

**ORGANIZATIONAL DETERMINANTS OF
EMPLOYEES TURNOVER IN INSURANCE
INDUSTRY IN KENYA**

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**DOCTOR OF PHILOSOPHY IN
HUMAN RESOURCE MANAGEMENT**

**JOMO KENYATTA UNIVERSITY
OF
AGRICULTURE AND TECHNOLOGY**

2026

**Organizational Determinants of Employees Turnover in Insurance
Industry in Kenya**

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**A Thesis Submitted in Partial Fulfilment of the Requirements
for the Degree of Doctor of Philosophy in Human Resource
Management of the Jomo Kenyatta University of
Agriculture and Technology**

2026

DECLARATION

This thesis is my original work and has not been presented for a degree in any other University

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DEDICATION

To my family for their endless support

ACKNOWLEDGEMENT

I wish to especially thank my supervisors, Prof. Elegwa Mukulu and Dr. Alice Simiyu for their suggestions and advice during this research. I am very thankful for their support, guidance and timely comments and suggestions in this thesis.

I also acknowledge and thank my family for their invaluable support. They have sacrificed a lot, encouraged me and helped me to overcome obstacles that came my way and to ensure that I complete my research work well and on time. I also thank my friends for their various contributions. I love you all.

I wish to thank the teaching fraternity for their instruction, advice and encouragement that have urged me on. Lastly and most important, I thank the Almighty God for giving life, favor and good health during this entire period. It is through His strength and wisdom that I am able to come this far.

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ABBREVIATIONS AND ACRONYMS

AKI	Association of Kenya Insurers
AMFI	Association of Microfinance Institutions
ANOVA	Analysis of Variance
CIPD	Chartered Institute of Personnel and Development
FDRE	Federal Democratic Republic of Ethiopia
GDP	Gross Domestic Product
ICT-SME	Information Communication Technology-Small and Medium Enterprises
IRA	Insurance Regulatory Authority
IT	Information Technology
KPMG	Klynveld Peat Marwick Goerdeler
LISREL	Linear Structural Relations
MLQ	Multifactor Leadership
OCAI	Organizational Culture Assessment Instrument
OFWELs	Oromia Forest and Wildlife Enterprise
PLS	Partial Least Square
SEM	Search Engine Marketing
SHRM	Strategic Human Resource Management
SPSS	Statistical Package for the Social Sciences

UK	United Kingdom
USA	United States America
USD	United States Dollar
VIF	Variance Inflation Factor

DEFINITION OF OPERATIONAL TERMS

Career development	It consists of personnel improvement undertaken by the individual employee through the training, education and development programme (Saakshi, 2015).
Determinants	It is a factor or cause that makes something happen or leads directly to a decision (Kryshtanovych <i>et al.</i> , 2022).
Employee turnover	Refers to the measured number of persons joining and leaving an organization. (Mathis & Jackson, 2013).
Management style	It encompasses the way managers make decisions, how they plan and organize work, and how they exercise authority (Boswel, 2016).
Organization	It is an entity where people with various roles, responsibilities or positions coexist and interact to achieve a particular goal (Santa, 2015).
Organization culture	Refers to the attitudes, experiences, beliefs, and values of the organization, acquired through social learning that control the way individuals and groups in the organization interact with one another and with parties outside it (Dwirantwi, 2012).
Organizational determinants	They are the elements and characteristics of an organization that can influence its operations, culture, and effectiveness in achieving organizational goals. (Robbins <i>et al.</i> , 2022).
Reward management	It is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization (Pitts, 2015).

Work environment

It is the setting, social features and physical conditions in which you perform your job (Tripathi, 2014).

ABSTRACT

Employee turnover is costly, causing workforce instability, reduced efficiency, lower effectiveness, and negative influence on organizational performance. Despite these consequences, there is often reluctance to invest resources to retain top talent. Existing studies on turnover in the Insurance Industry in Kenya are limited and show mixed results. Additionally, human resource management is evolving due to technological advances and changing worker expectations. This study, therefore, sought to fill the knowledge gap by establishing organizational determinants of employee turnover in the Insurance Industry in Kenya. The general objective was to assess organizational determinants of employee turnover, while specific objectives focused on the influence of management style, work environment, reward management, and career development opportunities. The study was anchored on multiple theories, including Maslow's Hierarchy of Needs, Equity Theory, ERG Theory, Theory Z, Expectancy Theory, Job Matching Theory, McClelland's Needs Theory, and Goal-Setting Theory. An explanatory research design was adopted to determine the relationships between the variables. The target population was 404 management staff from 48 insurance companies in Kenya. Krejcie and Morgan's formula was used to determine sample size. A sample of 197 respondents was selected through purposive sampling. Primary data was collected using questionnaires, and a pilot study ensured the reliability and validity of the tool. Data was cleaned and analyzed using SPSS v25. Data from open-ended questions was analyzed on a thematic basis and the findings presented in a narrative form. Inferential and descriptive statistics were employed to analyse quantitative data obtained from close-ended questions. Descriptive statistics included means, standard deviations, frequencies, and percentages, while inferential statistics employed Pearson correlation, univariate and multiple regression analyses. Diagnostic tests confirmed that regression assumptions were met. The results showed that all four organizational determinants significantly reduced employee turnover: management style, work environment, reward management, and career development opportunities. Correlation analysis confirmed negative relationships: management style, work environment, reward management, and career development opportunities. The study found that management style, work environment, reward management and career development opportunities negatively influences employee turnover. The study further established that organizational culture significantly moderated these relationships. The inclusion of organizational culture increased the variance explained in employee turnover, demonstrating its enhancing influence. The interaction influence of management style, work environment, reward management, and career development opportunities with organizational culture showed negative and significant coefficients, indicating that organizational culture strengthens the influence of these determinants on reducing turnover. The findings suggest that improving leadership practices, enhancing work conditions, implementing effective reward systems, and offering career development opportunities, within a supportive organizational culture can substantially reduce employee turnover in Kenya's Insurance Industry. The study provides empirical guidance for managers to retain talent, reduce unnecessary expenditure, and prevent human capital loss. Future studies should explore how these organizational determinants affect both employee and overall organizational performance.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The most valuable asset available to an organization is its people, and therefore, retention of staff in their job is essential for an organization. Indeed, there is a paradigm shift from human resource to human capital which consists of the knowledge, skills and abilities of the people employed in an organization which is indicative of their value (Meudell & Rodham, 2018). When employees leave their jobs, it is often a sign that something is going wrong. Guma (2016) contends that poor job retention among employees lead to many costs associated with employee turnover which include additional burden on remaining staff, recruitment and training costs, lost productivity, loss of clients and loss of intellectual capital.

Employee turnover poses a challenge for all organizations, irrespective of their size. Turnover refers to an employee's voluntary decision to leave their position, which will undoubtedly affect their job performance and may impact the productivity level of the organization (Ali & Anwar, 2021). A high level of employee turnover can be harmful to both the company and the workers. Turnover impacts the organization's expenses associated with recruitment and selection, personnel processes and onboarding, training of new staff, and most importantly, the loss of knowledge acquired by the employee during their tenure (Lim & Parker, 2020). Moreover, it causes a lack of personnel, which subsequently results in lowered efficiency and output from the remaining employees. Employee turnover might adversely affect the workforce as well (Vasantham & Aithal, 2022).

Mayhew (2017) states that a high proportion of temporary or seasonal workers, low pay, or unpleasant working circumstances can all contribute to a high employee turnover rate. On the other hand, a high rate of turnover could indicate a high demand for expertise, leading employees to switch firms in exchange for a higher salary. Poor job feedback, job dissatisfaction, unmet job expectations, performance problems, situational constraints, socialization difficulties, greater degrees of job stress, and a

lack of career advancement opportunities among others as causes of employee turnover. According to Redman and Wilkinson (2016), better pay and prospects, personal reasons, career-related issues, company-related issues, market factor, job-related issues are the main reasons for employees to leave their organization. As Shukla and Sinha, (2013) stated, relationship between employees and management or the nature of management is also another reason for most employees to quit. A poor relationship with the management can be an important reason for the employees to leave their jobs. Employer-employee relationship has an effect on turnover (White, Lockett & Currie, 2020).

Efficient management is crucial for the performance and achievements of every organization. Management philosophies greatly impact how employees act, think, and feel regarding their jobs (Sija, 2022). Organizations need to understand the connection between management approaches and employee results, such as the intention to leave, to foster a positive workplace and keep skilled employees (Munir & Tobi, 2020). As per Lazzari, Alvarez, and Ruggieri (2022), supportive leadership, characterized by providing emotional support, feedback, and encouragement, has been demonstrated to reduce employees' intentions to leave. Conversely, confrontational and disrespectful management approaches are associated with greater tendencies to depart (Sija, 2022).

As stated by Cobb (2022), the work environment encompasses the totality of interactions between employers and employees, as well as the setting where employees perform their designated duties. The workplace influences employees' perceptions about their jobs. Alzayed and Murshid (2017) suggest that role ambiguity, job stress, and insufficient autonomy can lead to employee turnover. Job stress encompasses how challenging it is to fulfill job duties and responsibilities. Workers might resign if they believe their tasks and obligations are excessively demanding due to the time and effort needed to complete them. The shifts in today's work environment pose fresh challenges in preserving job satisfaction and minimizing employee turnover.

Managing rewards is vital for decreasing turnover intentions. Reward systems that successfully incorporate both intrinsic (like acknowledgment and career advancement) and extrinsic (like salary and incentives) motivators greatly enhance employee

involvement and promote lasting loyalty (McPhee, 2020). Contentment with rewards, be they financial, material, or psychological, is linked to reduced turnover intentions, particularly when reward policies are customized to fit employee needs and demographic characteristics (Tura, 2020). Organizational commitment frequently acts as a mediator in the connection between rewards and turnover, indicating that effective reward systems boost commitment, subsequently lowering the inclination to depart. Leadership behaviors, like contingent reward practices, promote engagement and reduce turnover (Lim & Parker, 2020).

Turnover rises when growth opportunities are scarce and workers cannot engage in promotion decisions. An employee's perception of their career growth is vital since their decision to exit the organization relies on an ongoing evaluation of the current company's promotional prospects in comparison to those offered by other firms (Zhao & Zhou, 2018). Wikaningtyas, Tjahjono, and Suprihanto (2023) assert that employee dissatisfaction due to inadequate career development results in turnover intention, and the matter is not adequately handled.

1.1.1 Global Perspective of Organizational Determinants of Employee Turnover

Lavania (2017) noted that faculty recruitment and retention, a key for managing talent in higher education in India and that organizations face a higher cost due to employee turnover. Additionally, costs of lost talent can range between 70% and 200% of the lost employee's annual salary. Akrani (2016) asserts that organizations can incur both direct and indirect costs due to staff turnover. Caplan (2015) states that based on a research done by CIPD, it was revealed that in the UK, there was about 15.7% turnover and the average cost of every person who leaves was £6,150.

Khatri, Budhwar and Chong (2018) states that most organizations in Asian countries such as Malaysia, Singapore, Hong Kong, Taiwan and South Korea have been facing challenges due to employee turnover. According to Employment Labour Statistics Korea (2016), statistics show that the average number of employee turnover in the year 2011 to 2015 was 3.6% in the construction industry; accommodation and food service had 5.2% and business facilities management and business support services were at (3.9%). In the United States of America, Smith (2019) argues that businesses spend

over USD 200 billion annually recruiting and replacing employees. Meudell and Rodham (2018) argue that in the USA the turnover rate in the health care sector would reach 29% in 2022.

Abdullah (2016) observed that employee turnover has become a critical issue in Pakistan's Telecom industry, as is the growing trend in other countries. Shortage of skills in this particular market is quite apparent and used to the employee's advantage, shifting the power balance from employers to employees. Numerous opportunities, low switching costs, enticing salaries and high demand for skilled workers trumps reasons for the high turnover. The human resource pillars in the telecom sectors have been tasked to heavily explore sub-prime reasons for employee turnover that allows employers to manage the push and pull factors that cause it and conduct studies on retention schemes through corrective measures at grass root level.

From the study, Luft and Shields (2014), state that employee replacement can cost as high as 50 to 60 percent of an employee's annual salary, with total cost of turnover reaching as high as 90-200% of the employee's annual salary. Indirect and intangible costs include time and effort spent in conducting interviews, separation processing, advertising and agency costs, reduced morale of the existing staff, time spent on training and job errors. Employee turnover also results in a drain in management time and creates a lot of pressure on workforce planning.

Ching-Wen (2014) states employee turnover as a serious issue, particularly in the area of human resource management. To fulfil the basic needs and provide a good working environment, good pay and other benefits in an economic approach is quite multifaceted and burdensome to an organization. Every business desires to increase productivity and lessen turnover, resulting in increased productivity. Employee turnover supervision is an obligation to attain organizational goals effectively. However, high turnover would affect the business in the form of both direct and indirect costs. To deal with the challenges in the cutthroat business world, management has considered employee turnover as a major concern and initiated some measures to retain them in the organizations.

In Singapore, in their research, Soojin, Lisa, Jeong-Nam, and Yunna (2017) noted that while authoritarian organizational culture is negatively linked with employee relationship quality, organizational justice and supervisory justice are positively associated with it. Furthermore, they discovered a favorable correlation between turnover intention and an authoritarian organizational culture. Turnover intention is inversely correlated with organizational fairness and the quality of the organization-employee relationship.

1.1.2 Regional Perspective of Organizational Determinants of Employee Turnover

In South Africa, Ncede (2013) discovered a connection between job satisfaction, career mobility, and turnover intention. Further, employee satisfaction is vital to an Organization's success. It is vital for managers to keep employees satisfied at work as this has proven to lead to higher levels of productivity, less absenteeism and high job satisfaction. In Nigeria, Chowdhury and Nazmul (2017) indicated that management should initiate programs to understand why employees quit the organization and identify the issues that attract and retain them in organizations. Employee satisfaction is the key determinant of turnover intention. If sound strategies are applied, there is a possibility that business organizations continue to exist in a vibrant environment by taking into account their workforce as a vital resource.

