & Beverage	Nairobi	Agakhan Walk
Astral Food & Beverage	Food & Beverage	Nairobi	Mama Ngina street
Loita Hotel and Restaurant	Food & Beverage	Nairobi	Mama Ngina street
Warren Enterprises Ltd	Commercial & Trade	Nairobi	Mama Ngina street
Advence Hotel and Restaurant	Food & Beverage	Nairobi	Mama Ngina street
Ideal Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Mama Ngina street
Canon Pharmaceutical	Pharmaceuticals	Nairobi	Mama Ngina street
Master Pharmaceuticals	Pharmaceuticals	Nairobi	Koinange street

Specialized Bar and Restaurant	Food & Beverage	Nairobi	Koinange street
Hydro Bar and Restaurant	Food & Beverage	Nairobi	Koinange street
Roy Bar and Restaurant	Food & Beverage	Nairobi	Koinange street
Rongai Bar and Restaurant	Food & Beverage	Nairobi	Biashara street
Beneve stomach Solutions	Food & Beverage	Nairobi	Biashara street
Nationwide Industries Ltd	Commercial & Trade	Nairobi	Biashara street
Allwin Packaging Intl Limited	Commercial & Trade	Nairobi	Biashara street
Komal Construction Co Ltd	Commercial & Trade	Nairobi	Biashara street
Apax Business Solutions	Commercial & Trade	Nairobi	Kenyatta avenue
Empire Supplies Limited	Commercial & Trade	Nairobi	Kenyatta avenue
Synermed Pharmaceuticals Ltd	Pharmaceutical	Nairobi	Kenyatta avenue
Florida Bar and Restaurant Ltd	and Restaurant	Nairobi	Kenyatta avenue
Solly Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Kenyatta avenue
Avech Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Kenyatta avenue
Kisima Pharmaceutical	Pharmaceuticals	Nairobi	Kenyatta avenue
Special Pharmaceuticals ltd	Pharmaceuticals	Nairobi	Kenyatta avenue
Smart Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Kenyatta avenue
Classic Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Kimath Street
Farmparts Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Kimath Street
Limit Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Kimath Street
Emmer Medical Pharmacy	Pharmaceuticals	Nairobi	Kimath Street
Rift Pharmaceuticals Services	Pharmaceuticals	Nairobi	Kimath Street
Hajar medical Supplies Limited	Pharmaceuticals	Nairobi	Kimath Street
Advanta Food & Beverage	Food & Beverage	Nairobi	Kimath Street
Ork Medical Supplies	Pharmaceuticals	Nairobi	Kimath Street
Nito Medical Supplies Ltd	Pharmaceuticals	Nairobi	Kimath Street
Winning Ways Restaurant	Food & Beverage	Nairobi	Kimath Street
Davina Food & Beverage	Food & Beverage	Nairobi	Kimath Street
International Hotel	Food & Beverage	Nairobi	Parliament Road
Digital Solutions	Commercial & Trade	Nairobi	Kenyatta Avenue
Hass Cargo Limited	Commercial & Trade	Nairobi	Parliament Road
Ricky tours and travels	Commercial & Trade	Nairobi	City hall road
Nabwinga investment company	Commercial & Trade	Nairobi	Parliament Road
Benan Commercial enterprises	Commercial & Trade	Nairobi	Parliament Road
Best telecommunication limited	Commercial & Trade	Nairobi	Parliament Road
Namisco Commercial properties	Commercial & Trade	Nairobi	Parliament Road
Lemuma Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Parliament Road
Alpha Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Parliament Road
Total Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Parliament Road
Kilimanjaro Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Parliament Road

