# AN EVALUATION OF THE INFLUENCE OF REMUNERATION, JOB SECURITY AND EMPLOYEE INVOLVEMENT ON EMPLOYEE TURNOVER IN PARASTATAL ORGANISATIONS IN UGANADA: A CASE OF CIVIL AVIATION AUTHORITY

BY

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#### **DECLARATION**

I, Kayondo William declare that this dissertation entitled "An Evaluation of the influence of Remuneration, Job security and employee involvement on Employee Turnover in parastatal organizations in Uganda a Case of Civil Aviation Authority Uganda" is my original work and has never been submitted for the award of any degree or any other award in any University or other Institute of higher learning.

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#### **APPROVAL**

This dissertation entitled "An Evaluation of the influence Remuneration, Job security and employee involvement on Employee Turnover in parastatal organizations in Uganda a Case of Civil Aviation Authority Uganda" has been submitted with our approval as Kyambogo University Supervisors.

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#### **DEDICATION**

This work is dedicated to my mother Nakacwa Lukia for the tireless work of parenting and having laid the foundation for my education. To my lovely wife, Nampenja Ramlah Kayondo, for her support towards the fulfillment of this uphill task. Thank you for accepting my continued absence from home during the course of this study.

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#### ABSTRACT

This study evaluated the influence of Remuneration, Job security and Employee involvement on Employee Turnover in Parastatal organizations in Uganda: a Case of Civil Aviation Authority Uganda. Specifically the study objectives were to: investigate the contribution of remuneration given to staff by Civil Aviation Authority on employee turnover, examine the effect of job security on employee turnover and assess the influence of employee involvement on employee turnover in Civil Aviation Authority.

The findings revealed that remuneration, job security and employee involvement were insufficient in Civil Aviation Authority while employee turnover was high. It was revealed that an increase in remuneration, job security and employee involvement would significantly reduce employee turnover. On the basis of the findings the researcher recommends that Civil Aviation Authority improves remuneration such as salaries and fringe benefits. It was also recommended that employees' jobs should be guaranteed so as to attract them to stay stable in service. Lastly it is recommended that Civil Aviation Authority management uses a participatory management approach because employee involvement in decision making particularly on issues affecting their jobs boosts their morale and thus commitment to their duties.

#### **CHAPTER ONE**

#### INTRODUCTION

#### 1.1 Overview

The study evaluated the influence of Remuneration, Job security and Employee involvement on employee turnover in Civil Aviation Authority Uganda. This chapter presents the background to the study, the problem statement, general objectives of the study, specific objectives, research questions, hypotheses of the study, scope of the study, significance of the study and operational definitions.

#### 1.2 Background to the Study

Employee turnover is becoming a serious problem in today's corporate environment. Its costs to many organizations is very high and significantly affects the financial performance of organizations. Labor turnover begins with employee dissatisfaction, thoughts of quitting, undertaking a job search, evaluating aspects of the job and culminating into a decision to quit (Abelson and Baysinger, 1984).

Historically employee turnover, which arises from intention to quit according to Zimmerman and Danold (2009), has over time been of concern as it reduces the organization's competitive position. Intention to quit which gives to labor turnover phenomenon is not new as it dates back to 1910 (Eichengreen, 1989). Employee turnover has been recognized as a major managerial concern in contemporary work organizations (Pfeffer and Sutton, 2006). According to Revill, the causes of employee turnover are;

Morale, job satisfaction, promotion prospects, inadequate salaries (Revill, 1987). More responsibilities and working conditions, (Bryant, 1987). These personalities attribute employee turnover to supervision, personnel policies, and dislikes for job, poor working conditions, unequal workloads and job security. There are numerous reasons that drive employees to look for alternative employment. According to Ramlall (2003), Daniels (2003), Hirschfield (2006), Welch (2008), Charney (2008) and Maturo (2007), employees often consider the following as reasons for leaving the company:

The employee is dissatisfied with the compensation and/or monetary benefits they are receiving from the company, inadequate opportunities for training and development and an unchallenging working environment. Lack of career advancement opportunities where an employee reaches a ceiling in their advancement within a company, they will start looking for a new job. Lack of recognition, the overwhelming majority of people who leave any company do so because of the way they are treated. Surveys consistently show that more than 40 percent of people, who leave do so because they feel underappreciated for their contributions (Daniels, 2003). Ineffective leadership and lack of trust in senior management, employees do not know what is expected of them and this leads to low performing teams. Inadequate emphasis on teamwork, by nature, people tend towards human interaction, and a solitary position can become boring. Nonflexible work schedule, much emphasis is placed on family and balance between work life and personal life. Too long time spent commuting. People do not want to sit in traffic for hours, low overall job satisfaction.

In America according to United States Bureau of Labor statistics (2005), the US national turnover rate is 3% per month or 36% per annum yet replacing employees may be costly in recruiting and training employees to obtain satisfactory levels of performance over time.

In South Africa according to the national remuneration guide survey, the average staff turnover in South African companies was 12.3% in 2006. (Deloit and Touche February 2007).

In East Africa, especially in Kenya very little has been documented about the causes of labor turnover, however in a recent study; Best practices found that the aggregate annual turnover of employees for the pharmaceutical and biotech industries in Kenya was 14.2%. However, such rates of employee turnover affect organizations in terms of measurable financial costs as well as intangible knowledge-based and productivity costs.

Given such detrimental consequences it is hardly surprising that a great deal of research has been conducted at identifying salient predictors of turnover (Holtom etal, 2008). Civil Aviation Authority as a public sector organization is also experiencing a high level of employee turnover to the other competing employers like United Nations among other organizations. After being trained expensively and attaining the required skills, some employees resign when they are needed most. Thus the awareness of the importance of employees staying with an organization is evident (Brayfield and Crockett, 1955).

The study was guided by motivation theories from which the study topic was drawn. The reason for using theories is to validate them (Swason, 2000, cited by Romlall (2004). The theories that guided the study were Abraham Maslow's hierarchy of needs and Herzberg's

two factor model. These theories expound on people's needs and they explain behavior of individuals to attain their needs and satisfy them.

#### 1.2.1 Situational Analysis

Civil Aviation Authority was established in 1991 with the mandate to streamline and operate the most effective and efficient Civil Aviation in Uganda. It is therefore responsible for Entebbe Airport and Aerodromes in Gulu, Arua, Soroti, Kasese, Kisoro, Moroto, Tororo, Mbarara, Kidepo, Pakuba and Jinja. By 2013 it boasts of a workforce of 794 employees on permanent basis. Its mission is to maintain the highest standard of safety, security and service in Civil Aviation (CAA Business Plan 2002/03-2006/07). The objectives of the organization among others include developing and promoting safe, regular, efficient air transport in and outside Uganda, to maintain revenue by providing facilities, services and well-motivated workforce to develop Entebbe Airport into a hub and to promote tourism. Civil Aviation Authority focuses its attention on the development and opportunities through the various ranks and the other fringe benefits.

Despite the efforts undertaken by Civil Aviation Authority management in employee retention strategies which include among others; annual salary increment, guaranteeing loans for workers, training and promotional opportunities, medical care, over time payment, transport allowance, Civil Aviation Authority continues to register high rates of turnover as noted in Table 1.1.

#### 1.3 Statement of the Problem

Despite the employee retention strategies such as annual salary increments, medical care among others, that Civil Aviation Authority management has put in place to foster the wellbeing of its staff, employee turnover rates have persistently remained on the rise (see Table 1.1). So far there has been no notable study that has been conducted to establish the factors influencing employee turnover at Civil Aviation Authority. It was on the basis of this observation that this research was carried out to establish the influence of Remuneration, Job security, and Employee involvement on employee turnover stability in Civil Aviation Authority Uganda.

#### Trends of Employee Turnover in Civil Aviation Authority (2006-2009)

The study sought to establish the trends of employee turnover at Civil Aviation Authority from 2006 to 2009. The following table displays the findings.

Table .1. Trends of Employee Turnover in CAA from 2006 to 2009

Years	Total Number of employees	Number of employees recruited	Number of employees who left	Rate of labor turnover
2006	726	19	26	3.6
2007	771	98	39	5.058
2008	775	46	53	6.83
2009	794	91	63	7.93

Source: CAA (Human Resource Department 2013)

Employee turnover has been increasing steadily from 3.6 in 2006 to 7.93% in 2009.

#### 1.4 General Objective

The general objective of the study was to investigate the factors related to employee needs that influence employee turnover in Civil Aviation Authority.

#### 1.5 Specific Objectives

- 1. To investigate the contribution of remuneration given to staff by Civil Aviation Authority on employee turnover.
- 2. To examine the effect of job security on employee turnover in Civil Aviation Authority.
- 3. To assess the influence of employee involvement on employee turnover in Civil Aviation Authority.