In Ethiopia, Kebite (2018) stated that turnover intention in the organization is affected by a combination of personal factors, internal (push) factors and external (pull) factors significantly. Among personal factors; health problems, wanting to have personal business or planning to open a new business and family related problems and desire to learn new skills. The major internal factors; lack of motivation and reward for good work or performance, dissatisfaction with salary and benefit packages, little opportunities for promotion and development or career advancement, lack of recognition for the accomplishment of work, dissatisfaction with leadership and supervision and lack of conducive working environment. The key external (pull) factors; availability of high salary and benefit packages offered in the other organization or industry, perceived alternative employment opportunities, better career

advancement and good boss as well as new challenge and interesting work and good organization culture (Kebite, 2018).

Farid (2014) posited that employee turnover increases workload and reduces efficiency. However, for an organization to improve its performance, employees should be paid marketable salary and rewarded once they achieve their goals. Lyengi (2014) established that salary, employee dissatisfaction with their works, poor working conditions, lack of employee's participation in decision making process, lack of motivation, discrimination at workplace, supervision are among the factors influencing the employee's turnover at the firm. Therefore, the need to restructure salary scales in order to ensure employees are satisfied and immediate plans should be put in place to minimize the rate of employee turnover.

1.1.3 Local Perspective of Organizational Determinants of Employee Turnover

Fanou (2018) indicated that turnover is caused by a number of factors, including pay and benefits, job unattractiveness, life decisions, moving with family, serious illness and death, performance issues, employee deaths, workplace policies, and disciplinary issues. Employee death causes involuntary turnover which adds to the overall turnover rate in the organization. Also, transactional leadership, which lacks standards, policies, procedures, regulations, and reward and punishment schemes, has an impact on employee turnover.

Pattni (2018) indicated that management styles, the work environment and reward management play a key role in employee turnover. Also, employee turnover affects organizational performance by touching on all the four perspectives of the balance scorecard; customer, financial, internal business process and learning and growth. There is a need for regular employee-manager reviews and provides feedback; align the working environment with the changing, dynamic and culturally diverse workplace, having employee friendly policies and procedures that provide an enabling environment that allows creativity and innovation. Ng'ethe (2013) indicated that leadership style had a negative impact on staff retention in her study on the factors influencing academic staff retention. The retention of academic workers was impacted by promotion. In the presence of leadership style, training and promotion,

remuneration did not influence academic staff retention. In the presence of leadership style, promotion and remuneration, training did not influence academic staff retention.

Kuria, Odingi and Wanderi (2012) postulates that employee turnover is caused by lack of balance between work and personal life. Mugove and Mukanzi (2018) indicated that employee satisfaction had an impact on employee turnover and that the workplace environment has a significant role in predicting employee turnover. Mwilu (2016) established that individual factors were the main contributor of high employee turnover, followed by the job-related factors and then organization factors. Also, career growth, manager's style of leadership, toxic work environment, peer pressure, recruitment policies and organizational culture were rated as having the highest impact on staff turnover.

1.1.4 Employee Turnover in the Insurance Industry in Kenya

Employee turnover is an important issue that poses a significant challenge for organizations. Since human capital is central to an organization's performance, workforce attrition can have a profound impact on an organization's performance, growth and general business outcomes (Lazzari, Alvarez & Ruggieri, 2022). Human resource is considered the center of all development processes of the economy. However, today's competitive business scenario is deteriorating social conditions of human resources, hence causing employee turnover (Shukla & Sinha, 2013). Professional employees' turnover is an important and pervasive feature of the labour market. Turnover is a behaviour which describes the process of leaving or replacing employees in an organization (Lim & Parker, 2020). Human resource professionals and organization executives focus on turnover for three main reasons: it has significant cost implications, it affects overall business performance and it has the potential to become difficult to control which result in a talent loss and hard to find quality candidates with the skill sets required to fill open positions (Tett & Meyer, 2013).

Employee turnover affects organizations in terms of measurable financial costs as well as intangible knowledge based and productivity costs (Wang & Sun, 2020). Insurance companies incur direct and indirect expenses, which include the cost of advertising, headhunting fees, human resource costs, loss of productivity, new hire training, and

customer retention, every time they have to replace an employee (Beam, 2019). According to a 2018 SHRM study, the cost to replace and hire new staff may be as high as 60% of an employee's annual salary, whereas total costs of replacement, including training and loss of productivity, can range from 90% to 200% of an employee's annual salary. Those expenditures can be difficult to absorb, whether an organization is a small company or a large global firm. Loss of employee talent hinders the development of new products, disrupts client relationships and delays customer deliverables (Lim & Parker, 2002). These production delays, along with replacement costs of employee turnover, negatively affect overall business performance and success.

Insurance companies with a high employee turnover rate face expensive recruitment and training cost for the new employee, loss of productivity, public relation cost associated with having a large number of voluntary resignation, spreading gossip about the company and a remaining workforce that ends up with work overload and therefore more likely to quit too (Allen, 2018). Employees leave organizations for all sorts of reasons, the major factors contributing to employee turnover are personal factors, internal (push) factors and external (pull) factors (Igbaria & Greenhaus, 2012). Employee turnover is continuing to be a particularly prolific area of research, with many publications on the topic. Evidence suggests that turnover is triggered by dissatisfaction with such factors as relationships with supervisors, job content, working conditions, and pay (Lazzari, Alvarez & Ruggieri, 2022). While other factors may influence an individual's decision to leave, such as the competitive conditions of the local market, it is clear that management has direct control over many of the most important drivers of employee turnover. This study sought to establish the influence of management style, work environment, reward management and career development opportunities on employee turnover in the Insurance Industry in Kenya.

1.1.5 Insurance Industry in Kenya

Insurance consists of entities that transfer the risk of a loss, from one entity to another in exchange for payment. It is a form of risk management primarily used to hedge against the risk of a contingent, uncertain loss (Insurance Regulatory Authority (IRA),

2017). The Insurance Industry comprises companies (insurers), reinsurance companies, intermediaries such as insurance brokers and insurance agents, risk managers or loss adjusters and other service providers (IRA, 2014). There are several major types of insurance products offered in the Insurance Industry. These products include Life Insurance, which guarantees a specific sum of money to a designated beneficiary upon the death of the insured, or to the insured if he or she lives beyond a certain age; Health Insurance, which covers against expenses incurred through illness of the insured; and liability Insurance, that is categorized as miscellaneous and insures property such as automobiles, property and professional/business mishaps (KPMG, 2015).

In Kenya, the industry is regulated by the Insurance Regulatory Authority (IRA), a semi-autonomous regulator, set up in 2008 to improve regulation and stability of the industry. The industry operates under an umbrella body, the Association of Kenya Insurers (AKI), which was established in 1987 where membership is open to any registered insurance company. Its main objective is to promote prudent business practices, create awareness among the public and accelerate the growth of insurance business in Kenya. The insurance sector in Kenya is one of the fast-growing sectors of the economy and has been growing at a rate of between 18% – 25% within the last decade (AKI, 2018). The industry also contributes to close to 4% of the country's Gross Domestic Product (GDP) (AKI 2018). The industry therefore greatly contributes to high growth and employment opportunities as they are basically human intensive.

According to Insurance and Technology (2018) the global employee turnover rate within the industry is in excess of 26 percent. This turnover rate makes it difficult to sustain efforts to increase sales and can cost the organization money when employees leave before they get the full benefit of the training provided. Quality manpower and employee retention acts as a litmus test to the performance of specific companies within the industry. This could be greatly attributed to organization determinants like management style, work environment, reward management and career development opportunities (Yadav, 2020).

1.2 Statement of the Problem

Employee turnover, in an ideal organizational setting, is a natural and manageable phenomenon that can benefit both the organization and its workforce. Moderate turnover allows for the infusion of fresh talent, new ideas, and innovative approaches, while also providing employees with opportunities for career growth and mobility. When effectively managed, turnover supports workforce development, succession planning, and organizational adaptability, ensuring operational stability and sustained employee morale.

However, employee turnover in the Insurance Industry in Kenya has reached levels that pose a serious challenge to organizational performance. According to the Insurance Regulatory Authority (IRA, 2024), turnover in the sector ranged between 15% and 20% during 2023/2024, including both voluntary and involuntary departures. Such high turnover causes workforce instability, reduced efficiency, lower effectiveness, and negative impacts on profitability. Sustained turnover also threatens customer loyalty, supplier confidence, investor support, and employee morale (Kamau, 2018).

If not addressed, high turnover can have severe consequences. Organizations face escalating costs associated with recruitment, training, and lost productivity, while remaining employees may experience increased stress and job dissatisfaction. In the Insurance Industry, these challenges can disrupt service delivery, weaken client relationships, erode organizational knowledge, and damage the company's reputation and competitiveness (Kamau, 2018).

Despite the significance of turnover, most empirical studies have focused on other sectors such as banking, telecommunications, and manufacturing, limiting their applicability to the insurance industry. Studies have identified factors such as job satisfaction, work environment, leadership style, rewards, career development, and employee-management relationships as critical determinants of turnover (Balogun & Olowodunoye, 2016; Islam & Zaman, 2012; Nwagbara, 2018; Shukla & Sinha, 2016; Kumar, 2017). This study is therefore necessary to investigate the organizational determinants of employee turnover in the Kenyan Insurance Industry, providing

insights to enhance employee retention, reduce operational costs, preserve institutional knowledge, and strengthen the overall competitiveness of companies in the Insurance Industry.

1.3 Objective of the Study

The study will be guided by the general and specific objectives.

1.3.1 General Objective

The general objective of the study was to determine the influence of organizational determinants of employee turnover in the Insurance Industry in Kenya

1.3.2 Specific Objectives

The study was guided by the following specific objectives

- i. To evaluate the influence of management style on employee turnover in the Insurance Industry in Kenya
- ii. To assess the influence of work environment on employee turnover in the Insurance Industry in Kenya
- iii. To determine the influence of reward management on employee turnover in the Insurance Industry in Kenya
- iv. To examine the influence of career development opportunities on employee turnover in the Insurance Industry in Kenya
- v. To investigate the moderating influence of organization culture on the relationship between organizational determinants and employee turnover in the Insurance Industry in Kenya

1.4 Research Hypotheses

The study sought to test the following research hypotheses

H₀₁ Management style has no significant influence on employee turnover in the Insurance Industry in Kenya

H₀₂ Work environment has no significant influence on employee turnover in the Insurance Industry in Kenya

H₀₃ Reward management has no significant influence on employee turnover in the Insurance Industry in Kenya

H₀₄ Career development opportunities has no significant influence on employee turnover in the Insurance Industry in Kenya

H₀₅ Organization culture has no significant moderating influence on the relationship between organizational determinants and employee turnover in the Insurance Industry in Kenya

1.5 Significance of the Study

This research study's findings were beneficial to Theory and practice of HRM, Practitioners, Policy makers and Knowledge in HRM

1.5.1 Theory and Practice of HRM

This study provides empirical information to the management organs of Kenyan Insurance Companies for improvement of staff retention in order to save on unnecessary expenditure and avert the loss of human capital. It is envisaged that this research would provide empirical information on the current critical organizational retention factors which could be useful to the institutions in formulating employee retention strategies and reviewing existing ones.

1.5.2 Knowledge in HRM

The study offers a detailed examination of how various organizational determinants including management styles, work environment, reward management and company culture influences employee turnover. By identifying gaps in the literature regarding turnover in the Kenyan context, the study paves way for future research, encouraging scholars to explore longitudinal studies or comparative analyses with other industries. The study serves as a model for employing specific research methodologies and analytical techniques, contributing to the academic toolkit for investigating similar phenomena.

1.5.3 Policy Makers

The government and policy makers play a significant role in the welfare of workers. They gain insights on the determinants of employee's turnover. Therefore, the findings provide the policy makers with viable opportunities to revise policies related to employee turnover such as policies on salaries, career growth, work environment and management style. Insights from the study can guide policy makers in creating regulations that promote better work environments and reduce turnover rates in the Insurance Industry. Understanding the organizational determinants can inform policies aimed at employee retention, such as incentives, training programs, and professional development opportunities. The findings can help identify successful practices that can be scaled or adapted across different organizations, ultimately contributing to a more resilient and competitive Insurance Industry.

1.5.4 Practitioners

The reasons behind staff turnover in the insurance sector might be comprehended by the regulatory body overseeing insurance. Consequently, in order to give human resource managers a competitive edge in handling employee turnover, the insurance regulatory body might establish rules and regulations.

1.6 Scope of the Study

This study sought to establish organizational determinants of employee turnover in the Insurance Industry in Kenya. Specifically, the study sought to establish the influence of management style, work environment, reward management, career development opportunities and the moderating influence of organization culture on employee turnover in the Insurance Industry in Kenya. This study focus was on 48 insurance companies in Kenya. This study made use of a descriptive explanatory research design. The study targeted management employees in the different departments in the insurance companies in Kenya, from where the respondents of the study were selected. The questionnaire was used for data collection.

1.7 Limitations of the Study

The study focused exclusively on management-level employees, which may limit the generalizability of the findings to the wider workforce within the Insurance Industry in Kenya. To mitigate this, the study ensured that respondents were drawn from diverse insurance firms to enhance representativeness. In addition, the reliance on questionnaires posed a risk of response bias, as participants might provide socially desirable answers or withhold accurate information due to fear of potential repercussions. This challenge was addressed by assuring respondents of confidentiality and anonymity, thereby encouraging honest and candid responses.

Furthermore, variations in how different organizations define and interpret employee turnover and its underlying causes presented a challenge in ensuring consistency in data analysis. To address this, the study adopted standardized operational definitions of key variables to guide data collection and interpretation. Finally, the findings are influenced by the cultural context of Kenya, which may limit their applicability to other regions. However, this was mitigated by grounding the study in established theoretical frameworks and empirical literature, thereby enhancing its relevance beyond the immediate context.

These limitations also highlight opportunities for future research to examine employee turnover across different organizational levels and cultural settings, thereby expanding the generalizability of the findings.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the existing literature on organizational determinants of employee turnover in the Insurance Industry. The chapter starts with a theoretical review that covers theories related to the variables in the study. This is followed by a conceptual framework showing the hypothesized relationships between variables. The chapter also encompasses empirical review as per the study objectives, critique of existing literature, research gaps and summary of the literature.