Lela Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Parliament Road
Amarco Rem Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	City Hall Way
NewRoma Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	City Hall Way
Gloria food and Restaurant	Food & Beverage	Nairobi	Moi Avenue
Terrecy food Restaurant	Food & Beverage	Nairobi	Moi Avenue
Platnum food and Restaurant	Food & Beverage	Nairobi	Moi Avenue
Tobico food and Restaurant	Food & Beverage	Nairobi	Moi Avenue
Vesbar food and Restaurant	Food & Beverage	Nairobi	Moi Avenue
Tim food and Restaurant	Food & Beverage	Nairobi	Koinange street
Flevain food and Restaurant	Food & Beverage	Nairobi	Koinange street
Maisha Bora food and Restaurant	Food & Beverage	Nairobi	Koinange street
Kosewe food and Restaurant	Food & Beverage	Nairobi	Koinange street
Galitos food and Restaurant	Food & Beverage	Nairobi	Mama Ngina Stree
Abondofood food and Restaurant	Food & Beverage	Nairobi	Mama Ngina Stree
Ukilima Commercial enterprises	Commercial & Trade	Nairobi	Mama Ngina Stree
Goos Commercial Agencies	Commercial & Trade	Nairobi	Mama Ngina Stree
Diamond Commercial Propaties	Commercial & Trade	Nairobi	Mama Ngina Stree
Mulembe Commercial Agencies	Commercial & Trade	Nairobi	Mama Ngina Stree
Jamii Commercial enterprises	Commercial & Trade	Nairobi	Mama Ngina Stree
Branch Commercial Agencies	Commercial & Trade	Nairobi	Mama Ngina Stree
Progressive enterprises ltd	Commercial & Trade	Nairobi	Mama Ngina Stree
Panafica Commercial Properties	Commercial & Trade	Nairobi	Mama Ngina Stree
Kenya Commercial enterprises	Commercial & Trade	Nairobi	Mama Ngina Stree
Value Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Standard street
Kentropic Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Standard street
Kenbanco Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Standard street
Mercy Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Standard street
Lipolo Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Standard street
Kilimanjaro Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Standard street
Kamcon Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Standard street
Kencom Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Utali street
Bosco Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Utali street
Basaca Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Utali street
Barrak Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Utali street
Concord Commercial Agencies	Commercial & Trade	Nairobi	Utali street
Manyata Commercial Agencies	Commercial & Trade	Nairobi	Utali street

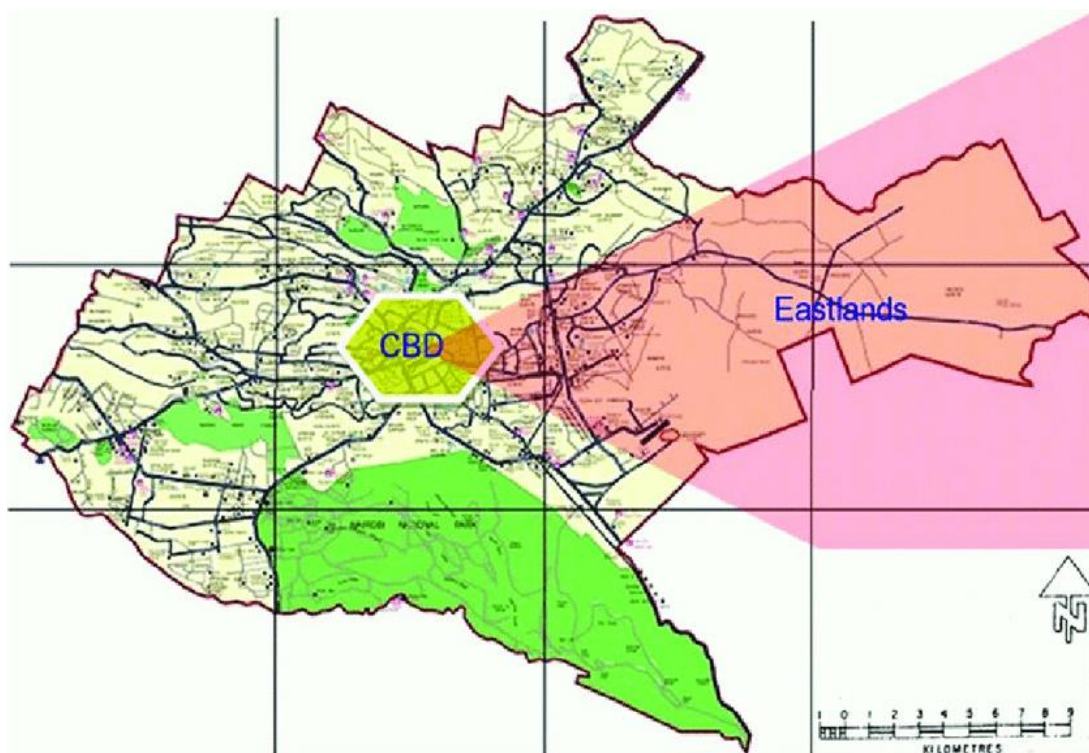
G.A.A.Commercial Agencies	Commercial & Trade	Nairobi	Collage street
School Uniform Agencies	Commercial & Trade	Nairobi	Collage street
Sianda Commercial Agencies	Commercial & Trade	Nairobi	Collage street
Mountain Commercial Agencies	Commercial & Trade	Nairobi	Collage street
Lavena Commercial Agencies	Commercial & Trade	Nairobi	Collage street
Nanak Commercial Agencies	Commercial & Trade	Nairobi	Collage street
Mwandi Commercial Agencies	Commercial & Trade	Nairobi	Collage street
Kemron Commercial Agencies	Commercial & Trade	Nairobi	City Market road
Phantom Commercial Agencies	Commercial & Trade	Nairobi	City Market road
Zonalax Commercial Agencies	Commercial & Trade	Nairobi	City Market road
Didnas Commercial Agencies	Commercial & Trade	Nairobi	City Market road
Kekoso Commercial Agencies	Commercial & Trade	Nairobi	City Market road
Panasonic Commercial Agencies	Commercial & Trade	Nairobi	City Market road
Corp food and Restaurant	Food & Beverage	Nairobi	City Market road
Tiffany food and Restaurant	Food & Beverage	Nairobi	City Market road
Torrent food and Restaurant	Food & Beverage	Nairobi	City Market road
Comfort food and Restaurant	Food & Beverage	Nairobi	City Market road
Gwava food and Restaurant	Food & Beverage	Nairobi	University way
Popet food and Restaurant	Food & Beverage	Nairobi	University way
Seasons food and Restaurant	Food & Beverage	Nairobi	University way
Nilepach food and Restaurant	Food & Beverage	Nairobi	University way
Canon food and Restaurant	Food & Beverage	Nairobi	University way
Commert food and Restaurant	Food & Beverage	Nairobi	University way
Harambee food and Restaurant	Food & Beverage	Nairobi	University way
Linux food and Restaurant	Food & Beverage	Nairobi	University way
Fillet food and Restaurant	Food & Beverage	Nairobi	University way
Laura food and Restaurant	Food & Beverage	Nairobi	University way
Tele poster food and Restaurant	Food & Beverage	Nairobi	University way
Uzomma food and Restaurant	Food & Beverage	Nairobi	University way
Total Best Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	University way
Orkland Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	University way
Ambassada Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	University way
Drive inn Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	University way
Moerdern Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	University way
Noterry Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Muindimbingu st.
Babu Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Muindimbingu st.
Bless Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Muindimbingu st.
Premium Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Muindimbingu st.
Census Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Muindimbingu st.
Califonia Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Muindimbingu st.