#### 1.6 Research Questions

- 1. How does remuneration influence employee turnover at Civil Aviation Authority?
- 2. In what way does job security affect employee turnover at Civil Aviation Authority?
- 3. How does employee involvement influence employee turnover at Civil Aviation Authority?

#### 1.7 Scope of the Study

#### 1.7.1 Area scope

The study was conducted among Civil Aviation Authority staff at Entebbe Airport Katabi Sub-county Wakiso District. It excluded staff at upcountry aerodromes.

#### 1.7.2 Time scope

The study covered a period of six months from March 2013 to October 2013 due to limited time for completion of the course and financial constraints.

#### 1.7.3 Context scope

Although many factors are presumed to influence employee turnover in organizations, this study focused on remuneration, job security and employee involvement and their influence on employee turnover.

#### 1.8 Significance of the Study

The results of the study may be beneficial to policy and decision makers at Civil Aviation Authority in decision making while dealing with matters pertaining human resource management.

The results could assist human resource managers at Civil Aviation Authority to forecast future recruitment requirements and also assist in the improvement of the organizational retention strategies.

Finally the outcome of this research might be beneficial to the existing body of knowledge about employee turnover and thus help interested researchers in the field of human resource management.

#### 1.9 Operational Definitions

In context of this study the following are the operational definitions;

Employee turnover: This is the voluntary exit of employees in the organization.

Remuneration: Means of expressing appreciation for work done by cash or non-cash.

**Fringe benefits**: These are rewards that an employee receives by virtue of his or her position.

# CHAPTER TWO LITERATURE REVIEW

#### 2.1 Introduction

The review of literature was carried out according to the four variable measures of remuneration, job security, employee involvement in relation to influencing employee turnover as the dependent variable of the study. Deductions have been drawn basing on the gaps identified in the literature. It covered the theoretical and conceptual framework and a summary of the literature reviewed.

#### 2.2 Theoretical Review

#### 2.2.1 Maslow's theory of human needs

The study was be guided by Abraham Maslow's theory of hierarchy of needs of 1940's which assumes that human needs are arranged in a hierarchy of five (5) important levels of needs (Moorhead 2007, Rees and Porter 2008). In the first level, Maslow put basic physiological needs that included water, air, shelter, food among others. He observed that after these are fulfilled, psychological needs set in that include the following; safety that is to say job security where employees are sure of personal safety and continuity of their jobs through trainings, promotions pension plan among others. Social needs that included having a sense of belonging to a given work environment through friendship among others. Self-esteem needs set in that included a job title for status, having a company car among others. Self-actualization then sums it all that included employee ability to contribute to others hence a feeling of achievement among others.

Maslow postulates that each need level must be satisfied before the level above it can become important. However if a previously satisfied level set of needs become deficient again, the individual returns to that level (Armstrong 1999).

#### 2.2.2 Herzberg's two factor theory (1960)

Herzberg's two factors theory explains about the motivation factors that are intrinsic to the work itself like recognition, achievement, advancement and growth, and responsibility. The hygiene factors are extrinsic to the work itself such as pay and job security, working conditions, supervision, interpersonal relationships and company policies. Hence summarizing the two factors as satisfiers and dissatisfiers. (Griffin and Moorhead 2007)

If the organization over emphasizes the hygiene factors and under plays the motivation factors, employee turnover will become inevitable. It is therefore important to balance the two sets of factors in order to curb employee turnover.

#### 2.3 Conceptual Frame Work

The conceptual frame work (Figure 2.1) explains the relationship between organizational factors and employee turnover.

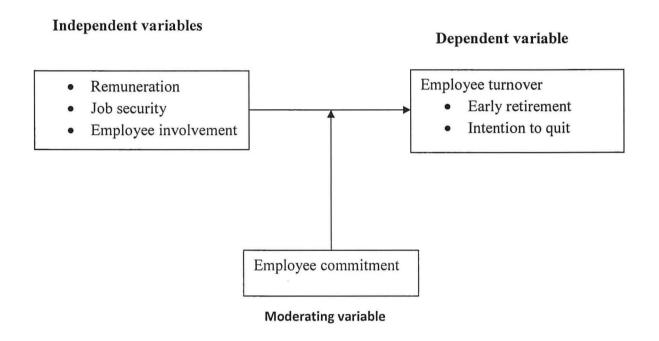


Figure 2: Conceptual framework

Source: Adopted from Herzberg Theory (1957).

The research conceptualized that employee turnover was the dependent variable that influenced by organizational factors such as remuneration, job security and employee involvement; which are the independent variable. Each of these organizational factors was broken down in specific dimensions. Remuneration had the dimensions of salary allowances, bonuses and fringe benefit; job security had the dimensions of promotion, recognition and training and finally employee involvement whose dimension was participation. The researcher postulated that employee commitment as the moderating

variable could have an effect on the independent variables and thus influence employee turnover whose dimensions were early retirement, intention to quit as the dependent variable.

#### 2.4 Factors Influencing Employee Turnover

#### 2.4.1 Remuneration

According to Armstrong (1999) employee reward management is about how employees are rewarded in accordance with their value to an organization. It is concerned with both financial and non-financial rewards and embraces the philosophies, strategies, plans and processes used by organizations to develop and maintain reward systems. Armstrong further defines employee rewards as a means of expressing appreciation for work done of achievements attained either by using cash or non-cash appreciation, but in both cases certain basic criteria is essential to ensure effectiveness (1999). Reward management therefore is not just about money but also concerns with those non-financial rewards, which provides intrinsic and non-intrinsic motivation.

Attention should not only be given to performance related pay as the only motivator but also the non-financial approaches to motivate and recognize (Armstrong, 1999). If the reward system is deemed to be unrealistic and unfair, it may have negative effects on retention of employees. Employees also care about being paid salaries and wages comparable to those being paid to others in similar positions making comparable contributions. When employees feel their pay is fair and comparable to what other employees offer, having interesting and meaningful work in acceptable conditions,

supported by good management practice, the prospect of making little money in another organization is not enough to pull them away Branham (2005). Branham further indicates that although most employees cite better pay, benefits or career advancement as their reasons for changing jobs, those are seldom the primary reasons people leave their positions and venture back out into the job market. These are simply the easiest most acceptable reasons to state because they require no additional explanation and carry no risk of incurring a negative reference.

#### 2.4.2 Salaries and Employee

Robbins (2000) asserts that money is important to the employees, it is a medium of exchange, people may not only work for money but if you take money away and how many people would come to work as cited by Axial and Abiola (2004). Armstrong (2001) notes that money may in itself have no intrinsic meaning, but it acquires significant motivating power because it comes to symbolize so many intangible goals. According to Gieter et al (2006), it is important to note the reward potential of money and they attributed it to being necessary in order to have a comfortable life. Money is not the incentive to effort but rather the measure of its success for the real entrepreneur. Matheauer (2006) holds the view that increased salaries are by no means sufficient to solve the problem of low motivation. More money like salaries and bonuses do not automatically imply higher motivation and hence high rate of retention in an organization.

Mabonga (2009) in his research on rewards and human resource retention on Donor funded HIV/AIDS NGOs revealed that low pay increases employee exit and hence low rate of

employee retention. A study carried out by Ernest and Young (2007) concludes that recruitment and retaining key personnel is a single largest concern of about 4000 fastest growing companies and organization in the world. Balunywa (2007) states that employee retention is about motivating staff and it covers both psychological aspect of the employee (their perception, goals and behavior) and physical aspects of employee which has to do with work environment.

#### 2.4.3 Fringe Benefits and Employee Turnover

According to Armstrong (1999) employee benefits are those elements of remuneration given in addition to basic pay/ salary.

He further showed the relationships between employee benefits and motivation as they provide an attractive and competitive total remuneration package which attracts and retains high quality employees, provides for personal needs of employees, increase their commitment to the organization. Several research studies found that highly competitive wage systems promote employee commitment and thus results in the attraction and retention of a superior workforce (Becker and Huselid, 1999; Guthrie, 2001; Shaw et al., 1998).

A recent study by Cho et al. (2006) investigated the relationship between the use of human management practices and organizational performance. It found that companies providing incentive plans to employees are more likely to experience lower turnover rates among non-managerial employees. The authors theorize that a firm would further reduce its turnover rate if it applies reward systems in the form of incentive plans to more employees

across the organization. Beardwell (1997), identified holiday entitlements, health care, office accommodation, housing, educational course and discount on company products, subsidized meals and pension schemes as employee benefits. Cole (2003) contrasts that most benefit plans do not permit an employee to choose his or her preferred range of benefits but these benefits are generally offered on a take-it or live-it basis.