2.2 Theoretical Review

A theory is an idea used in the explanation of events and other things, particularly the ones based on general principles independent of the event to be explained. The theoretical review gives an introduction of the theories that are used to support the study variables. In addition, a theoretical review provides the main variables that affect the phenomenon under study and points out the need to consider the effect of these variables under different circumstances (Swanson, 2013). This study was anchored on six theories: Maslow's hierarchy of needs theory, theory z, equity theory, expectancy theory, Charles Hendy's model of organizational culture and job matching theory.

2.2.1 Maslow's Hierarchy of Needs Theory

Maslow's Hierarchy of Needs Theory was developed by Abraham Maslow in 1943. The theory posits that human needs are arranged in a hierarchical structure comprising five progressive levels: physiological needs, safety needs, social or belongingness needs, esteem needs, and self-actualization needs. According to this theory, one will have to pass the lower level of satisfaction before entering the higher level. The theory is strong as it claims that employers must motivate the employees through meeting each level of employees' needs for employees to truly commit themselves to workplace goals. According to this theory, failing to meet employee's needs at any level in the hierarchy can create a lack of fulfillment in employees' professional lives, causing

them to eventually try to fulfil these needs on their own, possibly by finding a new employer who provides better opportunities.

The theory assumes that human needs follow a structured progression that unmet needs create internal tension which drives behavior, and that individuals are motivated by the desire to satisfy the next higher-level need once a lower-level need has been fulfilled. It further assumes that organizations play a significant role in addressing work-related needs through appropriate management practices, reward systems, job security, supportive work environments, recognition, and career development opportunities.

This theory has been critiqued in that it does not consider that human needs are endless and in actual fact the organizations cannot meet every need of its employees. In some organizations, there are employees from the better rewarded positions who still quit their jobs. This means human needs are endless and there is no clear point showing that this is the highest level of satisfaction (Gawel, 2019).

In relation to management style and employee turnover, the theory provides a framework for understanding how managerial practices influence employee retention. Managers who adopt supportive, participative, and employee-centred leadership approaches are more likely to address employees' physiological needs through fair compensation, safety needs through job security and conducive working conditions, belongingness needs through teamwork and inclusion, esteem needs through recognition and respect, and self-actualization needs through opportunities for growth and career advancement. Conversely, failure to address these needs at any level may weaken employee commitment and increase turnover intention. Therefore, this theory was adopted to guide this study in determining the influence of management style on employee turnover in the Insurance Industry in Kenya.

2.2.2 Theory Z

Theory Z was developed by Ouchi in 1981. The theory focused on increasing employee loyalty to the company by providing a job for life with a strong focus on the well-being of the employee, both on and off the job. According to Ouchi, theory Z

management tends to promote stable employment, high productivity, and high employee morale and satisfaction. Theory Z highlights that workers have a high need to be supported by the company, and highly value a working environment in which such things as family, cultures and traditions, and social institutions are regarded as equally important as the work itself. This theory is appreciated in the ground that management must give the right support to workers, trust them to do their jobs to their utmost ability and look after for their own and others' well-being (Seaman, LaPerla, Schwartz, & Bienstock, 2018).

However, the theory Z revolves around the assumption that employees want to enter into partnerships with their employer and colleagues. Employees have a strong desire for connection. This calls for a high degree of assistance from the organization and the management by having appropriate facilities and a safe working environment. The possibility for development and training can also be included on this list. Another assumption is that employees expect reciprocity and support from their organization. Employees find a work-life balance important and want to maintain this. Family, culture and traditions are therefore just as important as working conditions. The theory Z also assumes that employees trust that they can carry out their work properly with the right support from management (Wilkins & Ouchi, 1983).

Theory Z suffers from the following limitations: Provision of lifetime employment to employees to develop a strong bond between organization and employees may fail to motivate employees with higher level needs. It merely provides job security and may fail to develop loyalty among employees. Participation of employees in the decision-making process is very difficult. Managers may dislike participation as it may hurt their ego and freedom. Employees may be reluctant to participate due to fear of criticism and lack of motivation (Seaman, LaPerla, Schwartz, & Bienstock, 2018). Even if they sit along with management, they may contribute little unless they understand the issues and take initiative. Involvement of all employees may also slow down the decision-making process. Theory Z suggests organization without any structure may be chaotic as nobody will know who is responsible to whom. It may not be possible to develop a common culture in the organization because people differ in their attitudes, habits, languages, religions and customs (Lunenburg, 2011). However,

the theory is beneficial in that it is based on shared concern for multiple employee needs, it suggests strong bondage between organization and its employees, Employee involvement is a prominent factor in this theory, the theory encourages the practice of informal organization and also encourages automatic coordination among employees.

The theory is relevant in studying employees' turnover in the Insurance Industry in relation to work environment. It allows the analysis on the behaviour patterns of employees and evaluates the workers' environment in the Insurance Industry in Kenya and see whether the insurance companies support their employees to meet their obligations and if not whether it contributes to the employee turnover in most cases. This theory assumes that workers participate in the decisions of the company to a great degree. However, in any organization there are some decisions that are very crucial and urgent to the extent that they cannot be made by all workers. Therefore, this theory was used in this study to assess the influence of work environment on employee turnover in the Insurance Industry in Kenya.

2.2.3 Equity Theory

Equity theory was developed by Adams in 1963. Importantly, it asserts a measure of fairness, Equity, by comparing our balance of effort and reward, and other factors of give and take, the ratio of input and output - with the balance or ratio enjoyed by other people whom they deem to be relevant reference points. Equity theory, therefore, suggests that individuals engage in social comparison by comparing their efforts and rewards with those of relevant others. The perception of individuals about the fairness of their rewards relative to others influences their level of motivation. Equity exists when individuals perceive that the ratio of efforts to rewards is the same for them as it is for others to whom they compare. According to the theory inequity exists when individuals perceive that the ratio of efforts to rewards is different (usually negatively so) for them than it is for others to whom they compare themselves. The theory argues that the more intense the employee perceives that he or she is either more or less paid, the higher the tension and the stronger the motivation to act (Huczynski & Buchanan 2007).

The assumptions of the theory are an individual is concerned with his achievements (rewards and recognition) as well as the achievement of others. Employees expect a fair and equitable return for their contribution to their jobs. Employees determine what return (equitable) they should receive after comparing their inputs with the outcomes their relational workers have received. Employees who perceive themselves as being in an inequitable scenario will attempt to reduce the inequity either by distorting inputs and/or outputs psychologically, by directly altering inputs and/or outputs, or by quitting the organization (Adams, 1963).

The theory's limitations are that it is practically difficult to measure the perception of people about output-input ratios. The theory does not show clearly the specific actions a person should take to re-establish equity when inequity is perceived. The theory does not consider all motivation factors. Only perception is the basic consideration. There is no standard measurement of efforts (inputs) and rewards, so exact comparison with others is not possible. An individual hardly accepts that he is getting more rewards than others. Most problems are of low return, the negative inequality (Redmond, 2010). The theory is beneficial since it makes managers realize that equity motivation tends to be one of the most important motives of the people in the organization. Also when employees experience equity, the achievement levels of employees increase. Employees will also have a greater retention rate because the employees would like to stay with the company as the policies are equitable (Gogia, 2010).

This theory aligns to reward management in firms. It advocates for equity in rewarding employees in organizations. Any unfairness in the reward system may lead to dissatisfaction and increased turnover. Therefore, the insurance firms should have a reward system that promotes equity. Therefore, this theory was used in study to establish the influence of reward management on employee turnover in the Insurance Industry in Kenya.

2.2.4 Expectancy Theory

The expectancy theory was proposed by Vroom in 1964. It puts forth the premise that employees will put forth an amount of work and commitment equal to what they expect to receive in return. Commission compensation structures leverage this theory

by allowing employees to earn as much money as they desire, completely based on their job performance. Making sure that employees always expect future pay raises and potential job promotions can keep them working hard to achieve personal goals. If employees expect little compensation and there is no growth opportunity in return for their work, they may put forth only minimal effort until they eventually look for a new employer for new opportunities. Expectancy theory identifies three major factors that determine employee motivation as valence, instrumentality and expectancy (Mullins, 2001).

According to Vroom, motivation works well when there is a functional relationship between efforts expended, perceived likely outcomes and expectations that reward will be related to performance. While useful, Herzberg's theory has limitations like potential bias towards preferred work, reliance on subjective opinions, lack of direct link to productivity and the influence of external factors like better opportunities (Lloyd & Mertens, 2018)

This theory influences career growth opportunities by suggesting that workers would be motivated to grow their career if they are assured of reward associated with an action, trust that they will receive the reward if they do a good job and believe that they have the ability to achieve their objectives by working hard. The theory helps to explain why a lot of workers are not motivated in their jobs and do only the minimum necessary to get by. In that context; the theory attempts to convince that an employee will do more if he/she expects to get more and attractive benefits or incentives from the employer. Furthermore, employee commitment to his/her work organization may not need attractive reward to illicit higher performance. The theory guided this study in establishing the influence of career growth opportunities on employee turnover in the Insurance Industry in Kenya.

2.2.5 Charles Handy's Model of Organizational Culture

Handy's Organizational Culture Model was developed by Charles Handy in 1993. The theory identifies four types of culture which organizations follow. Power culture exists in some organizations where the power remains in the hands of only a few people and only they are authorized to make decisions. They are the ones who enjoy special

privileges at the workplace. They are the most important people at the workplace and are the major decision makers. These individuals further delegate responsibilities to the other employees. In such a culture the subordinates have no option but to strictly follow their superior's instructions. The employees do not have the liberty to express their views or share their ideas in an open forum and have to follow what their superior says. The managers in such a type of culture sometimes can be partial to someone leading to major unrest among others.

Task culture is where teams are formed to achieve the targets or solve critical problems. In such organizations, individuals with common interests and specializations come together to form a team. There are generally four to five members in each team. In such a culture every team member has to contribute equally and accomplish tasks in the most innovative way. Handy, (1993) states that person culture exists where the employees feel that they are more important than their organization. Individuals are more concerned about their own self rather than the organization. The organization in such a culture takes a back seat and eventually suffers. The model is criticized for being overly simplistic, static, and potentially inaccurate for complex, modern, or hybrid organizations. Critics argue it fails to account for subcultures, overemphasizes structural rigidity, and may not fully capture the evolving nature of organizational behavior (Hendy, 2007).

Employees just come to the office for the sake of money and never get attached to it. They are seldom loyal towards the management and never decide in favour of the organization. One should always remember that organization comes first and everything else later. Role culture is where employees are delegated roles and responsibilities related to their specialization and educational qualification. In such a culture employees decide what best they can do and willingly accept the challenge. Every individual is accountable for something or the other and has to take ownership of the work assigned to him. Power comes with responsibility in such a work culture (Hogan & Coote, 2014). The study used Charles Hendy's model of organizational culture in establishing the moderating influence of firm culture on employee turnover.

2.2.6 Motivation-Hygiene Theory

In 1959, Frederick Herzberg, a behavioral scientist proposed a two-factor theory or the motivator-hygiene theory. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. According to Herzberg, the opposite of “Satisfaction” is “No satisfaction” and the opposite of “Dissatisfaction” is “No Dissatisfaction” (Herzberg, 2015). Herzberg classified these job factors into two categories: hygiene factors and motivational factors. Hygiene factors are those job factors which are essential for the existence of motivation at the workplace. These do not lead to positive satisfaction for the long-term. But if these factors are absent at the workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. These factors describe the job environment (Herzberg, 2015). The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled. Hygiene factors include: Pay, company policies, fringe benefits, physical working conditions, status, interpersonal relations and job security (Herzberg, 1959).

According to Herzberg (1959), the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit. Motivational factors include: Recognition, sense of achievement, growth and promotional opportunities, responsibility and meaningfulness of the work.

The Two-Factor theory implies that the managers must stress on guaranteeing the adequacy of the hygiene factors to avoid employee dissatisfaction. Also, the managers must make sure that the work is stimulating and rewarding so that the employees are motivated to work and perform harder and better. This theory emphasizes job-enrichment so as to motivate the employees. Adopting these factors in the organization would reduce employee turnover. Therefore, this theory was used in study to establish

the influence of reward management on employee turnover in the Insurance Industry in Kenya.

2.2.7 Job Matching Theory

The job matching theory was established by Burdett in 1978 and Jovanovich in 1979. The key insight of this theory is that firms will search for employees and job seekers will search for firms until there is a good match for both parties. However, the conditions for an optimal matching may change over time, leading to continuous reallocation of labour. Based on this study therefore, the theory has useful information related to this study. To date, we see that employees in the banking industry quit their jobs despite the high number of financial institutions looking for workers who have sufficient skills, experience and a high degree of commitment. However, the theory is criticized in that it does not explain the kinds of people that depart from the company, the reasons behind their departures, or even the consequences that the company faces when a large percentage of its workforce departs.

Job matching theory explains worker turnover as a necessary process wherein employees and organizations learn about each other's productivity and eventually separate if there happens to be a misfit. This further leads to more appropriate pairing and greater efficiency of the workforce. The job matching theory was used in this study to explain employee turnover in the Insurance Industry in Kenya.

2.3 Conceptual Framework

Conceptual framework comprises well organized ideas that connect the independent variables to the dependent variable using a moderating variable which provides focus, tools and rationale for interpreting and integrating information of the research under investigation. The figurative representation of the conceptual framework is used to explain the relationships between the components of the independent variable as they influence the dependent variable, which will be the solution to establish organizational determinants of employee turnover in the Insurance Industry in Kenya, under investigation. The moderating variable helps to explain the relationship between the

independent and dependent variable. The moderating variable can change the direction of the relationship between the variable (Varpio *et al.*, 2020).