Batto kuu Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Muindimbingu st.
Grand Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Muindimbingu st.
Sylim Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Muindimbingu st.
Executive Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Muindimbingu st.
Master Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Muindimbingu st.
Duppty Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Muindimbingu st.
Sympathy Pharmaceuticals Ltd	Pharmaceuticals	Nairobi	Muindimbingu st.
Castal Commercial Agencies	Commercial & Trade	Nairobi	Mrovia street
Namada Commercial properties	Commercial & Trade	Nairobi	Mrovia street
Park Commercial Agencies	Commercial & Trade	Nairobi	Mrovia street
Millenium Commercial Agencies	Commercial & Trade	Nairobi	Mrovia street
Spirol Commercial Agencies	Commercial & Trade	Nairobi	Mrovia street
Dedan Commercial Properties	Commercial & Trade	Nairobi	Mrovia street
Tripple Commercial Agencies	Commercial & Trade	Nairobi	Mrovia street
Smart Cyber Technologies ltd	Commercial & Trade	Nairobi	Mrovia street
Apex Stationary & Supplies	Commercial & Trade	Nairobi	Mondalane street
Lino Commercial & Supplies	Commercial & Trade	Nairobi	Mondalane street
Kapa Treading Agencies	Commercial & Trade	Nairobi	Mondalane street
Bata Commercial Agencies	Commercial & Trade	Nairobi	Mondalane street
Bacon Commercial Supplies	Commercial & Trade	Nairobi	Mondalane street
Blendos Company Limited	Commercial & Trade	Nairobi	Mondalane street
Adarms Enterprises Limited	Commercial & Trade	Nairobi	Mondalane street
Jade Fashion and Design Limited	Commercial & Trade	Nairobi	Mondalane street
Kenbanco Company Limited	Commercial & Trade	Nairobi	Mondalane street
Tradesetters Company Limited	Commercial & Trade	Nairobi	Mondalane street
Eagles Group Company Limited	Commercial & Trade	Nairobi	Mondalane street
East African Cluves Limited	Commercial & Trade	Nairobi	Mondalane street
F&B Company Limited	Commercial & Trade	Nairobi	Mondalane street
Best Arts Company Limited	Commercial & Trade	Nairobi	Mondalane street
Asyanda Company Limited	Commercial & Trade	Nairobi	Mondalane street