#### 2.5 Job security

#### 2.5.1 Promotion and Employee Turnover

Every employee has the dream of social recognition and accomplishment to achieve. Promotion fulfills the desire for achieving distinction and craving for social approval. Wayne, (1998) argues that promotions help satisfy employee needs for security, belonging and personal growth. According to Howard (2008), individuals often feel that they have not been treated fairly if they work for so long without promotion. Lomony (2000) asserts that employees become restless when kept for long in one position leading to speculation and friction that can possibly affects employee retention. Principally, employees become restless when kept for so long in one position when actual placement is done, speculation and strife are possible consequently resulting into employees' turnover. Social support has been shown to play an important role in mitigating employee turnover.

#### 2.5.2 Training and Employee Turnover

One of the benefits of training in an organization is attracting high quality employees by offering those learning and development opportunities increasing their level of competence and enhancing their skills, thus enabling them to obtain more job satisfaction to gain higher

rewards and to progress within the organization (Amstrong 1999). An employee who claims training is therefore claiming a future and is more likely to experience job satisfaction. Organizations whose staff dart gets blurred therefore tend to suffer great deal of labor turnover as employees switch off psychologically (Lamony, 2000). It is further argued that organizations that invest less that 3% of their payroll will see twice the turnover of those that invest 6% (Burbank, 1999). Leaving alone training of employees, employers should understand that one way to nurture good people is to recognize that higher achievers require a job that stretches their talents (Hay, 2002).

#### 2.5.3 Recognition and Employee Turnover

Recognition is a tool widely used by organizations to motivate their employees.

Outstanding employees expect their effort to be acknowledged by the organization.

According to Armstrong (1997) recognition is one of the most motivators. People need to know not only how well they have achieved their objectives or done their work but also that their achievements are appreciated. This may therefore lead to employee's intention to quit and labour turnover.

Robbins (2003) argues that recognition and acknowledgement from the supervisors is consistently found to be among the most important motivator to employees. He further suggested that rewarding behavior with recognition immediately following that behavior is likely to encourage its repetition and this is linked to re-enforcement theory.

According to Lamony (2000), social recognition and a sense of accomplishment are dreams that every employee wants to achieve. Howard, (2008) stated that employers should be

creative and not think that rewards take place of recognition. He describes recognition to be about noticing and articulating value, therefore as an employer, there is need to recognize and appreciate employee's contribution. According to Ang. (2002), long term commitments can be attained in an environment that allows employees to meet their personal goals and those of organization which are in support of one another. Such flexibility provides a homely working environment to which the employee feel attached and this can reduce employee turnover.

That other than rewards, other factors may lead to employee turnover. Dibble (1999) stresses that some employees may end up quitting because they are not well treated. Rather than attempting to reduce staff turnover by seeking employees whose individual characteristics match those employees that are likely to stay, they should focus on organizational characteristics which can better be more easily controlled by administrators (Mitchell et al, 2000).

#### 2.6 Employee involvement

According to Moorhead (2007), employee involvement in their work can also play an important role in motivation and it is mostly enhanced through participation management and empowerment. Benson et al (2006) state that high involvement work practices are a specific set of human resource practices that focus on employee decision making, power, access to information, training and incentives.

#### 2.6.1 Participation and Employee Turnover

Moorhaed (2007) asserts that participation entails giving employees a voice in making decisions about their own work. According to Firth, Meelor, Moore and Loquet (2007), lack of commitment within the organisation and job dissatisfaction could be reasons why employees quit. Insufficient information on how to perform the job adequately, unclear expectations of peers and supervisors, ambiguity of performance evaluation methods, extensive job pressures, and lack of consensus on job functions or duties, may cause employees to feel less involved and less satisfied with their jobs and careers, less committed to their organisations, and eventually to display a propensity to leave the organisation (Tor and Owen, 1997).

A study by the US Department of Labor (1993) on high performance work practices revealed that involving employees in decision-making, goals and the direction of an organization through participation in teams will help produce job satisfaction and reduce turnover. Employees have a strong need to be informed. Organisations with strong communication systems enjoy lower turnover of staff (Labov, 1997). Employees feel comfortable to stay longer in positions where they are involved in some level of the decision-making process. In the absence of openness in sharing information and employee empowerment, the chances of continuity of employees are minimal.

# 2.7 Employee commitment as a moderating variable for factors influencing employee turnover

A widely tested and supported hypothesis is that the sense of attachment an individual has towards the job and fellow employees reduces employee turnover. This hypothesis has been tested using a variety of measures but is usually conceptualized as organization commitment (Ito, 2003). Long serving employees are more likely to stay, mainly because they become used to the work and the business and have an established relationship with those around them (Armstrong, 1999). The argument here is that when someone loves the job he or she is doing and the fellow employees he or she is doing the job with, he or she will get attached and will always decline to leave it. It's important to note that when a person is not attached to the job, he or she will always think of quitting despite other favorable organizational factors.

The changing labour market has brought about an unprecedented labour turnover. According to Cappelli (2000), strategic poaching of competitor organisation's key employees has become an acceptable practice among employers nowadays. Friedman, Hatch and Walker (1998), as cited by Aron (2001), report that the notion of a permanent employee has become a thing of the past. In the changing world of work, Lee (2001) argues that the psychological contract between employer and employee has changed fundamentally and long term commitment to an organisation is no longer guaranteed by either party.

Relevant literature was reviewed to examine the influence of the independent and moderating variable on employee turnover stability in Civil Aviation Authority as analyzed.

# CHAPTER THREE METHODOLOGY

#### 3.1 Introduction

The study addressed the factors influencing employee turnover in Public Sector Organizations and took Civil Aviation Authority as the organisation. This chapter presents the methodology that was used to execute the study. It includes the research design, area of the study, target population sampling techniques, sample size and sampling selection, research instruments, data collection procedure, data analysis and limitations of the study.

#### 3.2 Research Design

The study adopted a correlative study design with a view to establish the relationship between independent and dependent variables. This study adopted a cross-sectional survey design across all departments and both quantitative and qualitative data collection approach as well. These approaches were chosen because they supplement each other. Quantitative approach provided the hard data while qualitative approach provided in depth explanations needed to answer research objectives and questions (Mugenda and Mugenda, 1999). Quantitative approach reduces the problem of reliability caused by extreme subjectivity in the qualitative approach. The quantitative approach enabled the collection of numerical data in order to explain, summarize, understand, predict or control the phenomenon of interest. The generalized findings were obtained on the factors influencing employee turnover and their relationship examined. Questionnaires were used to collect quantitative data while interview guide was used to collect qualitative data.

#### 3.3 Area of Study

The study was conducted at Civil Aviation Authority head offices and terminal building of Entebbe International Airport Katabi Sub-county Wakiso District.

#### 3.4 Target Population

The population under study included the current serving Civil Aviation Authority staff and those who left from 2006 to 2009 from which a sample size of 143 people was obtained from all ranks in one strata of the Directorate of Airports and Aviation Security. Although Civil Aviation Authority has staff for up country Aerodromes, this study excluded them in consideration of time and financial constraints.

#### 3.5 Sampling Technique

The sampling techniques used were stratified random and purposive sampling. The population was divided into five strata basing on seniority from top managers, middle managers, supervisors to those who left and operational staff. The sampling was non biased with both male and female having equal chances of being selected. Key informants for qualitative data collection were selected using snow ball method.

#### 3.5.1 Sample Size

The researcher sought to establish the sample size of respondents to participate in the study. The sample size was determined using Krejcie and Morgan table in Amin (2005), according to the formula in the table with a total population of 215, the appropriate sample size would be 143 respondents. Under simple random sampling all the staff members in a given category had equal chances of being selected to participate. The following is table 3.1 which displays the sample size for each strata.

**Table 3. 1: Sample Size Results** 

Category of staff	Population	Sample size	Sampling techniques
Senior Managers	10	10	Purposive
Middle Managers	30	20	Random sampling
Supervisors	55	30	Random sampling
Those who left	10	10	Snow ball method
Operatives	110	73	Random sampling
Total	215	143	

Source: (Krejcie and Morgan table 1970).

#### 3.6 Research Instruments

Structured questionnaires were used and these were self-administered to selected respondents covering middle managers, supervisors and operational staff on remuneration, job security employee involvement and turnover.

#### 3.6.1 Interview guides

Interview guides were used for the selected key informants that included senior managers and those who had left.

#### 3.7 Pretesting (Validating and Reliability)

In order to make sure that quality and relevant data was collected, the research instruments were presented for reliability and validity as follows.