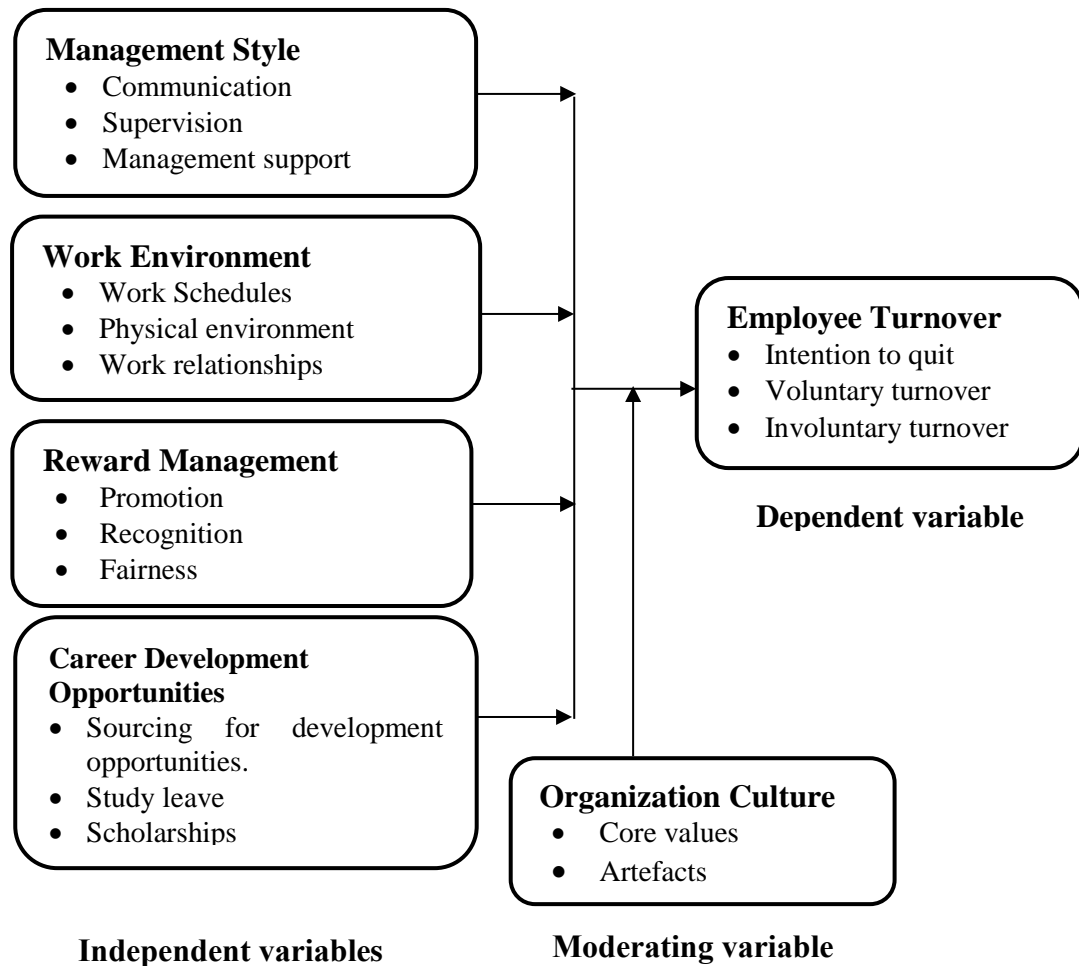


Figure 2.1: Conceptual Framework

2.3.1 Management Style

Management or leadership style is the manner in which a manager or leader leads. This is reflected in the day to day activities they carry out; such as communication, exercising power and authority and the effects of these on employees. Management style may be described as the way a leader influences employees to achieve goals and objectives through motivation (Jyoti & Venketesh, 2016). Rawat (2013) opines that there are different leadership styles that managers use to keep employees engaged and

achieve organizational targets. Dubrin (2018) explains the autocratic leadership as a style where the manager retains power and authority and makes decisions autonomously. They are more focused on completion of tasks rather than the employees. Since autocratic leaders typically do not allow input from team members, employees start to feel dissatisfied, stifled, demotivated, lose commitment and may even push them to exit organizations where their thoughts and suggestions are not considered important. This in turn is reflected in delayed business functions or gaps in business processes that affect overall organizational functioning where commitment is lost or an employee leaves. This is further witnessed in improper or no service delivery to customers, affecting the customer perspective.

In sharp comparison to autocratic leadership is democratic leadership. Blanchard, Hersey and Johnson (2016), view this kind of leadership as an important aspect of collaboration, teamwork and empowerment. Employees are highly involved in the decision-making processes and managers encourage employees to participate and every individual strives to improve the organizational climate and performance. This management style reports the lowest employee turnover and allows for a good working relationship between employees and management and employees exhibit high degrees of responsibility and commitment which drives organizational performance. Overall employee productivity is high, leading to a higher financial return per employee and creates an innovative forum where employees and their managers exchange ideas, all improving the learning and growth perspective of the balance scorecard.

According to Amos, Hayward and Baxter (2018), the laissez-faire style is used by leaders who prefer to avoid interaction and conflict. They prefer to remain at an arm's length from the work affairs of subordinates and they do not invest in efforts to build relationships. Their research indicates that this style is associated with dissatisfaction, ineffectiveness and employee departure especially where employees value a good working relationship with managers. This decreases the working efficiency of employees where managers are not easily available for direction. The average product labour output can potentially be on an all-time low and justification for this can be easily overseen.

On the other hand, according to Victor and Hoole (2017), transactional managers prioritize the safety and well-being of their staff members. The relationship between the manager and employee is based on bargaining exchanges and reward systems. In sharp contrast, transformational leaders invest in efforts to go beyond what the employees feel in order to retain them for the long term (Mwangi, 2016). In her studies on utilisation of transformational leadership style, she found out that this style has a huge effect on employee and organization performance through elements of inspirational motivation, idealised influence, intellectual stimulation and individual consideration. Employees who witness this sort of leadership exhibit loyalty, admiration, trust and respect towards their leaders and are motivated to perform extra-role behaviours through a prolonged stay with the organization. This reduces hiring and recruitment costs, training and development costs, improves brand image of the organization and leads to satisfied customers served by satisfied employees. All this increases the sales volume for the services and organizations are able to generate more marginal revenue per motivated employee.

The success of Insurance companies depends on human capital because competing companies offer identical products and services. Insurance companies have been rolling out strategies to increase its competitiveness in the industry and this has forced them to highlight the importance of the level of management engagement of its employees (Weatherly, 2013). Mutunga (2019), emphasizes that management should aim to build a sense of purpose in all employees in order to reinforce alignment with organizational goals. The organizational structure and reporting roles should be designed to create an environment of openness, dialogue and easy access to forums and tools where employees can express themselves without fear of reprisal. Employees who voice their opinions should in turn be rewarded with action by management for their inputs. It must be noted that a lot of learning and growth is seen through such interactions and employees are able to better see the bigger organizational picture through guidance from managers. This alignment of employee and organizational goals creates a mutual win situation where both stand to benefit through improved process structures, higher revenues, reduced employee turnover, better knowledge flow and possibly better remuneration.

Nowack (2016) claims that effective leadership is required for employees to realize their full potential and value. Managers who can build an all-inclusive work climate have an invaluable effect on employee commitment to an organization and the productivity generated. This decade has seen a rise in popularity of intangible rewards and managers are a vital component in delivering rewards such as flexible work hours, recognition and career growth, job enablement (Boswel, 2016). He further argues that most employees thrive in organizations because of their relationship with their immediate managers and yet it is the single biggest reason most employees leave the organization. He further adds that good managers are a catalyst for improved employee performance, a brand image for the organization, the reason for customer loyalty and consistent financial results year on year.

Management through its leadership is known to shape and change culture in organizations. This is done through day to day actions and decisions demonstrating the values the organization stands for. This is also done through mentoring and continuous measures that are put into place to maintain the organizational culture. All these dimensions cumulatively create a culture of performance because employees identify themselves with the mission, vision, ethical organizational decorum, organizational values and human resource policies. Where the organizational culture is not in line with employees' values and work ethics, employees may hesitate to remain with the organization for a lengthy period. When good employees continuously depart from these organizations, they take away knowledge and customers, intangibles which may be very difficult to replace (Kee, 2013).

In light of stiff competition and high shareholder pressure for better returns, Insurance companies have in the past resorted to easy and short-sighted reaction-based responses of retrenching hundreds of employees, with the hopes that employee costs will be minimized and that should turn out a decent sizeable profit. These retrenchments cause psychological damage and job insecurity, reduced productivity, reduced survivor morale and decreased loyalty and commitment to the telecommunications giant (West, 2018). Kinyanjui (2015) advises that downsizing organizations do not usually achieve the expected outcomes in the long run but instead experience an escalation in negative consequences such as increased customer complaints, lower rate of new product and

service introductions, reduced innovativeness and delays in service delivery. Management of such organizations acknowledge that such events reduce employee performance and increase turnover amongst the survivors because of heightened job insecurity.

2.3.2 Work Environment

The work environment is the immediate environment in which people operate. This includes the physical setting such as the office layout, design and broader organizational features such as history and policies concerned with employment conditions. It also encompasses psychological factors such as job profiles, role congruency, social support, working conditions and goes as far as including aspects of the external organizational setting such as work-life balance, firm and industry factors and market conditions (Tripathi, 2014).

Briner (2016) claims that all these aspects are interlinked and have an impact on employee productivity and overall organizational performance. He states that employees will be more productive and content where their obligations are in tandem with their work environment. The work environment therefore plays a large role in organizational performance through its ability to keep employees motivated. It has long been argued that a poor work environment forces employees to disengage and leave organizations more than any other factor. Gagné and Deci (2015) argue that this disengagement has been on a steady increase and it has proven more important than ever to create a positive work environment where employees are motivated and productive.

Employees' comfort on the job, determined by workplace conditions and environment, has been recognized as an important factor for measuring their productivity and ultimate organizational performance (Tripathi, 2014). In today's dynamic and competitive business world, a healthy workplace environment makes good business sense. Managers should not just focus on the employees' pay packet with the assumption that it is proportionate to performance. Organizations deemed as a positive place to work will have a competitive edge over the others (Heath, Centeno, George, Jaluria & Bianchini, 2016).

Many employees in the competitive Insurance Industry struggle to achieve a work-life balance. This refers to the ability to work under flexible work options, ease of applying and acceptance of family and personal leaves and basic organizational support for dependent care (Earle, 2013). Armstrong (2016) further asserts that organizations should focus on work life balance employment practices which aim at providing scope for employees to balance what they do at work with the responsibilities and interests they have outside work. This allows reconciliation between competing claims of employer work needs and home needs.

The Kenyan Insurance Industry poses a myriad of problems for employees seeking to achieve a work-life balance. This is primarily as a result of cutthroat competition that poses challenges in working hours, workplace mobility and compensation. This kind of pressure makes it difficult for employers to attract, retain and motivate employees which in turn affects organizational performance. Some insurance companies have already identified this and are working on their human resource practices to ensure a better working environment for employees which has reflected in peak organizational performance as a result of a motivated workforce (Tripathi, 2014).

Properly articulated work life balance policies should take keen interest in reducing absenteeism and increasing employee morale that reduces the high degree of stress that these employees face in high pressure environments. Organizational performance is directly affected by employee performance and employees who are constantly juggling work and life responsibilities are known to underperform. Many researchers have emphasized the role of work life balance on the psychological well-being and overall sense of harmony in an employee's life (Chandrasekar, 2016). A balanced work- life is linked to increased job satisfaction and organizational commitment. Employees' work life experiences deepen their role-related engagement which is related to organizational performance improvement.

Contemporary literature on work environment stress typically focuses on psychosocial factors that affect employee performance; however theoretical models of stress at work include the physical environment as a prime factor (Chughtai & Buckley, 2018). From research findings, Earle (2013) notes that organizational performance is affected by

employee productivity which is in turn is affected by aspects regarding storage space, quiet space, climate control, technology, personalising the workspace and its visual appeal.

Studies show a correlation between workplace satisfaction and job satisfaction. They also lean towards indicating a link between employee performance and aspects of the physical work environment such as lighting, ergonomic furniture and air quality (Chandrasekar, 2016). According to Buckley *et al.*, (2018), the office layout influences productivity. Individuals carrying out detailed and non-routine tasks perform better in private offices as opposed to an open-office plan layout. Inversely, simpler and less detailed work can be performed under any set-up. Operating in an open plan set up can however expose one to distractions and disruptions, affecting organizational performance through negative employee performance (Meyer & Smith, 2014).

High levels of employee productivity are achievable when organizations ensure the physical environment is conducive to organizational needs. This would facilitate interaction and privacy, functionality and cross-discipline and formality and informality. Subsequently, the physical environment can be leveraged upon to improve employee and organizational performance (Huang *et al.*, 2010). Some insurance has attempted to achieve an ideal working environment by ensuring employees are well equipped with all the tools to perform optimally. The organization has also considered ergonomic factors, for example, the workstations are well spaced, comfortable and of high standards and the various offices are spacious. Management supports staff through well designed human resource policies that caters for more than individual needs. Welfare amenities such as day-care, training rooms, gyms, canteen and in-house clinics are also available at no cost to employees. This allows employees to be comfortable and motivated to work under tight schedules, focusing all their attention to organizational performance. Employees are paid on an overtime basis and transport is provided for employees to make life convenient and facilitate on-time reporting.

Even with a much-enhanced work environment, it is argued that employees of the organization continue to complain of the demands placed before them, particularly regarding management style, motivation, remuneration and high stress levels. This in

turn has led to high turnover and stagnant or flattening company performance (Walsh, 2016). Hytter (2018) explains that work environment stress may be as a result of role ambiguity, role conflict or judging and occupational demands. He further claims that where employees do not have clear direction on what is expected of them, confusion can arise between expected and actual outcomes leading to conflict. Employees may perform as expected and later receive negative feedback, leading to a confusing environment where instructions are not clear or being changed frequently.

Organization support is recognized as an important work environment tool to strengthen employee and organizational performance. Westerman and Yamamura (2017) indicate that organizational performance may be affected where employees are not adequately supervised and supported, however the relationship between work environment and employee outcomes in this respect is interrelated and in need for further examination. Social support also involves the assistance that an employee receives from his/her co-workers, supervisor and colleagues to perform their work effectively (Castilla, 2015). Co-workers provide a sense of identity, support and friendship which makes the work environment a safer and more secure place to work. This makes employees more productive and drives organizational performance through teamwork (Nayeri, Nazari, Salsali & Ahmadi, 2015).

2.3.3 Reward Management

Fernandes (2018) describes reward as all the components that make up a reward package. This includes direct and indirect financial rewards, the work environment and learning and development. Organizations are said to have a concrete reward package when they adopt a package that not only focuses on the monetary benefits but non-monetary benefits as well, such as learning and development, training and the general work environment (Armstrong & Brown, 2011). A total reward strategy, among other things, plays an essential role in enhancing an employee's motivation, job satisfaction and performance. It also improves the image of the psychological contract and commitment to the organization (Jiang & Kleine, 2019). According to them, a total compensation strategy is a comprehensive approach that addresses every facet of the work relationship that employees appreciate.