Baj Trading Company Limited	Commercial & Trade	Nairobi	Mondalane street
Rongdar Inter Company Limited	Commercial & Trade	Nairobi	Mondalane street
Kenya Pies Platter Limited	Commercial & Trade	Nairobi	Mondalane street
Kenblest Company Limited	Commercial & Trade	Nairobi	Mondalane street
Mappy Company Limited	Commercial & Trade	Nairobi	Mondalane street
Camcon Constructors Limited	Commercial & Trade	Nairobi	Mondalane street
Prospect Stationary and supplies	Food & Beverage	Nairobi	Mondalane street
Madondo food and Restaurant	Food & Beverage	Nairobi	Yala street
Comfort food and Restaurant	Food & Beverage	Nairobi	Yala street
Paleo food and Restaurant	Food & Beverage	Nairobi	Yala street
Mercury food and Restaurant	Food & Beverage	Nairobi	Yala street
Magomano food and Restaurant	Food & Beverage	Nairobi	Yala street
Geo food and Restaurant	Food & Beverage	Nairobi	Yala street
Wimpy food and Restaurant	Food & Beverage	Nairobi	Yala street
Embassy food and Restaurant	Food & Beverage	Nairobi	Yala street
Homepark food and Restaurant	Food & Beverage	Nairobi	Tubman Road
Villa food and Restaurant	Food & Beverage	Nairobi	Tubman Road
Vannia food and Restaurant	Food & Beverage	Nairobi	Tubman Road
Zilton food and Restaurant	Food & Beverage	Nairobi	Tubman Road
Dev house food and Restaurant	Food & Beverage	Nairobi	Tubman Road
Gsddy food and Restaurant	Food & Beverage	Nairobi	Tubman Road
Ronny Chemistry ltd	Pharmaceuticals	Nairobi	Tubman Road
Trancham Pharmaceutical Ltd	Pharmaceuticals	Nairobi	Tubman Road
Zappy Chemistry	Pharmaceuticals	Nairobi	Tubman Road
Uncle Sam Chemistry	Pharmaceuticals	Nairobi	Kimathi Lane
Diamond Solution Chemistry	Pharmaceuticals	Nairobi	Kimathi Lane
Kilimanjaro Chemistry	Pharmaceuticals	Nairobi	Kimathi Lane
Hilton Chemistry ltd	Pharmaceuticals	Nairobi	Kimathi Lane
Tumain Chemistry Ltd	Pharmaceuticals	Nairobi	Kimathi Lane
Lee Pharmecy and Chemistry	Pharmaceuticals	Nairobi	Kimathi Lane
Amanny Agro Chemistry	Pharmaceuticals	Nairobi	Kimathi Lane
Ark animal Chemistry	Pharmaceuticals	Nairobi	Kimathi Lane
Maendeleo latenightChemistry	Pharmaceuticals	Nairobi	Kimathi Lane
Dev Hse Chemistry	Pharmaceuticals	Nairobi	Kimathi Lane
Tran Human Chemistry	Pharmaceuticals	Nairobi	Kimathi Lane
Tatu pharn Chemistry	Pharmaceuticals	Nairobi	Kimathi Lane
Side work Chemistry	Pharmaceuticals	Nairobi	Kimathi Lane
Brand Commercial Proprties	Commercial & Trade	Nairobi	Mortar Daddah st
Yusuf Commercial law farm	Commercial & Trade	Nairobi	Mortar Daddah st
Farm Pert Commercial Agencies	Commercial & Trade	Nairobi	Mortar Daddah st
Blueshord Commercial Properties	Commercial & Trade	Nairobi	Mortar Daddah st
Lona Investment company	Commercial & Trade	Nairobi	Mortar Daddah st

Studio One Commercial studio	Commercial & Trade	Nairobi	Mortar Daddah st
Samba food and Restaurant	Food & Beverage	Nairobi	Mortar Daddah st
Stanly food and Restaurant	Food & Beverage	Nairobi	Mortar Daddah st
Metroplitan food and Restaurant	Food & Beverage	Nairobi	Mortar Daddah st
Millenium food and Restaurant	Food & Beverage	Nairobi	Mortar Daddah st
Sabina Joy food and Restaurant	Food & Beverage	Nairobi	Mortar Daddah st
Nanak food and Restaurant	Food & Beverage	Nairobi	Mortar Daddah st
Swiss food and Restaurant	Food & Beverage	Nairobi	Mortar Daddah st
Duet food and Restaurant	Food & Beverage	Nairobi	Njogu Lane
Spring food and Restaurant	Food & Beverage	Nairobi	Njogu Lane
Wallet food and Restaurant	Food & Beverage	Nairobi	Njogu Lane
Gad food and Restaurant	Food & Beverage	Nairobi	Njogu Lane
Grand food and Restaurant	Food & Beverage	Nairobi	Njogu Lane
Pleasant food and Restaurant	Food & Beverage	Nairobi	Njogu Lane
Lamada food and Restaurant	Food & Beverage	Nairobi	Njogu Lane

Source: Micro and Small Enterprise Authority (2019)

Appendix IV: Map of Nairobi County (CBD)

Source: Independent Electoral and Boundaries Commission (2017)