#### 3.7.1 Validity

Validity refers to the extent to which an instrument measures what it claims to measure (Amin 2005, Mugenda 1999). The validity of study was measured by the content validity, this measured the context to which the content of the instrument corresponds to the study (Amin, 2005) that was to be in line with objectives. Prior to the initiation of the study, a panel of four experts was invited to screen and vet the instrument for its content validity. The experts were selected, basing on their academic and practical managerial expertise in human resource management. The experts included my two supervisors, one senior lecturer of Human Resource Management and a management consultant. All items were found relevant apart from three which were deleted (Amin 2005). The average content validity index (CVI) formula was used to capture adequate and representative sets of items which were used to tap the content.

$$Content \ Validity \ Index \ (CVI) = \frac{Number \ of \ items \ declared \ valid}{Total \ number \ of \ items}$$

In content validity test, the validity of each item was evaluated on a scale for which 1 = relevant, 2 = quite relevant, 3 = somehow relevant and 4 = not relevant.

Four experts evaluated the questionnaire and the findings are shown in Table 3.2:

Table 3.2: Showing content validity index (CVI)

Expert	Content validity
Expert 1	0.82
Expert 2	0.97
Expert 3	0.82
Expert 4	0.93
Average	0.89

#### 3.7.2 Reliability

To measure the reliability of the instruments, Cronbach's alpha was employed. According to Sekaran (2005), if the Cronbach's alpha is less than 0.6, this means that the instrument used has a low reliability (and thus open for errors). If the alpha value is above 0.7, the instrument is acceptable. To ensure reliability of the instrument, the researcher pre-tested the instruments for consistency and proper flow of questions on the instruments before data

collection. The reliability of the instrument (alpha) was 0.70 which meant that the instrument was reliable. The following Table 3.3 displays the results of the reliability testing.

Table 3. 3: Reliability table for research instruments

Variables	No of items	Reliability coefficient
		(Alpha)
Remuneration	11	0.68
Job security	10	0.88
Employee involvement	9	0.64
Employee turnover	5	0.60
Total	35	0.70

#### 3.8 Procedure for Data Collection

After defense and approval of the proposal, the researcher obtained a letter from Kyambogo University Graduate School granting him to commence the research. Authorizing letters from both Kyambogo University and Civil Aviation Authority were attached and taken to all data collection venues.

Questionnaires were distributed to all respondents. During data collection, the researcher assured respondents of confidentiality of the information. Data collected was stored in secure and separate envelops and it was analyzed and presented only for purpose of this study. Interview guides were used to interview selected key informants by the researcher and their responses were recorded which were later incorporated in the findings.

#### 3.9 Data Analysis

Sekaran (2003) regards data analysis as evaluation of data. It is the process of systematically applying statistical and logical techniques to describe, summarize and compare data. This included data processing, analysis and presentation. The questionnaires were checked for errors and entered in SPSS 10.0 a computer package for analysis of quantitative data. The relationship between independent variables of remuneration, job security, employee involvement and the dependent variable of employee turnover were analyzed using regression analysis. The data was interpreted and presented using tables, graphs and charts to depict the relationship.

There after data was examined, compared, contrasted and interpreted using graphs and charts to establish the pattern and trends emerging from the data with reference to remuneration, employee involvement and job security. Qualitatively data from the key informants was presented against the objectives and analyzed using explanations and drawing examples from the field per variable. Quantitatively the study mainly drew averages, percentages from the sets and use cross tabulations to compare the study variables.

#### 3.10 Limitations of the Study

The research was limited by time given the fact that there was limited time for completion of the course and the fact that the researcher is a student as well as an employee who as to attend to the work obligations. This was overcome by limiting the study to only the

employees at the Airport and excluded those executing duty at upcountry airfields. Any free time off job was exploited to collect data.

The research was limited by employee's unwillingness to disclose valuable information to the researcher which limited the findings of the study. To overcome this state of affairs, the respondents were re-assured that the information given was to be treated with at most confidentiality and the questionnaires did not require respondents to include their names.

#### **CHAPTER FOUR**

#### PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

#### 4.1 Introduction

This chapter presents the results of the study that investigated whether remuneration given to staff by civil aviation authority contributes to employee turnover, examined whether job security contributes to employee turnover and to assess whether employee involvement contributes to employee turnover. Descriptive and inferential statistics as well as qualitative content analysis are used to analyze and interpret data. Data is presented under themes derived from the research objectives. The Chapter begins by analyzing the socio demographic characteristics of respondents in terms of gender, job category and salary earned.

#### 4.2 Response rate

#### 4.2.1 Questionnaires

A total of 123 questionnaires were distributed, and only 108 were returned reflecting a response rate of 87.8%. Sixteen questionnaires were however eliminated due to errors and missing data leaving 92 questionnaires, reflecting a 74.7% valid response rate.

#### 4.2.2 Interviews

In the case of interviews, four (4) information – rich respondents who included the heads of human resource and administration departments, a principal human resource officer and a former employee participated in the study.

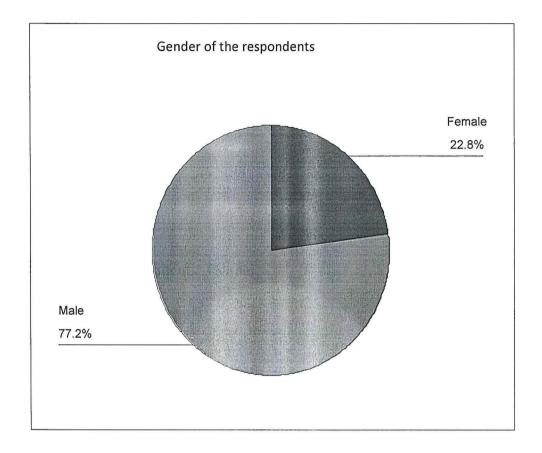
# 4.3 Socio- Demographic characteristics of the respondents

Respondents were requested to provide personal information that would be useful in explaining the findings from the major research questions. The Findings are presented in tables below:

## 4.3.1 Gender of the respondents

The researcher collected data on respondents' gender, figure 4.1 below shows the findings.

Figure 4. 1: Respondents' Gender



Source: Primary data

The finding in Figure 4.1 shows that out of 92 respondents, (77.2%) were male and (22.8%) female. While male respondents were more than the female, the views of both gender were represented and it can therefore be argued that that there was no significant difference in the findings caused by gender differences.

# 4.3.2 Job category of the respondents

Respondents also indicated their job category. The findings are presented in Table 4.1 below.

Table 4.1: Job category of the respondents

		Employees				
Job Cat	egory	Frequency (%)	Percentage (%)			
	Middle managers	02	2.2			
	Supervisors	14	15.2			
	Operational employees	76	82.6			
	Total	92	100			

Source: Primary data

Table 4.1 shows that three categories of workers participated in the study. The majority (82.6%) was operational employees and these represented lower cadre staff, (15.2%) were supervisors and (2.2 %) were junior managers. This implies that the major categories of employees who are likely to leave the organization due to non-conducive work environments participated in the study and therefore their views are well represented.

# 4.3.3 Monthly gross salary of the respondent

The researcher also collected information about the respondents' monthly gross salary. Respondents indicated their monthly gross pay before compulsory deductions. Table 4.2 below presents the findings.

Table 4. 2: Monthly gross salary of the respondent

Monthly g	ross pay in Shillings (Ush	Frequency (f)	Percent (%)
Category	Below one million	24	26.1
	1,000,001-2,000,000	56	60.9
	2,000,001 – 3,000,000	07	7.6
	Over 3,000,000	05	5.4
	Total	92	100

Source: Primary data

The findings in the Table 4.2 above show that Out of 92 respondents, the majority (60.9%) earn a gross salary between 1,000,001 and 2,000,000, (26.1%) earn less than one million, 7.6% earn from 2,000,001 to 3,000,000 shillings and only 5.4% earn over 3 million shillings. While average earnings of Civil Aviation Authority workers are still earning insufficient wage, considering the current economic situation, they earn higher salaries than most government employees in Uganda. Therefore, we would expect low employee turn- over as a result of this issue.

# 4.4 Remuneration, Job Security, Involvement, Commitment and Employee Turnover Scores

Scores on all variables under study were calculated to measure their current level in the organization. They were calculated basing on Zikmund (2000). They were measured by summing up the numbers representing the responses on each of the items measuring the variable. Remuneration was measured on a continuous scale of 11 to 55, job security was measured on a scale of 10 to 50, involvement was measured on a scale of 4 to 20, commitment was measured on a scale of 5 to 25 and turnover was measured on a scale of 5 to 25. The values are indicated below.