Mahaney and Lederer (2016) state that rewards can be intrinsic or extrinsic in nature. Intrinsic rewards are rewards attached to the inherent job itself along with the satisfaction an employee experiences as a result of completion of their tasks. In contrast extrinsic rewards are concerned with external factors such as the work environment, remuneration, career prospects, fringe benefits and job security amongst others. These rewards are considered to be tangible in nature and are usually determined at the organization level, much out of the immediate manager's discretion.

Allen and Helms (2014) opine the importance of aligning the reward systems, based on employee motivation and performance to the firm's strategy. It should be able to attract and retain people with the necessary skills, abilities and knowledge to realize the organization's strategic objectives and create a supportive culture and structure. Such alignment between the reward system and firm strategy enhances organizational effectiveness. Rewards and compensation systems should be designed to motivate employees to dispense their best efforts towards their job role. These systems achieve simultaneous objectives of labour cost control, legal compliance, perceived equity towards employees and improved performance to achieve exceptional productivity and customer satisfaction. Compensation is tangible financial returns in exchange for the services provided by employees. It is an important aspect in recruitment, motivation, performance and employee turnover (Beh & Loo, 2013).

According to Robbins (2018) employers should understand the desires and needs of the different employees to drive maximum performance out of them. Employees can be driven by or non-financial motivations and this information can be used to design proper incentive systems that support organizational performance. Financial incentives include salaries and bonuses, allowances and payment for overtime. Non-financial rewards on the other hand involve provision of fringe benefits such as increase in holidays, car and house allowances and increased flexibility amongst other factors. These rewards contribute towards the employee perception that their workplace is a supportive and caring organization (Chiang, Birtch & Kwan, 2014).

Babakus, Yavas, Karatepe and Avci (2013) point out that employee attitudes are shaped by the perceptions they have in regard to the rewards climate in the

organization. Employees reciprocate by increased commitment and improved socio-emotional bonds with other colleagues which plays out through increased productivity, lower turnover and increased organizational performance. Managers exhibit their commitment by recognizing and facilitating the provision of these rewards where rightfully earned. Recent studies undertaken to understand the relationship between rewards and employee turnover include employee perception of competitiveness of performance-based rewards in Kenya Electricity Generating Company Limited. The study established that the use of performance-based rewards by the organization to improve employee satisfaction and encourage attainment of organizational objectives changed employee perceptions and resulted in additional interactions with management and provided new opportunities for employees to develop trust in management (Mutuku, 2012).

Musyoki and Kadubo (2012) also carried out an independent research on the relationship between rewards and job satisfaction at the National Cereals and Produce Board. His research established that the organization's employees were most motivated by a decent basic pay, medical, housing and leave allowances, training and development, career development, life insurance and retirement benefits in addition to legally required NSSF and performance related pay such as overtime bonuses. A strong positive correlation existed between employee job satisfaction and rewards.

Studies conducted by Premeaux (2014) on the effects of motivation on employee performance concluded that management can use multiple strategies to motivate employees in the banking industry. Many employees were interested in the prospects of fringe benefits, career development and increase in base salaries to give their best performance. Kotler and Keller (2019), posit that increase in base pay is very influential in reducing employee turnover because of the employee value attached to the salary and the things the money can purchase. While pay and benefits alone are not adequate for high employee motivation, they are an indispensable measurement in job satisfaction evaluations. Many organizations use a mix of different types of rewards to keep a diverse workforce of employees satisfied. The most prominent types include basic pay, job design, incentives and benefits, development opportunities and performance-based pay.

Crossman and Abou-Zaki (2013), state that most employees report basic pay as the most important reward for their time and efforts. They measure their worth to the organization in relation to the money the firm is willing to accord to them. Basic pay is an important competitive tool used effectively to improve employee motivation and organizational performance. According to Noe (2017) employee compensation costs form a major part of conducting business (as far as 50-60%) and hence a poorly designed system can be a very expensive proposition in the long run, causing problems related to low employee morale and increased turnover, damaging organizational prospects.

Performance based pay depends on factors ranging from individual performance, team performance to organizational performance. The expectancy theory suggests that employees are more motivated to perform where the reward and compensation systems create a perception of strong links between performance and rewards (Gardner, Dyne & Pierce, 2014). This happens by creating a compensation system that can align employee interests to organizational goals, thereby reducing turnover and engaging a productive work force to attain high performance. Employers normally use the merit based or goal-based system to effectively promote the performance pay based concept.

The merit-based system assesses the employee's current performance against historical objectives. The goal-based system on the other hand allows for an open discussion between the employer and employee to set collective goals. Performance based systems operate where targets are clear, well-understood and measurable by all parties (Togia & Tsigilis, 2014). The reinforcement theory has been a strong supporter of performance-based pay and suggests that all performance should be linked to rewards through setting targets and rewarding achievement (Paul, 2019). Other theories such as the cognitive evaluation theory opposes these views and states that incentive pay negatively affects the intrinsic motivation of employees through the crowding-out effect (Deci *et al.*, 2015). This once again draws attention to designing incentive systems which take care of employee motivation and performance.

Reward systems should consider pay equity, an important measure for employee judgements on their value against other co-workers and other similarities such as

organizational status (Ellis, Reus & Lamont, 2019). Where unjust incentive plans are implemented, favoring one or more employees over others, it can encourage disruptive competition for rewards and unruly behaviour such as fighting over customers, reduced focus on quality and more on quantity and sabotaging a co-worker's performance. Alternatively, incentive plans for groups normally enhance overall performance of the group, prompting more teamwork and trust amongst each other (Richard, 2018).

A very prominent non-financial reward that many employers are rewarding employees with is recognition. This involves the demonstration of achievement of set targets or contribution towards a shared objective. This can be used in confidentiality or in public and formally or informally. Employees appreciate recognition in addition to base pay as a way to celebrate and recognize their efforts in the organizational presence (Pitts, 2015). He further argues that where only base pay is used by employees to reward employee's contribution and achievement, most employee's objective will be to perform up to base pay value and nothing more, leading to an exclusive degraded culture. Recognition, when used correctly is a cost-effective tool of enhancing accomplishment and enables people to feel more involved in the organizational culture.

Loquericio, Hammersley and Emmens (2016), furthers this argument by stating that as much as base pay can be sufficient as a standalone reward, recognition and celebration does not work as an alternative to base pay. Together, they form a stronger package deal that can effectively communicate to employees their contribution to overall organizational performance. When management consciously extends efforts to fulfil physiological and psychological needs, the workforce voluntarily co-operates and contributes their best efforts towards organizational success. Increased employee satisfaction can increase organizational efficiency where employees improve their skills and knowledge and can use these tools to progress organizational goals. Overall, such activities can increase employee productivity, reduce turnover rates and absenteeism (Carragher, 2016).

2.3.4 Career Development Opportunities

Career development is viewed as a scheme designed to enable each employee in an organization to advance in his/her occupation, therefore, giving organizational member's opportunities to grow, advance and develop (Cascio, 2013). When addressing career development, it is important to look at both the individual career planning and institutional career development processes (Arnold, 2015). With a high turn-over, limited supply of competent talent and changing requirements, career development has become an important focus in human resource planning (Dessler, 2012).

As employees develop, they become more productive and increase their contribution towards overall organizational effectiveness. However, for effective and strategic career development, organizations need to merge the individual goals with those of the organization, then help the individual in the achievement of their anchors (Kaya & Ceylan, 2014). This involves identifying, developing and utilizing skills and interests. Many employers have recognized this need and are therefore integrating their goals and objectives more closely with the individual needs. Career development, therefore, becomes an important component of the total strategy of policies, procedures and programmes essential to improving human productivity and motivation in the work environment (Dessler, 2012).

As organizations become more complex and for effectiveness to be achieved, sophisticated highly trained manpower is therefore required. Effective contribution does not just occur naturally; rather it is the duty of organizations to develop their employees in order to meet the ever-increasing challenges of the workplace, increased productivity and overall organizational effectiveness (Okurame, 2012). One of the characteristics of a career employer is seeking the majority of employment being made from within rather than from without (Cao & Thomas, 2013). As a result, organizations have to equip their employees with skills not only for the immediate requirements but also to prepare them for future requirements. For this reason, training emerges as an important resource for developing staff. This distinguishes training for career development from the many other forms of training because it integrates both the

immediate and future needs of the employees within the organization (Stewart & Brown, 2011).

Training refers to a planned effort by an organization to facilitate the learning of job-related behaviour on the part of its employees. Training is also a means to provide employees with relevant skills so as to improve the efficiency of their organization. Training is considered to be learning related to the present job. Training is critical to any organization because it provides the skills, knowledge and attitudes needed now and, in the future, (Cascio, 2013). The plan of employee training, and development helps the employees to be conventional to quick changes in services prerequisites and keeps them redesigned to fresh advances and systems. On-the-job and off-the-job training methods are the two broad categories of training and development approaches that are generally available to individuals. The conditions and goals of the training and development program determine which strategy is best for the company (Saakshi, 2015). On-job strategies refer to the systems that are linked in the workplace, while the staff is in fact working to get particular skill. Mattare and Lyons (2010) found out that in view of limited personnel and financial resources on-the-job training methods such as observation, mentoring and job rotation schemes address the training needs of organizations, as these approaches are inexpensive, flexible and can be used on-site

Off-job strategies are utilized far from work; few abilities and information are hard to train employees at the workplace, so off-job training is very important. Staff get training far from their workstation. The strategy also allows the employment of a more prominent variety of training systems, these incorporate assistantship, apprenticeship, exceptional study, movies, lecture, TV, seminars, recreation, customized guideline and research training. The organization can figure out which strategies to make use of reliant upon the provisions and goals of the training (Khanka, 2017). Saakshi (2015) notes that meeting strategies are utilized to help workers create critical thinking abilities. It is a sequence of instructive and work sessions. Gatherings of individuals meet together over a brief time frame to focus on a characterized range of concern. These workshops incorporate aptitudes that can be connected in the work environment. Ambardar (2013) explains that training programmes foster improved knowledge

procedure, expands employees' capability, which leads to high organization performance.

2.3.5 Organization Culture

Dwirantwi (2012) describes organizational culture as the attitudes, experiences, beliefs, and values of the organization, acquired through social learning that control the way individuals and groups in the organization interact with one another and with parties outside it. Thus, culture at the workplace, is an invisible but very powerful force that influences the behaviour of people and dictate how they dress, act and perform their jobs. This implies that every organization has its own unique personality as humans do and is consciously and deliberately cultivated and passed on to incoming employees. The most important thing about culture is that it is the only sustainable point of difference for any organization (Rick, 2015) as well as the glue that bonds an organization together. An organization's culture may make that organization more or less an attractive employment prospect to different individuals based on each person's value structure (Emerson, 2013) as people tend to seek out and self-select organizations that epitomize their personal values and morals. Thus, organizational culture has important effects on the employee's behavior such as turnover intention.

Humans grow-up within a culture that is part of day to day living and this is established firmly in them and they can identify with it. It is basically the environment in which the employees' function to the best of their abilities and it influences every aspect of an organization. It is reflected in the way people perform tasks, set objectives and administer the necessary resources to achieve objectives. Culture can be a significant liability for an organization, if it is not in alignment with mission, core values and operational strategy. Culture determines things like loyalty and commitment, how employees work and how far they are prepared to take risks (Amah, 2012). The culture of organization has been affected by attitudes, norms and beliefs that lead to strong communication between employees.

Organizational culture is an important recipe for the encouragement or discouragement of behaviours in organization (Dell & Kumasey, 2013). It serves as a link or bond between employees and organization. Ritchie (2010), notes that, from the time of the

earliest writers on organizational culture, it has been suggested that organizational culture affects such outcomes as productivity, performance, commitment, self-confidence, and retention. In addition, Biju (2015) intimated that organizational culture can increase or decrease employee retention rates in organizations because it affects commitment levels of employees in organizations. Individuals tend to be attracted to and remain engaged in organizations that perceive to be compatible.

In a strong organizational culture, employees have similar views regarding the organization, and they behave consistently with organizational values (Flamholtz & Randle, 2011). Business managers display a strong organizational culture to influence employees' work attitude and performance because culture engages and motivates employees (Simoneaux & Stroud, 2014). In a strong organizational culture, the members of the organization share the values and goals of the organization, and new employees quickly adopt these values. Strong organizational culture includes an important role in aligning the organization's current and future direction (Raza *et al.*, 2014).

In contrast, management with weak or ineffective organizational culture has the potential to affect profitability and productivity (Shahzad *et al.*, 2012). In a weak organizational culture, employees have a problem in defining the organization's values and determining the right process of conducting business in the organization (Childress, 2013). Schein (2010) noted that management with weak organizational culture lacks transparent and consistent communication in the organization. In a weak organizational culture, employees behave in a manner inconsistent with the organization priorities because of insufficient communication and lack of uniform direction from the leadership (Flamholtz & Randle, 2011). When the organizational culture is weak, the organization's existence is at risk because organization members have different values and beliefs, where they may work against the management's priority (Eaton & Kilby, 2015).

In a strong organizational culture, business managers may develop and maintain a strong cultural foundation in the organization (Simoneaux & Stroud, 2014). The foundation work includes establishing the organization members' working culture and

developing a set of rules and trends of doing business in the organization (Flamholtz & Randle, 2011). Customers and other stakeholders use the organization members' culture and their work trends to identify their organization from other organizations' culture (Cian & Cervai, 2014). Customers and other stakeholders may perceive and use the organizational culture as a distinguishing factor in identifying a good organization from a bad organization (Childress, 2013).

2.3.6 Employee Turnover

The percentage or quantity of workers who depart from a firm or organization and are replaced by new hires is known as employee turnover. It is the rate at which workers depart from a company. According to Armstrong (2012), labor turnover or attrition is another term for employee turnover. It is sometimes known as 'wastage' or 'attrition'. Employee turnover could be voluntary turnover, involuntary turnover or avoidable and unavoidable turnover. It is related to loss of firms' competitive advantages (Hedwiga, 2011). According to Kazi (2011), labor turnover refers to the movement of workers within the market between employers, jobs, and occupations as well as between the employment and unemployed stages. Employee turnover, according to Nzuve (2010), is the movement of workers within the labor market, between employers, jobs, and occupations, as well as between the unemployment and employment states.