Table 4.3: Descriptive statistics showing scores on variables (N=92)

Statistics	remuneration	J. security	Involvement	Turnover
Mean Scores	34.2	34.9	12.4	18.2
Mean response	3.17	3.08	3.06	3.91
Group Median	37.0	37.1	14.6	17.3
Std. Deviation	8.9	10.6	12.5	5.7
Minimum	10.00	10.00	5.00	15.0
Maximum	47.00	50.00	15.3	23.1

Source: Primary data

As indicated in the Table 4.3 above, remuneration was generally low. The mean score was 34.2 (sd=8.9) compared to the median = 37 and the mean response was 3.17. Given the facts that the standard deviation was large (sd=8.9), it implies that there was a wide variation in the responses on level of remuneration hence contributing to a low mean scores in the variables. For Job security, the mean score was 38.4 (sd=10.6) compared to the median = 37.1 and the mean response was 3.08. In the case of job involvement, the mean

score was 12.4 (sd=12.5) compared to the median = 14.6., while the mean response was 3.06. In case of employee turnover, the mean score was 18.2 (sd=5.7) compared to the median=17.3 while the mean response was 3.91. The fact that the standard deviations in all the independent (remuneration, job security and involvement) variables were very large means that there were wide variations in the responses contributing to low mean scores. The higher mean score and mean response on the dependent variable points to an inverse relationship between the independent variables and dependent variable. This implies that as remuneration, job security and involvement increase, employee turnover reduces. This conclusion was explored using inferential statistics in the sections below. Each of the three independent variables was regressed on the dependent variable.

#### 4.5 The influence of Remuneration on employee turnover in Civil Aviation Authority

The first objective of the study was to establish the influence of Remuneration on employee turnover. Linear regression was done and remuneration scores were regressed on employee turnover scores. Section 4.4 had shown that remuneration was rather low (Mean score= 34.2), compared to the highest expected value of 55.

According to Cohen (1988, 1992).

r = 0.10 (small effect) explains 1% of the total variance.

r = 0.30 (medium effect) explains 9% of the total variance.

r = 0.50 (large effect) explains 25% of the total variance.

Table 4. 4: Showing Regression Results of Remuneration and Employee Turnover

R	R square	Adjusted R square	В	Beta	P-value.
-0.654*	.330	.327	1.020	.754	.002

Values significant at 0.05 level (2-tailed).

Predictor: Remuneration, Dependent variable: turnover

From the regression model summary in Table 4.4, the correlation (linear relationship) between turnover (dependent variable) and remuneration is indicated by r=-0.654. This implies that, generally, turnover is highly related to remuneration but in an inverse direction (Davis 1996). The relationship was significant at p-value < 0.05. This means that if Civil Aviation Authority implements positive changes in remuneration, this can significantly reduce employee turnover. The results of the regression model indicated an R-square of 33 percent. This implies that on average, increasing remuneration by 33 percent causes 33 percent reduction in employee turnover.

The aspects of remuneration that cause a reduction in turnover were explored using descriptive statistics. The findings are shown Table 4.5 below.

Table 4. 5: Aspects of Remuneration that influence Employee Turnover

Aspect	D (%)	Not Sure	A (%)
Fair pay that meets all my basic needs	55.4	18.5	26.1
Good pay compared to other companies	15.2	30.4	54.4
Annually salary increment	17.4	7.6	75
Salary paid in time	13	4.3	82.6
Salary advances given	10.8	10.9	78.3
Incentive given by the company are good	62	13.0	25
Transport to and fro is catered for by CAA	7.6	3.3	89.1
Satisfied with safari day allowance given	43.4	35.9	20.7
Realistic pay for medical bills	29.4	20.7	50
Adequate time/extra hours allowance	54.4	16.3	29.4
Good mileage given compared to other companies	39.1	41.3	19.6

Source: Primary data

**Key:** D = Disagree, NS = Not sure, A = Agree,

The findings in the Table 4.5 above show that about 62 % disagreed that incentives given are good, 55.4% of respondents indicated that their pay was not enough to meet their basic needs, (54.4%) disagreed and (39%) disagreed that they are not given good mileage compared to other companies. However, respondents agreed that the pay was good compared to that offered by other companies in Uganda 75% agreed that they are given salary increments annually and 78.3% of the workers agreed that they are allowed to get

salary advance. This implies remuneration issues related to incentives and fringe benefits were insufficient and likely to lead to higher employee turnover.

#### 4.6 The contribution of Job security on Employee Turnover

The second objective of the study was to find the contribution of Job security on Employee Turnover. Descriptive statistics had indicated lower values of job security corresponding to higher values of turnover, hence pointing to an inverse relationship. Job security scores were regressed on turnover scores. The findings are presented below.

Table 4.6: Showing regression results of Job security and Employee Turnover

R	R square	Adjusted R square	В	Beta	P-value.
-0.510*	.41	.43	1.128	.78	.012

<sup>\*</sup> Values significant at 0.05 level (2-tailed).

Predictor: Job security, Dependent variable: turnover

From the regression model summary in Table 4.6, the correlation (linear relationship) between turnover (dependent variable) and job security is indicated by r=-0.51 This implies that, generally, there is a high, but negative relationship between turnover and job security (Saunders et al 2003). The relationship was significant at p-value < 0.05. This means that if Civil Aviation Authority improves on job security, employee turnover reduces. The results of the regression model indicated an R-square of 41 percent. This implies that on average, job security contributes 41 per cent of the variation in employee turnover.

The aspects of job security that influence employee turnover were analyzed using descriptive statistics. The findings are shown in Table 4.7 below.

Table 4.7: Aspects of Job Security that influence Employee Turnover

Aspect	D (%)	Not Sure	A (%)
Investment on training and development of workers	20.7	16.3	63.1
Formal training programs to teach new employees the skills they need to perform their duties	15.2	9.8	75
Good career prospects	25	7.6	67.4
CAA imparts new skills to me periodically	44.6	15.2	40.2
Training is relevant to work	16.3	7.6	76.1
There are opportunities for promotion in CAA	28.3	16.3	55.5
Promotion based on performance in CAA	35.8	31.5	32.6
Regular promotions	46.7	30.4	22.8
Good performers are promoted	47.8	28.3	23.9
The criteria for promotion is fair in CAA	50	27.2	21.8
recognition from management is present	29.3	32.6	38
Recognition is regularly done in CAA	41.3	35.9	22.8
Good performers are usually recognized in CAA	50	27.2	22.8
supervisor praises me for job well done	33.7	16.3	50
thanked and appreciated for good work	38	20.7	41.3

Source: Primary data

**Key:** D = Disagree, NS = Not sure, A = Agree

Respondents disagreed that good performers are recognized (50%), another (50%0 disagreed that Civil Aviation Authority has a fair criteria for promotion, (47.8%) disagreed that Civil Aviation Authority promoted good performers, and (47%) disagreed that Civil Aviation Authority has regular promotions. This implies that employee recognition and appreciation of good performance in Civil Aviation Authority is low and this is likely to increase employee turnover. However, (76.1%) who agreed Civil Aviation Authority as formal training programs to teach new employees the skills they need to perform their duties, (75%) agreed they have good career prospects, (63.1%) who agreed that Civil Aviation Authority invests in her workers.

# 4.7 Employee Involvement and Employee Turnover

The last and third objective was to measure the effect of employee involvement on employee turnover in Civil Aviation Authority. Employee involvement scorers were regressed on turnover scores. The findings are shown below.

Table 4.8: Showing regression results of Employee Involvement and Employee Turnover

R	R square	Adjusted square	R	В	Beta	P-value.
-0.545*	.23	,	.212	1.051	.902	0.026

<sup>\*</sup> Values significant at the 0.05 level (2-tailed).

Predictor: Employee involvement, Dependent variable: Employee turnover

From the regression model summary in Table 4.8 above the correlation (linear relationship) between turnover (dependent variable) and employee involvement is indicated by

r=- 0. 545. Therefore as indicated by Saunders etal (2003) for research purposes, turnover is highly related to employee involvement though in an inverse direction. The relationship was significant at p-value < 0.05. This means that if Civil Aviation Authority increases employee involvement, this can significantly reduce employee turnover. The results of the regression model indicated an R-square of 23 percent. This implies that on average, employee involvement explained 23 percent of the variation in employee turnover.

The aspects of job security that influence employee turnover were analyzed using descriptive statistics the findings are shown in Table 4.9 below.