There are two types of turnover, voluntary and involuntary. Voluntary turnover is the process where an employee leaves an organization at his/her own discretion (Dess & Shaw, 2016). When an employee chooses to leave a business that is considered voluntary turnover, according to Shaw, Delery, and Gupta (2015). According to Sims (2017), voluntary turnover happens when a worker decides to end their job on their own volition. Volunteer turnover, according to Gomez-Mejia, Berrone, and Franco (2014), is a break that happens when an employee chooses to part ways with their employer for personal reasons. Voluntary turnover refers to termination initiated by employees. Employees might decide to leave an organization voluntarily because getting a better job, changing career, or present job is unattractive because of poor working conditions, low pay or benefits, and bad relationship with the supervisor (Heneman, Judge & Kammeyer-Muelle, 2012).

According to Gomez-Mejia et al. (2014), involuntary turnover occurs when an organization or employee is unable to control it. Involuntary turnover happens when management decides to end its engagement with an employee due to financial constraints or a bad match. According to Sims (2017), involuntary turnover happens when employment is ended against the employees' preferences. It is a type of turnover in which employees have no choice in their termination. Involuntary turnover might occur due to long term sickness, death, or moving overseas (Heneman *et al.* 2012). Employees may leave an organization due to sickness, death, moving abroad or employers-initiated termination (Aman, 2015). Mayhew (2017) argues that involuntary turnover occurs when employers terminate an employee's contract or ask an employee to resign. Involuntary turnover might occur when an employee violates workplace policies, performs poorly or in case of business slowdown.

Employee turnover can be caused by lack of training and development, poor working conditions, lack of reward and compensation (Verhee, 2011). According to Campbell, Ganco, Franco and Agarwal (2012), employees leave an organization due to bad relationships in the workplace, being bored or unchallenged in the work itself and poor benefits. According to Lee and Jimenez (2011), performance-based rewards, supervision support reduce the possibility that employees will opt to leave their current jobs; however, job satisfaction is the most important predictor of turnover intention. Other studies have determined that bad working conditions, lack of career growth, unfair compensation, negative supervisory support, lack of employee development and job stress influences employee turnover rate (Sattar & Ahmed, 2014). Rawat (2013) posits that organizations face a lot of problems due to high turnover rate. Employee turnover occurs because employees are dissatisfied with their job, poor working conditions, low salary, lack of career advancement and better offer. High employee turnover leads to low performance in the organization. Mendes (2011) asserts that companies should invest in employee retention in order to be successful. Competition and the lack of availability of highly talented skilled employees make finding and retaining talented employees a significant priority for organizations.

Since, employee turnover can certainly be problematic and in some cases devastating for organizations, developing and implementing effective evidence base guidelines for

managing turnover requires that the parties involved like the human resources manager need to understand the impact of turnover on the organization and how to manage employee turnover (Allen, Bryant & Vardaman, 2010). Even when voluntary turnover rate drops due to unfavourable labour markets it would be short-sighted to ignore retention management for example there is evidence that high unemployment rates have little or no impact on the turnover of highly skilled employees or those in a demand skill set (Trevor, 2011). When employees depart, the company must invest time and resources to find replacements, which might occasionally cost between 90% and 200% of the advertised position's yearly compensation (Mitchell, Holtom & Lee, 2011). In addition to the obvious direct costs, there are a wide range of other direct and indirect costs associated with turnover, and organizations must attempt to avoid these costs at all times (Allen, Bryant & Vardaman 2010).

2.4 Empirical Review

This section presents an empirical review of literature in line with the research objectives. It discusses how employee turnover in the insurance sector is influenced by organizational culture, work environment, reward management, career development opportunities, and management style.

2.4.1 Management Style and Employee Turnover

Perez (2014) conducted research on the effect of nurse managers' leadership philosophies on the intention of staff nurses to leave in the Southeastern United States. This study sought to ascertain whether the leadership styles of nurse managers affected the intention of nurses to leave. Nurse Managers with more than one year of management experience were asked to complete the Multifactor Leadership Questionnaire (MLQ-5X). The 45-item questionnaire rates the participant's leadership style based on the answers provided. Results were then compared to the nurses' intent to quit scores taken from the Avatar Associate Engagement Survey conducted in March 2014. The overall nursing intent to quit score was 41% while the best in class nursing score was 34% when compared to the AVATAR national database. For the purposes of this study, a score of 40% and below were categorized as below the norm or the better score.

Ayres (2018) investigated how job satisfaction and management styles affected employee turnover in the hotel sector in Kenya. The study targeted hotel employees as the unit of analysis and utilized structured questionnaires to collect primary data. Quantitative techniques were applied in the analysis, incorporating both descriptive and inferential statistics to establish relationships among the study variables. The methodological approach was appropriate for capturing employees' perceptions and identifying patterns associated with turnover behaviour. The outcomes of the study showed a significant negative path estimate between work involvement and role conflict. Decreased performance occurs with increased role ambiguity, and that as role conflict increases so does job performance. The outcome of their study suggests that employee perceptions can reduce stress and increase job satisfaction, when in relation to co-worker involvement and support by management.

Mutunga (2015) studied the relationship between management style and employee turnover in the telecommunications industry in Kenya using a descriptive survey research design. The study targeted employees within selected telecommunications firms and collected primary data through structured questionnaires. Quantitative analysis, incorporating both descriptive and inferential statistics, was used to establish the nature of the relationship between managerial practices and turnover intentions. The findings revealed that management style significantly influenced employee turnover, highlighting the role of supportive and participatory leadership in enhancing employee retention and concluded that work benefits and career development are not solely effective as drivers of employee retention. Leadership emerged as a significant factor that contributed to employee turnover and its related influence on organizational performance.

Maaitah (2018) investigated how turnover intention is impacted by a leader's style in the Greater Amman Municipality. An analytical and descriptive method was used in this study to investigate the impact of transformational and transactional leadership styles on the intention of turnover among directors of the Greater Amman Municipality directorates. The researcher used questionnaires as the main data collection tool. The research population, which consisted of 602 directors of departments and heads of sections in the Greater Amman Municipality, was selected through simple random

sampling, yielding 274 responses. The findings demonstrated that, from the perspective of the directors of the Greater Amman Municipality department, there is a statistically significant influence for both transformational and transactional leadership on a major level to affect turnover intention.

In their 2019 study, Aldarmaki and Kasim examined the moderating effect of supervisor trust on turnover intention and leadership style in the United Arab Emirates. This study looked at how supervisor trust and leadership style affected employees' intentions to leave. 101 respondents from the UAE's public sector provided the data. The method of analysis for the data was Smart Partial Least Square (PLS). The results demonstrated that turnover intention is negatively impacted by leadership philosophies, including transformational and transactional leadership. Furthermore, there is a direct negative correlation between turnover intention and supervisor trust. Decision makers are urged to execute transformational leadership and to develop a trustworthy relationship with employees.

Studies carried out by Mutunga (2019) on the relationship between management style and employee turnover in the telecommunications industry concluded that work in Kenya. Using a quantitative survey design, data were collected from employees in the sector through structured questionnaires that measured management practices and turnover intentions. The study highlighted that while benefits and career development opportunities are important, they alone are insufficient to retain employees; instead, management style significantly influences employees' decisions to stay or leave an organization. These findings underscore the critical role of leadership practices in shaping turnover outcomes and suggest that organizations in the Kenyan telecommunications sector should prioritize effective management approaches alongside traditional retention strategies to reduce employee attrition.

Mbwiria (2014) also established through her study, the influence of principal leadership styles on teachers' career commitment in secondary schools in Imenti South District in Kenya, has a strong correlation with teachers' turnover. Using a quantitative survey design that collected data from secondary school teachers and principals through structured questionnaires, Mbwiria found that the principles of management

and leadership styles adopted by school principals significantly affect teachers' job engagement, morale, and overall performance. The findings demonstrated that supportive and participative leadership practices were positively associated with higher levels of teacher performance, while more rigid, authoritarian practices correlated with lower levels of engagement. This study underscored the importance of effective management style as a key determinant of teacher performance in secondary school settings, highlighting that leadership behaviour directly influences how teachers carry out their duties and contribute to institutional outcomes.

Huang *et al.*, (2016) investigated leadership styles used by managers that have a strong influence on the level of employee performance and turnover. Their research further explains that leaders need to possess five essential skills to achieve this enhanced performance; these include building trust, mentoring, inclusion, team development and alignment. An organization's leadership sets the tone for the atmosphere in the organization. An organization's ability to develop strong relationships between employees and the management will result in a supportive people culture which reduces employee turnover.

According to Strebler *et al.* (2001), an integrated corporate culture combined with high employee engagement is critical to organizational success. They note that such engagement fosters greater innovativeness, productivity, and profitability, as employees who are committed and aligned with organizational values are more motivated to contribute meaningfully. This highlights that cultivating a cohesive culture and actively promoting employee engagement are strategic levers for enhancing both organizational performance and long-term sustainability.

2.4.2 Work Environment and Employee Turnover

Meirina, Ferdian, and Pasaribu (2018) investigated how employees' intentions to leave four-star hotels in Padang City were influenced by their work environment. The aim of this research was to examine how the work environment affects workers' intentions to leave a 4-star hotel in Padang City. This study used a causal associative methodology in a quantitative descriptive fashion. The 796 participants in this study were all staff members of Padang City's 4-star hotels. Simple linear regression analysis

was used to analyze the data. The study's findings demonstrated that an employee's intention to leave their job was significantly influenced by a work environment component.

The mediating function of meaning of work was examined in Arnoux-Nicolas, Di Fabio, and Bernaud's (2016) study on perceived work conditions and turnover intentions in France. In a sample of 336 French workers from various job contexts, this study investigated the function of this psychological resource as a mediator for the associations between perceived working conditions and turnover intentions. Results demonstrate that bad working conditions were positively and strongly linked with turnover intentions. Perceived working conditions and inclinations to leave are inversely correlated with the meaning of one's job. Numerous unfavorable working conditions have indirect consequences on turnover intentions, as shown by mediation studies for meaning of work.

Research by Ngantung, Saerang, and Pandowo (2015) examined the impact of workload, work environment, and job stress on employee turnover in Manado, Indonesia. This study set out to determine the impact of workload, work environment, and job stress on employee turnover. The workers of PT Hasjrat Abadi Manado are referred to as the population in this study, with a sample size of up to 50 respondents. Multiple regression analysis was used to analyze the data that are collected through surveys. The findings indicated that at PT Hasjrat Abadi Manado, job stress, workload, and work environment all had a substantial impact on employee turnover concurrently and to some extent.

Kurniawaty, Ramly, and Ramlawati (2019) investigated the impact of job satisfaction, stress, and work environment on the intention of employees to leave their jobs in Indonesia. The purpose of this study was to examine the variables such as work environment, stress levels, and job satisfaction that affect Bank Mandiri workers' intention to leave the company. The Path Analysis model, which was created using a quantitative approach in the study, examines the direct and indirect impacts of independent variables on the dependent variable. Based on the purposive random sampling technique, 100 Mandiri Bank workers were chosen from a population of 430

employees to comprise the sample size. The results of this study show that job satisfaction was positively and significantly influenced by the work environment. Second, job satisfaction was significantly and negatively influenced by stress. Third, the intention to leave was significantly and negatively influenced by the work environment. Fourth, turnover intention was positively and significantly impacted by stress. Fifth, the intention to leave exhibited a negative and significant relationship with job satisfaction. These findings suggest that policies should target work environment, stress, and job satisfaction in order to lower the intention of turnover, which in turn may lower actual turnover at Mandiri Bank.

Kullab and Kassim (2017) investigated the factors influencing the working environment, employee loyalty, and staff turnover in the ICT-SME sector in Malaysia. The study examined variables such as career growth, pay and benefits, job security, workplace culture, and employee loyalty. Using a quantitative research design, data were collected from employees through structured questionnaires, and descriptive statistics were employed to summarize the data. The relationships among the variables were further analyzed using Structural Equation Modeling (SEM) to determine the significance and strength of associations. The results revealed that all the examined factors had a significant impact on employee loyalty and turnover, highlighting that organizations in the ICT-SME sector must focus on supportive work environments, fair compensation, and career development opportunities to retain employees and reduce turnover.

The effect of the workplace on employees' inclinations to leave was investigated by Sojeb (2016) in Nigeria. Examining the effect of work environment on employee turnover intentions was the aim of the study. Nigerian Breweries Plc, Sang183361992o Ota, Ogun state was used in the study. Examining the effect of work environment on employee turnover intentions was the primary goal. The study adopted a survey method. The target population was permanent and temporary staff working in the organization named above. The sample size of 120 employees was selected for the study. The data was collected using a well-structured questionnaire and the hypotheses of the study were tested using Pearson's correlation. The results showed a strong correlation between the intention of employee turnover and the work environment.

Sikawa (2018) investigated how employee retention in Tanzanian rural public secondary schools was impacted by strategies for working conditions. This study was conducted using the positivist paradigm in conjunction with a descriptive research approach. The findings indicated that working conditions had a major positive impact on staff retention. Hartono (2019) researched on the relationship of work environment, commitment, compensation and turnover intention of private elementary school teachers. This study was quantitative and a questionnaire was used to collect data. The data analysis method chosen is Pearson correlation and regression. The findings showed a negative relationship between work environment, commitment, compensation and turnover intention.

2.4.3 Reward Management and Employee Turnover

Mendis (2017) investigated how employee turnover intention was affected by the reward structure in Sri Lanka's logistics sector. This study examined the relationship between an organization's reward system and employee turnover intention. This study empirically evaluated five independent variables (remuneration, cash incentives, work schedules, supervisor support and employee recognition) and turnover intention of non-executives in the logistics industry of Sri Lanka. The sample consists of 97 non-executive staff in the logistics industry of Sri Lanka. The data collection was done by using a self-administrated structured questionnaire. The results indicated that remuneration, cash incentives, work schedules, supervisor support and employee recognition variables were negatively and significantly correlated with turnover intention. Results of regressing the reward system on turnover intention showed that reward system is a powerful predictor of labour turnover in logistics industry of Sri Lanka.