Table 4.9: Aspects of Employee Involvement that influence Turnover

Aspect	D (%)	Not Sure	A (%)
Participation in decision making in my department	46.8	18.5	34.8
Supervisor allows me participate in designing the operating procedures	46.2	19.6	33.7
Employee participation in decision making concerning pertinent issues in CAA	48.9	21.7	29.3
Fair participation of employees in decision making in CAA	48.9	27.2	23.9
Empowerment to set own goals in pursuance of company objectives	26.1	23.9	50
Freedom to solve problems within my sphere of responsibility	18.5	18.2	63.1

Degree of autonomy at work in CAA					25	23.9	51.1	
Decisions respected responsibility and auth		in	my	sphere	of	21.7	31.5	46.8

Source: Primary data

**Key:** D = Disagree, NS = Not sure, A = Agree.

The findings in the table 4.9 above show that (48.9%) of respondents disagreed that they always participate in decision making in the department, (46.8%) disagreed there supervisors allow them participate in designing the operating procedures, (46.2%) were in disagreement that they are free to solve problems within their sphere of responsibility. However some respondents (63.1%) agreed that they feel there is some degree of autonomy at work in Civil Aviation Authority, (51.1%) agreed that they feel empowered to set own goals in pursuance of company objectives and (50%) indicated that they feel their decisions are respected in their sphere of responsibility. This implies that the major issues with regard to employee involvement that are likely to affect employee turnover relate to involvement in decision making and problem solving in an employee's department. This finding concurs with findings from key informants who said that generally the institution is so centralized and structured that lower cadre staffs are given limited opportunity to make decisions regarding their worker.

Multiple regression was done to establish the overall effect of the independent variables (remuneration, job security and employ involvement) on employee turnover and the marginal change (beta value) on turn over caused by changes in each of the three organizational factors (remuneration, job security and employ involvement). The findings are shown in the Table 4.10 below.

Table 4:10: Multiple regression model showing the marginal influence of the independent variables on the dependent variable

Variables	В	Std. error	Beta	t	sig
	6.41	.573		9.639	.000*
Remuneration	072	.031	.32	2.326	.021*
Job security	.016	.036	.49	.430	.041*
Involvement	.014	.042	.19	.340	.004*

<sup>\*</sup> Values significant at the 0.05 level (2-tailed).

As indicated in the table above the marginal contribution of remuneration to change in turnover is .32, that of job security is .49 and involvement is .19. This contribution was significant at p=0.05. Multiple regression marginal contributions also concur with the regression results for individual variables. Using the multiple regression equation,  $Y = a + b_1x_1 + b_2x_2 + b_3x_{3+e}$ .

The fitted equation model is:  $Y = 6.41 + .32x_1 + .49x_2 + .19x_3$ 

This implies that; Employee turnover = 6.41 +.32 remuneration +.49 Job security +.19 Involvement.

In the fitted regression model above, 6.41 is the constant. This means that, if there is no change in any of the aspects of the three aspects that influence employee turnover, in the model, employee turnover will only change by 6.41 and remains constant. This implies that there are other factors that do interplay to influence turnover hence employee commitment as a moderating variable. The multiple regression equation further revealed that job security contributes more followed by remuneration and employee involvement contributes least to employee turnover.

#### 4.8 Employee Commitment as a moderating factor for Employee Turnover Stability

The researcher also explored the effect of the moderating variable, employee commitment on the relationship between organizational (Remuneration, Job security and Employee involvement) and employee turnover at Civil Aviation Authority. This was done using descriptive statistics and the findings are shown in the Table 4.11 below.

Table 4.11: Aspects of Employee Commitment that may influence the relationship between organizational factors and Employee Turnover

Aspects		Not Sure	A (%)
	D (%)		
I am willing to help the development of CAA for success	8.6	12.0	79.4
I may not leave CAA due to my interest in the job	21.7	25.0	53.3
I feel I may not CAA because of the relationship I have with my colleagues	32.6	17.4	50
I often tell my friends that CAA is a very good organization	14.2	10.9	75
I frequently care about the future development of CAA	11.9	14.1	73.9

Source: Primary data

**Key:** D = Disagree, NS = Not sure, A = Agree.

The findings in the table 4.11 above show that willingness to help the development of Civil Aviation Authority for success (79.4%), attracting friends Civil Aviation Authority (75%). As well as care about the future development of Civil Aviation Authority (73.2%), indicate

significant organizational commitment that is likely to reduce the level of turnover, despite a general dissatisfaction with fringe benefits, job security and employee involvement.

This implies those employees that have those who are stuck to the institution are there because of a higher organizational commitment. When this variable reduces among employees, employee turnover may significantly increase.

In conclusion, specific objectives of the study were used to enable the researcher to find out whether the analysis met the study objectives and actually there was a strong relationship between organizational factors and employee turnover, however, Job security with 41% followed by remuneration with 33% and finally employee involvement at 23% were significant factor influencing employee turnover at Civil Aviation Authority.

#### CHAPTER FIVE

# DISCUSSION, SUMMARY, CONCLUSIONS, RECOMMENDATIONS AND SUGGESTIONS

#### 5.1 Introduction

This chapter presents a summary of key findings; discusses and draws conclusions from them and makes pertinent recommendations.

#### 5.2 Discussion of the findings

This section presents the discussion of the study findings in relation to specific objectives.

#### 5.2.1 Remuneration and turnover

The first question sought to establish whether remuneration was a factor influencing employee turnover at Civil Aviation Authority. Findings confirmed that remuneration affects employee turnover and since most employees felt that the pay was inadequate to meet their needs, they were likely to quit Civil Aviation Authority if they get a better paying job elsewhere. This was confirmed by one interviewed Mukasa (not real name) who said that "owing to the prevailing market conditions our remuneration is not competitive and the reason why employees' quit whenever a better paying job is got." This shows that labour turnover exist in Civil Aviation Authority. Labour turnover starts by employees harboring intentions to leave, searching for an alternative job and leaving when they secure job opportunities elsewhere. This implies that pay can determine whether employees will stay longer in the organisation or not. Higher pay can bolster the chances of an organisation retaining staff. This agrees with (Coombers & Barriball, 2007) who said that predictors of intention to leave vary from low salaries and fringe benefits. It further concurs with Cho et

al. (2006) findings in their investigation in the relationship between the use of human management practices and organizational performance. They found that companies providing incentive plans to employees were more likely to experience lower turnover rates among non-managerial employees. The authors theorized that a firm would further reduce its turnover rate if it applies reward systems in the form of incentive plans to more employees across the organization.

The current study found that insufficient pay was among the reasons for high employee turnover. If salaries and fringe benefits are revised upward employee turnover may reduce. A reduction in intention to quit reduces labour turnover or enhances employee retention. The current study found that insufficient pay was among the reasons for high employee turnover. This finding is corroborated by Onyadi (2008) who found that the main reason why people had resigned their jobs was due to low salaries. This means therefore, that in order for Civil Aviation Authority to reduce the rate of labour turnover, there is need to address the issue of pay, that is, to ensure that the pay is competitive enough. Despite the fact that Civil Aviation Authority's pay was perceived to be competitive by respondents, respondents were still not satisfied with it (pay). Civil Aviation Authority should therefore realistically review staff salaries annually. This will help to raise the morale and alleviate employee inclination towards turnover intentions which subsequently lead to eventual employee turnover.

In conclusion therefore, it is important to note that remuneration and employee turnover is sometimes inseparable. There is a strong need for management to improve on remunerations by looking at level of pay in relation to employee input and obtaining market rates for jobs. Ultimately if these things are given to the employees at workplace, the likelihood of employee turnover may be low.

#### 5.2.2 Job Security and Turnover

The second research question sought to investigate whether job security was a factor influencing employee turnover at Civil Aviation Authority. Findings confirmed that job security affects employee turnover. Most employees felt that promotional opportunities existed in Civil Aviation Authority and that promotions were not based on merit, that is, did not consider performance and length of service as one Kapere (not real names) who had left the organization said "Although there are promotions in Civil Aviation Authority, these promotions are not always based on merit and length of service. In fact promotions are just about who knows you in top management and that's all and that was the reason why I quit my job for better opportunities for advancement where I am now" This could make more employees have intentions to quit if they got an opportunity elsewhere hence employee turnover. Much as the organisation has opportunities for employees to advance in the organisation, employees may not be committed to the organisation if they learn that their experience and good performance are not valued during promotion. This will ultimately make them quite. Promoting employees to higher levels basing on a rational criterion also acts as a key motivator. When an organisation has in place a policy of filling positions through promotions, then employees will want to stay and achieve their targets knowing very well that their performance will eventually be rewarded with promotion. Employees consider it appealing to be able to obtain desirable positions preferably through internal advancement (promotion). In instances where such promotions are not given to employees on merit employees get disgruntled and are likely to leave. This agrees with Wayne, (1998) who argued that promotions help to satisfy employee needs for security, belonging and personal growth.