Hardianto, Rugaiyah and Unifah (2019) studied the effect of reward and job satisfaction toward turnover intention of private junior high school teachers in Indonesia. This study's primary goal was to determine how work satisfaction and rewards affected instructors' intentions to leave their jobs. This adopted survey method. The sample of the study was all private junior high school teachers in Rokan Hulu District, consisting of 235 people selected from 20 schools. Sample size

determination was done by using the Slovin formula. The sample was taken by using simple random technique. It is known that there were 149 individuals in the study's sample size based on the computation findings. A questionnaire with a Likert scale was utilized as the data collection tool. The validity and reliability of the questionnaire were initially examined. The study's findings demonstrated a direct negative relationship between rewards and turnover intention, as well as a direct negative relationship between work satisfaction and turnover intention and a direct positive relationship between incentives and job satisfaction.

The effect of reward management systems on staff retention was investigated by Mamo (2017) in Addis Ababa, Ethiopia. This study sought to determine the degree of retention at CURE Hospital and explore the connection between reward management programs and the intention to leave the facility. The research population was composed of 68 health professionals. Moreover, the data gathering tools for this research were questionnaires. Data was analyzed using descriptive and inferential statistics such as percentages; mean average, standard deviation as well as, correlation and regression analysis. The reward management system and turnover intention are negatively correlated, according to the Pearson correlation. The dependent variable turnover intention is significantly impacted negatively by both the independent variables of performance appraisal and total rewards, according to the regression coefficient beta.

The Nepali banking sector provided evidence for Gautam's (2019) study on complete reward systems, employee motivation, and turnover intention. This research attempts to investigate the components of an all-inclusive incentive system. Descriptive-correlational research design using a quantitative methodology was used to perform this study. The hypothesis was tested using regression analysis, descriptive statistics, and Pearson correlation. At the five percent and one percent significance levels, conclusions were drawn. The study's findings showed that the main elements of a comprehensive incentive system were salary, perks, work-life balance, performance recognition, career opportunities, and empowerment. Employee motivation was found to have a substantial positive association with these parameters. The findings also demonstrated a substantial negative link between employee motivation and intention to leave.

Arianto (2018) studied the influence of reward on turnover intention in Lumajang, Indonesia, with organizational commitment as an intervening variable. This study aimed to determine the condition of reward variables, organizational commitment, and Turnover Intention, as well as the influence of reward variables and commitment to Turnover Intention on the employees of Djatioroto Sugar Factory in Lumajang. By using proportional random sampling method, respondents in this study were 217 people from 472 employees of Group I and II Djatioroto Sugar Factory, Lumajang. Using path analysis, the findings demonstrated a strong direct relationship between rewards and organizational commitment, as well as a relationship between organizational commitment and turnover intention. In addition, there was an indirect influence of rewards on turnover intention, with organizational commitment as an intervening variable.

Beyene (2017) conducted research at the Metals Industry Development Institute in Addis Ababa, Ethiopia, on the impact of reward policies on employees' intention to leave. This study's primary goal was to evaluate how reward systems affected workers' intentions to leave. An explanatory research design with survey method was applied in this study. The total number of populations was 148. Out of total population 108 sample sizes were drawn and used stratified sampling technique. The study used both primary and secondary sources of data. The correlation results implied that pay has a strong negative relationship with employees' turnover intention, moderate negative relationship obtained with benefit, similarly, moderate negative relationship obtained with promotion, strong negative relationship obtained with recognition and appreciation, work environment also found.

The impact of reward management on staff turnover at microfinance institutions located in Kisii County, Kenya was investigated by Nyasunda and Atambo (2020). The research was carried out utilizing a descriptive survey design. Six well-chosen microfinance institutions in Kisii County that have been operating for the last five years and are registered with AMFI Kenya served as the research's target study units. The results showed a statistically significant association between reward management and employee turnover. This indicates that an increase in reward management would decrease employee turnover.

2.4.4 Career Development Opportunities and Employee Turnover

Nouri and Parker (2014) conducted research on employee turnover intentions and career progression prospects in public accounting organizations in the United States of America. This study used a poll of junior auditors in public accounting companies in urban areas of the Northeast and Southern U.S., to investigate how professional progression prospects relate to their plans to leave the field. This study also sought to identify the causes or antecedents of employee beliefs about career growth opportunities. Two antecedents were proposed: the effectiveness of the firm's training programmes; and, the organizational prestige. Results of path analysis suggested that both training effectiveness and organizational prestige enhance employee beliefs about career growth opportunities offered by the public accounting firms, which, in turn lead to higher commitment and lower turnover intentions.

Syahrizal (2018) investigated how turnover intention was impacted by pay and professional development in Padang, Indonesia. A quantitative research design was used to examine the impact of pay and professional development on turnover intention. The study targeted employees at Universitas Negeri Padang in Indonesia, using a structured questionnaire to collect data on salary satisfaction, opportunities for career development, and turnover intentions. Responses were measured on a Likert scale, and the data were analyzed using correlation and multiple regression analysis to determine the relationships between the independent variables (pay and professional development) and the dependent variable (turnover intention). The study found that both pay and professional development had significant negative effects on turnover intention among employees. Specifically, higher levels of salary satisfaction and better opportunities for career growth were associated with lower intentions to leave the organization. These results highlight the importance of competitive compensation and structured professional development programs as key strategies for enhancing employee retention in organizational settings.

Al-sharafi (2018) studied the effect of training and career development on employee retention in the Telecommunication Organizations in Yemen. Using a sample of 100 non-managerial employees in the four Yemeni telecommunication organizations,

results indicated that training has a positive impact on the employees' satisfaction and retention. In fact, results show the importance of training in enhancing employees' satisfaction as well as improving their retention rate in the telecommunication sector in Yemen. Surprisingly, results showed that career development has no relationship with employees' satisfaction or retention. The findings also indicated that, in the Yemeni telecommunications industry, job satisfaction acts as a mediator in the relationship between staff retention and training.

According to Puspitaa and Susanty's (2017) research, employee turnover intention in an Indonesian IT consulting company is driven by career advancement and work motivation. This study aims to investigate the impact of career advancement and work motivation on the intention to leave a job. The census technique was used to collect the data from the employee that already passes the probation period. Total number 66 data were collected from respondents by distributing online questionnaires to the target population. The data was analyzed using multiple regression methods. The outcome demonstrates that work motivation and career advancement have a negative, considerable impact on the intention to leave. These imply that improved career development and motivation at work in Indonesian IT consultancy will lessen the likelihood of employee turnover. In order to reduce the intention to quit, an IT consultant should take these two elements into account.

Zahari, Supriyati and Santoso (2020) studied the influence of compensation and career development mediated by employee engagement toward turnover intention of the permanent officers' employees at the head office of PT Bank Syariah Mandiri. The researcher used structural equation models in testing, analyzing the data, and model development. The data was analyzed by using statistical software tools (LISREL 8.8). The findings showed that: remuneration directly affects employee intention to leave, career development directly affects employee intention to leave, remuneration directly positively affects employee engagement, career development directly positively affects employee engagement, employee engagement directly negatively affects employee intention to leave, compensation indirectly negatively affects employee intention to leave through employee engagement, and career development indirectly negatively affects employee intention to leave through employee engagement.

Li Yifei (2018) researched on career growth and turnover intention: The mediator role of career commitment and organizational identification in the Pearl River Delta region of China. The study examined two types of indirect effect of organizational career growth on turnover intention. The population was 282 individuals from four nearby cities in the Pearl River Delta region provided the data. The findings demonstrated that career growth was a predictor of organizational identification and career commitment; that career commitment and employee turnover intention were inversely correlated; and that career growth indirectly influences employee turnover intention through career commitment's mediating effect. Yulianti and Margaretha (2019) researched on employee development and intention to turnover. This study was a quantitative study by distributing questionnaires to 108 employees of beauty services companies in Surabaya. The study findings indicate that employee development does not directly influence turnover intentions. Job autonomy strengthens the perceived internal employability relationship with turnover intentions and job autonomy lowered the perceived external employability relationship with the turnover intention.

Abbas (2014) conducted research to determine how career development is believed to affect employee retention at Deloitte Kenya. Training and development were explored as one of the major variables in his study. Using descriptive statistics and regression survey designs, Abbas (2014) targeted 120 respondents at Deloitte Kenya and used structured questionnaires to collect data. Respondents admitted that they were satisfied with training and development practices in the company. Respondents attributed their willingness to work in the company to proper coaching and extensive job training employed by the management. However, the study was conducted in a very competitive international auditing company, whose state of affairs may not be replicable to other institutions such as universities. When the employees are introduced to more training, they show a higher level of commitment as compared to others.

2.5 Critique of Existing Literature

Perez (2014) studied the impact of nurse managers' leadership styles on staff nurses' intent to quit. This study targeted nurses and the dependent variable was measured by intent to quit score. The findings of this study may not apply in other sectors since the

focus was on health institutions. Ayres (2018) investigated how job satisfaction and management styles affected employee turnover in the hotel sector. The study established a negative association between job satisfaction and turnover. The findings of Ayres differ from Perez, hence the need to conduct another study to neutralize the findings.

Meirina, Ferdian, and Pasaribu (2018) investigated how employees' intentions to leave four-star hotels in Padang City, Indonesia were influenced by their work environment. This study adopted a causal associative methodology and targeted staff from the hotels. This study differs from that of Kurniawaty, Ramly, and Ramlawati (2019) who investigated the impact of job satisfaction, stress, and work environment on employee desire to leave Bank Mandiri, targeting bank workers. Research on the factors influencing the working environment, employee loyalty, and staff turnover in the ICT-SME sector was conducted by Kullab and Kassim (2017). These studies focused on work environment and employee turnover in hotels, banks and the ICT-SME industry. These industries' functions differ, hence, the findings may not apply in the Insurance Industry.

Mendis (2017) studied the impact of reward system on employee turnover intention in the Logistics industry of Sri Lanka and found that reward system is a powerful predictor of labour turnover. This study focused on the logistics industry whose operations differ from the Insurance Industry. The findings differ from those of Hardianto, Rugaiyah and Unifah (2019) who studied the effect of reward and job satisfaction toward turnover intention of private junior high school teachers. This study adopted a survey method and found a direct negative relationship between rewards and turnover intention. This study methodology was a survey while the current study was explanatory. Beyene (2017) researched on the effect of reward practices on employees' turnover intention metals industry development institute in Addis Ababa. This study adopted a survey technique and targeted employees in the metal industry. These study findings may not apply to the Kenyan insurance sector because the industries operate differently.

Nouri and Parker (2014) conducted research on employee turnover intentions and career progression prospects in public accounting organizations. The research was conducted on public accounting firms, which are considerably different from insurance in many ways, especially concerning their management processes, nature of work, and factors influencing staff turnover. Syahrizal (2018) investigated how turnover intention was impacted by pay and professional development. Abbas (2014) conducted research to determine how career development is believed to affect employee retention at Deloitte Kenya. The emphasis is on career development in Deloitte Kenya (Professional Services), which provides a Kenyan context but is in auditing/consulting, not insurance.

2.6 Research Gap

Various studies covered different aspects of organizational determinants of employee turnover. Perez (2014) conducted research on the effect of nurse managers' leadership philosophies on the intention of staff nurses to leave. This study calculated the health sector's workforce turnover. Ayres (2018) conducted research on the effects of work satisfaction and managerial styles on employee turnover in the hotel sector. However, this study focused on employee turnover in the hotel sector using a survey method while the current study focus is on turnover in the Insurance Industry using an explanatory method.

Mutunga (2019) investigated the connection between employee turnover and management style in the telecom sector. These studies determined employee turnover in telecom companies, while the present determine employee turnover in insurance firms. Mbwiria (2014) also established through her study, the influence of principles of management style on teacher's performance in secondary schools. This study focused on performance of Secondary school while the current study focus is on employee turnover in insurance firms. Mugove (2018) conducted study at the selected public universities in Kenya on the factors that influence employee turnover. This study covered turnover in public universities using a descriptive research design. The purpose of the current study is to determine how management style affects employee turnover in Kenya's insurance sector using an explanatory research design

Kurniawaty, Ramly, and Ramlawati (2019) investigated the impact of job satisfaction, stress, and work environment on employee desire to leave Mandiri Bank. However, this study context was the banking sector while the current study context is the Insurance Industry. Research on the factors influencing the working environment, employee loyalty, and staff turnover in the ICT-SME sector was conducted by Kullab and Kassim (2017). Moreover, this study failed to determine employee turnover in the insurance sector. Sojeb (2016) investigated how work environments affected workers' desire to leave Nigerian breweries. The focus on employee turnover in breweries shows the need to carry out the study in the Insurance Industry.

Meirina, Ferdian, and Pasaribu (2018) investigated how employees' intentions to leave four-star hotels in Padang City were influenced by their work environment. This study context was the hotel industry which differs from the Insurance Industry in terms of structure and operations. Sikawa (2018) investigated how employee retention in Tanzanian rural public secondary schools was impacted by strategies for working conditions. While employee turnover is the current study's main topic, this one focused on staff retention in schools. The relationship between the work environment, dedication, pay, and intention to leave among private elementary school teachers was studied by Hartono (2019). This study context was elementary schools targeting teachers, while the current study context was Insurance Industry targeting managers.

Mendis (2017) investigated how employee turnover intention was affected by the reward structure in Sri Lanka's logistics sector. This study was done in the logistics sector using the survey method, while the current study was done in the insurance sector in Kenya using the explanatory method. Hardianto, Rugaiyah and Unifah (2019) studied the effect of reward and job satisfaction toward turnover intention of private junior high school teachers. This study context was on in schools while the current study context is Insurance Industry.

Mamo (2017) investigated how CURE Hospital's reward management programs affected staff retention. While employee turnover is the current study's main focus, staff retention was the study's primary goal here. The impact of reward management on staff turnover at microfinance institutions located in Kisii County, Kenya was

investigated by Nyasunda and Atambo (2020). While the present study focused on reward management and employee turnover in Kenya's insurance business, this study focused on staff turnover in MFIs.

Nouri and Parker (2014) conducted research on employee turnover intentions and career progression prospects in public accounting organizations. While the present study focuses on the insurance business, this one focused on the intention of staff turnover in accounting firms. Al-sharafi (2018) studied the effect of training and career development on employee retention in the Telecommunication Organizations in Yemen. This study focus was on employee retention while the current study focus is on employee turnover. Research by Puspitaa and Susanty (2017) on how work motivation and career advancement affect employees' intentions to leave an Indonesian IT consulting firm. This study focus was on employee turnover using motivation as a moderating variable while the current study focus is on the Insurance Industry using organizational culture as a moderating variable.