As far as recognition is concerned, the study revealed a low level of recognition of employee contribution. Since employees felt that they were never recognized for their effort, then they could think of leaving the organisation. Recognition programs have the purpose of keeping employees motivated and productive and are seen to be effective methods of reinforcing organisational expectations and goals Lamony (2000). Public recognition inspires loyalty and commitment as well as encouraging the employee to stay in an organisation. Some scholars argue that recognitions are rewards which do not involve any direct payments and often a rise from work itself. It is also important to bear in mind that the basic needs should be adequately met with an employee's income before a nonmonetary rewards can be effective in motivating an employee Howard (2008). Employers can obtain from employees any type of behavior one desires simply by making use of positive reinforcement. Using a non-cash recognition program brings value to the employees. The study further revealed that Civil Aviation Authority had training opportunities to allow employees get new skills and to advance in their career. Providing employees with training will increase their commitment to an organisation and reduce employee turnover. The researcher entirely believes that an employee who demands training demands the future and this is because training enhances an employee's with career prospects.

Results from the regression analysis implied that job security contributes a significant variation on employee turnover. This demonstrates that if recognition, promotion and training opportunities are increased, then employee turnover may reduce.

As a matter of conclusion therefore, it can be noted that job security and employee turnover are inseparable. There is need for Civil Aviation Authority to reconsider the policy on;

promotion, recognition and training of the employees in order to reduce the level of employee turnover.

#### 5.2.3 Employee Involvement and Employee Turnover

The third question sought to examine whether employee involvement was a factor influencing employee turnover at Civil Aviation Authority. Findings revealed that employee involvement affects employee turnover at Civil Aviation Authority. From the study most employees felt that they are not given the chance to participate in decision making, that participation in decision making is not fair and that they were not allowed to participate in designing the operating procedures. This was in agreement with one Mary (not real names) who said in an interview that "in Civil Aviation Authority we were not always involved in designing the operating procedures at any one time so it became hard for us to own them because they were always made without considering our input hence could not own them and this eventually made me feel not valued and when a chance came I used and left" This is probably why there are higher rates of voluntary employee turnover in a quest for chance of employee participation in other organisations. employees in decision making of the organisation enhances their commitment to the organisation as they feel owning these decisions and this could lower the rates of employee turnover. This concurs with a study by the US Department of Labor (1993) on high performance work practices revealed that involving employees in decision-making, goals and the direction of an organization through participation in teams will help produce job satisfaction and reduce turnover. When correlated with employee turnover, there was a negative and significant relationship and this demonstrates that if employee involvement is enhanced more, employee turnover could reduce.

#### 5.2.4 Employee Commitment and Employee Turnover

The study sought establish whether employee commitment as a moderating effect on the factors influencing employee turnover at Civil Aviation Authority. Findings confirmed that employee commitment has a slightly high moderating effect between organizational factors and employee turnover. The highly rated items in employee commitment show that employee commitment accounts for a reasonable percentage in moderating the employee's turnover. The implication here is that when employees are committed to an organization and/or have developed a sense of ownership, they will be a low rate of employee turnover despite other conditions. This was in agreement with one interviewed manager, who said that "our committed employees rarely quit the company because the company has become part of them despite other conditions." The findings are in line with Armstrong (1992) who argued that Long serving employees are more likely to stay, mainly because they become used to the work and the business and have an established relationship with those around them. This suggests that the rates of employee turnover would be even higher than they are if employee commitment was not high.

# 5.3 Summary of findings

The purpose of the study was to investigate factors influencing employee turnover in Civil Aviation Authority. Findings revealed that job security influences employee turnover most followed by remuneration and employee involvement respectively.

#### 5.3.1 Employee Turnover

The study revealed a moderate level of employee turnover amongst the employees. Some of the respondents said that there are workers who had left Civil Aviation Authority and those who left confirmed it in the interview.

# 5.3.2 Demographic Characteristics

The studies revealed that highest number of participants were male as compared to female counterparts. It also revealed that the biggest number of participants earned a gross pay ranging between one million shillings and two million shillings.

## 5.3.3 Remuneration (Salaries and Fringe Benefits) and Employee Turnover

The study revealed that the pay was insufficient to motivate the workers and therefore had an inverse relation with employee turnover. The study further revealed that workers were dissatisfied with some fringe benefits given by Civil Aviation Authority such as, extrahour(s) allowance among others. On the other side they were happy with organizations' annual salary increment and timeliness in the release of the salary. The correlation revealed that improvement of these factors can cause significant change in employee turnover in the Civil Aviation Authority.

#### 5.3.4 Job Security and Employee Turnover

The findings revealed that Job Security contributed more significantly to employee turnover than remuneration and employee involvement. It also revealed that there were promotional opportunities in Civil Aviation Authority. The study further revealed that Civil

Aviation Authority has formal training programs to teach new employees the skills they need to perform their duties and it invests on training and development of its workers. On the contrary it revealed that promotions are not regular in Civil Aviation Authority. The findings further revealed that job security influences employee turnover more than any other factor at Civil Aviation Authority.

# 5.3.5 Employee Involvement and Employee Turnover

The findings revealed that employee involvement and employee turnover were inversely related. It also revealed that most the workers felt that they were free to solve problems within their sphere of responsibility. Similarly, it also revealed that employee participation in decision making concerning pertinent issues in Civil Aviation Authority is not given enough attention.

#### 5.4 Conclusions

The study sought to establish the influencing of Remuneration, Job security, and employee involvement on employee turnover in Civil Aviation Authority and the findings revealed findings revealed that employee turnover is a function of remuneration, job security, employee involvement and employee commitment. These conclusions are therefore explained as follows:

#### 5.4.1 Remuneration and Employee Turnover

On the basis of the findings, it was revealed that remuneration has a moderate effect on employee turnover in Civil Aviation Authority. This means that improvement of the salaries and fringe benefits like medical allowance, certificate of appreciation, bonus pay, and extra hours allowance among others is likely to reduce the rate of employee turnover. The study further concluded that staff members are unhappy with the grading of their jobs. Failure to observe these remuneration considerations lead to perception of unfairness which in turn leads to perpetual employee turnover.

# 5.4.2 Job security and Employee Turnover

Basing on the findings, job security (promotion, recognition and training) influences employee turnover in that the higher opportunities for career advancement the lower the rate of employee turnover. The lower the opportunities for career advancement the higher the labour turnover amongst Civil Aviation Authority employees. This indicates that an effective career advancement program reduces employee turnover or enhances employee retention.

Basing on economic, social and work situations at a given time, non-monetary rewards are likely to boost employee morale when given at a particular time. Managers ought to devise job satisfaction approaches to fulfill employee's inner ego. This is a self-motivator that prompts employees to continue serving the organization.

#### 5.4.3 Employee Involvement and Employee Turnover

On the basis of the findings, it was revealed that employee involvement affects employee turnover in Civil Aviation Authority in a sense that increasing employee involvement reduces employee turnover. It was observed that employee participation influence employee turnover in a sense higher employee involvement reduces employee turnover and low employee involvement influences higher employee turnover rates in Civil Aviation Authority.

#### 5.5 Recommendations

#### 5.5.1 Remuneration and Employee Turnover

There is need to develop an equitable reward system which is commensurate with employee's scope of work and this can help to maintain and even improve the pay. This can be done through job evaluation and conducting regular market surveys. Management should periodically conduct surveys on employee's satisfaction with pay and benefits to get their view on the compensation package. The feedback from these surveys should be the basis to improve on the standard of compensation package. Civil Aviation Authority management should carry out a review of job grading in order to come up with a fair pay structure to help reduce the turnover employee amongst the employees.

#### 5.5.2 Job security and Employee Turnover

Civil Aviation Authority management should improve on the opportunities for advancement by increasing on learning and development opportunities. This should be done transparently within the organization such that workers get more satisfied and dedicated, and eventually stay longer. There is need for a good selection criterion to ensure

that training is accessible and equitably done. Before training is conducted, needs assessment should be carried to identify the training gap to be filled by training.

Much as there are promotional opportunities among the employees, the idea of reviewing titles of its staff to reflect the level of experience one has attained is very relevant. This will boost the level of self-esteem and mitigate the level of frustration among the staff. This is most likely to enhance the motivation and morale of the beneficiaries' thereby positively influencing satisfaction and, commitment to organization, hence reducing employee turnover. Civil Aviation Authority should also ensure that promotions are done equitably. Civil Aviation Authority should offer recognition such as certificate of appreciation and employees of the month award to its employees in order to raise their morale thereby reducing employee turnover.

#### 5.5.3 Employee Involvement and Turnover

The management of Civil Aviation Authority should ensure that while making operational decisions that directly affect employees, they participate so as they become system owners of the decisions and aim at achieving the desired outcome. This will make the employees own the decisions and this will enhance their commitment to the organization and in the lowering employee turnover.

# 5.6 Areas for Further Research

A study could be carried out on the relationship between retention strategies and employee turnover

A research could be carried out to establish the contribution of management style and employee turnover in Public Sector Organizations in Uganda

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# Appendix I: Interview Guide (for top management)

# Questions

1.	In your own view, are employees satisfied with remuneration at CAA?
2.	Do you think to some extent these benefits have influenced employee turnover?
3.	Are employees at CAA assured of their jobs?
	n
4	Does CAA invest in training and development of its employees?
b)	Explain
5	Are there promotion opportunities for staff in CAA?
b)	Explain
6	Are staff involved in the decision making on issues affecting their jobs?
U	The start involved in the decision making on issues affecting their jobs.
b)	Explain
7	How would you rate staff commitment at CAA?
9	How would you rate staff turnover at CAA?

#### Appendix II: Questionnaire

#### **QUESTIONNAIRE FOR EMPLOYEES**

Dear Valued Respondent,

I am A Graduate Student Pursing A Master of Science in Organization and Public Policy Management. I am carrying out a study on "An Evaluation of Remuneration, Job security, and Employee involvement on Employee turnover stability in Civil Aviation Authority". The study is undertaken as a partial fulfillment of the requirement for the award of a Master of Science in Organisation and Public Policy Management of Kyambogo University.

I request you to fill this questionnaire so that the study achieves its intended objectives.

The information provided will be used for academic purposes only and it will be treated confidentially.

Thank you for your time.

KAYONDO WILLIAM

Msc.OPPM Researcher

#### SECTION A: BACKGROUND INFORMATION

Please tick the most appropriate answer.

I. Current category
Senior manager
Middle manager
Supervisor
Operatives
2. Gender
Female Male
3. What is your monthly gross pay?
Below one million
Between Ushs. 1,000,001-2,000,000
Between Ushs.2,000,001-3,000,000
Over Ushs 3 million

## **SECTION B: REMUNERATION**

Read each of the statement below and tick the appropriate number on the scale.

Key: 5 represents Strongly Agree, 4 - Agree, 3- Not Sure, 2- Disagree, 1- Strongly Disagree

B1. SALARIES	1	2	3	4	5
My pay is fair and meets all my basic needs					
The pay is good compared to other companies					
I receive salary increment annually					
My salary is paid in time					
I am allowed to get salary advance					

B2: FRINGE BENEFITS	1	2	3	4	5
I appreciate the incentive given by the company					
My transport to and fro is catered for by CAA					
I am satisfied with safari day allowance given to me					
The amount paid for medical bills is realistic to me					
I am happy with over time/extra hours allowance given to me					
The mileage given to me is good compared to other organisations					

## **SECTION C: JOB SECURITY**

Read each of the statements below and tick the appropriate number on the scale.

Key: 5 represents Strongly Agree, 4 - Agree, 3- Not sure, 2- Disagree, 1- Strongly Disagree

C1: TRAINING	1	2	3	4	5
CAA Invests on Training and development of its workers					
CAA has formal training programs to teach new employees the skills they need to perform their duties.					
My job has good career prospects					
CAA imparts new skills to me periodically					
Training is relevant to my work.					

C.2 PROMOTION	1	2	3	4	5
There are opportunities for promotion in CAA					
Promotion is based on performance in CAA					

I feel promotions are regular in CAA			
Good performers are promoted			
The criteria for promotion is fair in CAA			

# SECTION D: EMPLOYEE INVOLVEMENT

Read each of the statement below and tick the appropriate number on the scale.

Key: 5 represents Strongly Agree, 4 - Agree, 3- Not Sure, 2- Disagree, 1- Strongly Disagree

D1: PARTICIPATION	1	2	3	4	5
I always participated in decision making in my department					
My supervisor allows me participate in designing the operating procedures					
There is employee participation in decision making concerning pertinent issues in CAA					
There is fair participation of employees in decision making in CAA					

E: EMPLOYEE COMMITMENT	1	2	3	4	5
I am willing to help the development of CAA for success					
I may not leave CAA due to my interest in the job					
I feel may not leave CAA because of the relationship I have with my colleagues					
I often tell my friends that CAA is a very good organization					
I frequently care about the future development of CAA					

F: EMPLOYEE TURNOVER	1	2	3	4	5
I feel i will retire with my current job					
I feel I am likely to leave my current job in the next two years for another organization					
Inadequate pay may lead me to leave my current job					
Better opportunities for advancement elsewhere may cause my leaving at CAA					
There workers who have left the CAA					

# SNOWBALL INTERVIEW GUIDE FOR STAFF WHO LEFT CAA

1.	Did remuneration contribute to your quitting of CAA?
b)	Explain
2.	Did limited job security influence your leaving of CAA?
b)	Explain
3	Were you always involved in decision making with reference to issues affecting your job?
b)	Explain
4	Were you committed to your job while at Civil Aviation Authority?
b	) Explain

# Appendix III: INTRODUCTORY LETTER



Tel: 041 - 285001/2/285037 Fax: 256-41-220464 Website: www.kyu.ac.ug Kyambogo University Graduate School

Your ref..... Our ref: KYU/GSch/01/13

4th June, 2013

To Whom It May Concern

Dear Sir/Madam

#### RE: LETTER OF INTRODUCTION

This is to introduce to you KAYONDO William Reg No: 2011/HD/321/MSC.OPPM who is a student of Kyambogo University pursuing a Master of Science in Organization and Public Policy Management of Kyambogo University.

He is carrying out a research on "Factors Influencing Employee turnover in Parastatal Organization in Uganda" A case study of Civil Aviation in partial fulfillment of the requirements for the award of the Master of Science in Organization and Public Policy Management of Kyambogo University.

This is to kindly request you to grant him permission to carry out this study in your organization.

Any assistance rendered to her will be highly appreciated.

Yours faithfully,

NKB.

Dr. M.A. Byaruhanga Kadoodooba Dean, Graduate School



# Appendix IV: ACCEPTANCE LETTER



# CIVIL AVIATION AUTHORIT

Our Ref:

CAA/04/TMD/81D

Head Office Building Entebbe International Airport P.O. Box 5536, Kampala, Uganda

> E-mail: aviation@caa.co.ug Telex : 61508 CAA UGA Website: www.caa.co.ug : 61508 CAA UGA : 61182, 61460

Your Ref:

14th June, 2013

Mr. Kayondo William Kyambogo University P.O. Box 1, Kyambogo KAMPALA Tel. 070-2-645644

Dear Mr. Kayondo,

PERMISSION TO CARRY OUT A STUDY RESEARCH IN CIVIL AVIATION AUTHORITY

Your request to carry out research in Civil Aviation Authority has been received and considered.

Permission is hereby granted to you to carry out a study research on the topic "Factors Influencing Employee turnover in Parastatal Organizations in Uganda. A Case Study of Civil Aviation Authority".

Please report to Manager Human Resource for further assistance, in order for you to be able to access special facilities and get data from staff.

Yours faithfully,

**CIVIL AVIATION AUTHORITY** 

Rose Penelope Namukwaya (ACIS)

For: DIRECTOR HUMAN RESOURCE & ADMINISTRATION

Manager Human Resource c.c.

Head Office Tel: 256-41-4352000, 31-2352000 Airport Tel: 256-41-4353000, 31-2353000 Fax: 256-41-4321401, 256-41-4320571 or 4320964

For Aircraft / Flight Clearance requests
Fax : 256-41-4321452,Tel:256-41-4321173,4321016

# Appendix V: PROPOSAL DEFENCE LETTER

#### MASTERS PROPOSALS DEFENSE COMMITTEE MEETING

# department of business administration and entrepreneurship, held on $27^{\rm TH}$ april, 2013

A Defense Committee for the School of Management and Entrepreneurship held Proposal Defense meeting on Saturday 27<sup>th</sup> April, 2013 at the NPT Building Conference Room starting at 9.00 am.

#### Defense Committee Members present:

Dr Micheal Byaruhanga Kadoodob Akiiki

Dean Graduate School

Dr Jacob Oyugi

Dean School of Management and Entrepreneurship

Dr Teopista N. Kyamanywa

Chairperson & Ag. HOD, Bus.Admin. & Entrep

Mr Kworoba Elly

Ag. HOD, Management Science

Dr Obanda Peter

Coordinator, Masters Programmes

Dr Regis Zombeire

Member

Prof. Mucunguzi

Member

Mr Akabwai Stephen

Member

Ms Elaine Gombe

Member

Mr Tulyahebwa Mersian

Member

Ms Ann Muzzei

Recording Secretary

Candidates were given 15 minutes in which to defend their proposals and feedback took 10 minutes in respect of every candidate. General comments were made about each candidate's presentation and the feedback is as summarized below:

Kayondo William -

MOPP

REG NO:

2011/U/HD/321/MSc.OPPM

Topic:

Factors Influencing Employee Turnover

# Comments

- Background did not mention factors responsible for turnover
- Statement of the problem needed revisiting
- Research questions were not flowing logically
- Methods of analysis where not mentioned in detail

RECOMMENDATION: Candidate to improve as advised and submit to the Graduate School.