Abbas (2014) conducted research to determine how career development is believed to affect employee retention at Deloitte Kenya. This study focus was on retention while the current study focus was on career development opportunities and employee turnover in the Insurance Industry in Kenya. Haggalla (2017) conducted a study on turnover intention and organizational culture in multinational IT companies located in Sri Lanka. The current study in Kenya's cybersecurity industry was carried out at IT companies in Sri Lanka.

Using Oromia Forest and Wildlife Enterprise as a case study, Niguse (2019) investigated the relationship between organizational culture and turnover intention. The tourism business was the focus of this study, but the Insurance Industry is the focus of the current investigation. At the Technical University of Mombasa, Mutua (2017) investigated the impact of organizational culture on employee attrition. While the current study focused on the impact of organizational culture and the interaction between organizational variables and employee turnover in Kenya's insurance business, the previous study focused on learning institutions.

In contrast to the insurance business, the operating environments of the many studies that have been undertaken span diverse notions of determinants and were carried out in various organizations. The purpose of the current study was to examine organizational variables and their effects on employee turnover in Kenya's Insurance Industry. In light of this, the study aimed to identify organizational determinants that influence employee turnover in Kenya's Insurance Industry.

2.7 Summary

This chapter has discussed the various theories explaining the influence of organizational determinants on employee turnover. They include: Hierarchy of Needs, Equity Theory, ERG Theory, Theory Z, Expectancy Theory, Job Matching Theory, McClelland's Needs Theory and Goal-Setting Theory. The conceptual shows the relationship between management style, work environment, reward management, career development and employee turnover and the moderating effect of organization culture on the relationship between organizational determinants of employee turnover. The reviewed studies have established that organizations have been experiencing employee turnover which adversely affects their operations. The study identified the contextual, methodological and conceptual gaps that were filled.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the research design, the target population, sampling frame, sample size and sampling technique, tools of data collection, pilot testing, data collection procedure as well as data analysis and presentation.

3.2 Research Philosophy

A research philosophy refers to a belief on how the data about the study situation should be collected, analyzed and utilized (Bhattacharjee, 2012). The study adopted a pragmatic research paradigm. This paradigm is deconstructive in nature and uses more than one method of research which helps do away with contentious issues such as reality and truth choosing to look at what works as the truth when it comes to the phenomenon under study (Kaushik & Walsh, 2019). Those in support of this research philosophy argue that there is more than one way to interpret situations and one point of view cannot provide the complete picture of a research problem. According to this philosophy multiple truths or realities do exist and one single method may not bring out the totality of the system, process or people being studied (Bryman, 2013). This pragmatic approach provides an in-depth understanding of the objectives being investigated. This method can use both positivist (advocating for quantitative research approach) and interpretive (advocating for qualitative research method) approaches in one research depending on the nature of the research questions (Adrian, 2010).

The pragmatic approach gives researchers the freedom to use any of the techniques, procedures or methods that are associated with qualitative and quantitative research. Pragmatic research philosophy recognizes that there are numerous ways of interpreting and understating a particular research subject (Bhattacharjee, 2012). Kaushik and Walsh (2019) explain that pragmatism allows researchers to combine both qualitative (interpretivist) and quantitative (positivist) methods because no single approach is sufficient on its own, and each has limitations. The pragmatic research approach

advocates for the use of quantitative and qualitative research techniques. Also, the approach provides an in-depth understanding of the study subject. Hence, it is suitable in establishing organizational determinants that influences employee turnover in the Insurance Industry in Kenya.

3.3 Research Design

This study made use of an explanatory research design. Explanatory research is defined as a type of research designed to explain the reasons behind a phenomenon or the relationships between variables (Adrian, 2010). Explanatory research seeks to illuminate the ways in which specific variables affect one another. It is employed to determine causal links, offering a more profound comprehension of the issue being investigated (Rahi, 2017). In explanatory research, the researcher employs structured methods to examine hypotheses related to cause-and-effect relationships. This kind of research employs quantitative techniques, like experiments or surveys, to evaluate these hypotheses and ascertain the strength and nature of the connections among variables (Bryman, 2013).

Explanatory studies analyze a given problem or situation and try to give a deeper understanding on the relationship existing between the variables. While doing the research, the study is expected to adapt the design and analysis in line with the collected data and insights (Creswell, 2014). The reason why an explanatory research technique was preferred is because the research objective is to find out the cause and effect relationship between organizational determinants and employee turnover in the Insurance Industry in Kenya. It is anticipated that the description research design component will offer more information and perspectives from the participants regarding the influence of organizational determinants on employee turnover in Kenya's insurance sector. Explanatory research would help to determine not only whether there is a relationship between organizational determinants and employee turnover but also how organizational determinants influences productivity employee turnover in the Insurance Industry in Kenya.

3.4 Target Population

Target population is the entire set of individuals (or objects) having the same characteristics as pointed out in the sampling criteria used for the study (Bryman, 2013). The target population makes a part of the universal population (Creswell, 2014). The unit of analysis in this study was 48 Insurance companies In Kenya. The object from which information was obtained is referred to as a unit of observation (Cooper & Schindler, 2006). The unit of observation of this study was management employees of each insurance company, these includes; general manager, human resource manager, finance manager, credit manager, claims manager, bancassurance manager, corporate and public relations manager, operations manager and marketing manager. The target population was 404 management staff working in the Insurance companies in Kenya.

Table 3.1: Target Population

Managers	Accessible Population	Percent
General manager	48	11.9
Human resource manager	48	11.9
Finance manager	48	11.9
Credit manager	37	9.2
Claims manager	48	11.9
Bancassurance manager	36	8.9
Public relations manager	43	10.6
Operations manager	48	11.9
Marketing manager	48	11.9
Total	404	100

Source: Human Resource Records of Insurance Companies (2025)

3.5 Sampling Frame

A sampling frame refers to a list of all items of a given population from which the study's samples are drawn (Saunders, Lewis & Thornhill, 2012). It can also be defined

as a list of everything that the researcher wants to investigate or study. A sampling frame provides a list of all units of interest in the study. A sampling frame as defined in statistics is the source from where a sample is chosen. It is a list of all the participants that can be sampled and these can be in the form of individuals, institutions or households (Bhattacharjee, 2012). The sampling frame of the study was the list of companies in the Insurance Industry in Kenya as shown in appendix II. The list of insurance companies is obtained from the Insurance Regulatory Authority of Kenya.

3.6 Sample Size and Sampling Techniques

Sample refers to a part of or fraction of population that is being investigated upon. It can also be defined as a group of individuals who are engaged or participating in a study. Wilson (2010) defined it as selected elements such as objects, subjects or people that participate in a particular study. Samples are used to reflect the entire attributes of a given population under investigation such that the study’s findings can be generalized to the entire population. A good sample size should be enough to adequately represent the characteristic of the population being studied. Sahu (2013) notes that the best sample should give enough data on the population and this data should be adequate and capable of being analyzed easily.

3.6.1 Sample Size

The sample size for the study was determined using the sample size determination formula developed by Krejcie and Morgan (Russell, 2013). Using this formula, a representative sample was obtained from a population of 404 respondents. The formula used for arriving at the sample size was;

$$n = \frac{x^2NP(1 - P)}{(ME^2(N - 1)) + (x^2P(1 - P))} \dots\dots\dots \text{Equation 3.1}$$

Where:

n=sample size

χ^2 = Chi-square for the specified confidence level at 1 degree of freedom

N = Population size

P = is the proportion in the target population estimated to have characteristics being studied. As the proportion is unknown, 0.5 will be used. Chuan and Penyelidikan (2016) indicate that the use of 0.5 provides the maximum sample size and hence it is the most preferable.

ME = desired margin of Error (Expressed as a proportion)

$$n = \frac{1.96^2 \cdot 0.5 \cdot 0.5}{(0.05^2 \cdot 403) + (1.96^2 \cdot 0.5 \cdot 0.5)}$$

$$n = 197$$

3.6.2 Sampling Technique

Purposive sampling was used because it helped to select participants who are the most appropriate for the study. The stratified random sampling was used because it helped to select a representative sample from the different management groups. Purposive sampling helped in selection of management employees of insurance companies in Kenya. The purposive sampling was used to choose respondents that are highly likely to yield appropriate and useful information. The stratified random sampling technique was used to select the respondents from the strata. This sampling technique divides the population into groups or strata (Singpurwalla, 2013). In this study the strata consisted of general manager, human resource manager, finance manager, credit manager, claims manager, bancassurance manager, corporate and public relations manager, operations manager and marketing manager. One of the advantages of stratified random sampling is that it allows for each of the strata to be well represented when the sample is chosen (Bryman & Cramer, 2012). Stratification is grouped into proportionate or disproportionate bands. When the stratified technique is proportionate the size of the sample is proportionate to the stratum population size (Creswell, 2014). The respondents were then chosen randomly from the different strata. In this study,

the sample size in every stratum was determined using the formula below by Walliman (2011).

$$n_h = \frac{N_h}{N} * n \dots\dots\dots \text{Equation 3.2}$$

Where;

n_h is the sample size for stratum h ,

N_h is the stratum h population size,

N is total population size; n is total sample size.

Table 3.2: Sample Size

Managers	Accessible Population	%sample	Sample size
General manager	48	48.7%	23
Human resource manager	48	48.7%	23
Finance manager	48	48.7%	23
Credit manager	37	48.7%	18
Claims manager	48	48.7%	23
Bancassurance manager	36	48.7%	18
Public relations manager	43	48.7%	21
Operations manager	48	48.7%	23
Marketing manager	48	48.7%	23
Total	404	48.7%	197

3.7 Data Collection Instruments

Primary was collected by the researcher for the study. Greener (2008) indicates that primary data is made up of first-hand information that has not been processed or analyzed. A questionnaire which is a form of quantitative data collection tool was used to collect primary data. The questions were useful as they enabled easy analysis of data and reduced the time and resources needed for data collection. The questionnaires

helped the researcher get in-depth responses from the respondents as they give a chance to provide views and suggestions on the various issues. Kultar (2007) points out that a questionnaire is a cheap tool for data collection and is very effective in collecting information from a large population. Further the data was not biased as the questionnaire guarantees anonymity. The researcher chose to use a questionnaire as a tool of data collection due to sensitivity of some of the data sought and the need to maintain the anonymity of the staff.

The questionnaire had eight sections, with the first part introducing the purpose of the information requested and instructions on how to complete the questionnaire; the second part requesting the respondent's socio-demographic data. Part three consisted of six sections and had data on the dependent variable (employee turnover) and independent variables of the research.

3.8 Data Collection Procedures

Data collection procedure refers to an approach for gathering and measuring data on elements or variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes (Wilson, 2010). Data collection procedure enables the researcher to develop appropriate instruments for data collection and clearly provides instruction for its use to minimize the likelihood of error occurrence. The researcher obtained an introductory letter from Jomo Kenyatta University of Agriculture and Technology for collection of data. A research permit was also obtained from the National Commission for Science, Technology and Innovation. The researcher also recruited and trained two research assistants to help in distribution and collection of completed questionnaires. The collection of primary data was conducted by use of the drop and pick method. Data was collected in a period of two weeks. This accorded the respondents enough time to answer the questions.

3.9 Pilot Study

A pilot study, or, pilot test or pre-test is defined as a small-scale preliminary research that is conducted so as to evaluate time, cost and feasibility to improve on the design

of a particular study prior to conducting the actual one or full-scale research project (Kultar, 2007). Pre-test is used to determine feasibility of carrying out the actual or large-scale study. The pilot test also informed investigators on the weaknesses and strengths of the proposed research. Further, pre-testing is used to determine reproducibility of variables, measurement of errors that can occur during the actual study and to improve efficiency of data collection instruments.

The researcher carried out a pilot study to ensure the data collection tool is reliable and valid. The pilot test helped correct some of the challenges encountered before undertaking the final study. The pretesting sample was made of 20 managers taken from Insurance Companies, representing 10% of the sample size. According to Singpurwalla (2013), a pilot study sample size should ideally be 10% of the study sample. The primary study did not make use of the pilot test data. Moreover, the pilot test staff members did not take part in the main study. The pilot test was done in one insurance company; this ensured that the pilot sample did not take part in the actual study.

3.9.1 Validity of the Research Instrument

The degree to which a research tool measures what it is intended to quantify is its validity. Content validity confirms that the instrument truly captures what it is supposed to measure (Walliman, 2011). Content validity was determined through the experts' review in the human resource department. Face or logical validity is the extent a test covers the concept it is expected to measure. Face and content validity for the current research was determined by experts and researcher's supervisors (Bhattacharjee, 2012). The study enhanced the validity of the research tool by coming up with the research questions that are in line with the study objectives. The assessment of construct validity is predicated on the body of evidence inferred from various studies employing a particular research instrument. Construct validity indicates the extent to which a measurement method accurately represents a construct and produces a consistent observation, distinct from that which is produced by a measure of another construct. Construct validity was ensured by developing questions that align with the variables constructs.

3.9.2 Reliability of the Research Instrument

Reliability refers to a measurement that provides consistent results over different situations. It measures consistency, precision, repeatability, and trustworthiness of a research instrument (Walliman, 2011). It ensures consistent measurement across time and across the various items in the instruments. Reliability is important in research because it tests if the study fulfills its intended aims and hypothesis. A high reliability means that a measure is able to give similar results under similar conditions (Kothari, 2012). Reliability of the questionnaire was evaluated using Cronbach's alpha coefficient. The degree of association between the set of items in a group and internal consistency are measured by Cronbach's alpha, which has a range of 0 to 1. It also quantifies scale reliability (Kultar, 2007). An acceptable value of Cronbach alpha is 0.7 or more, a value that is lower than 0.7 is questionable (Singpurwalla, 2013). The reliability results were interpreted using an alpha of 0.7 and above to show the variables reliability.

3.10 Data Analysis and Presentation

The researcher verified the accuracy and completeness of the data before it was analyzed. The data was edited, coded, entered, and cleaned. The Statistical Package for Social Sciences (SPSS Version 25) was used. The descriptive and inferential statistics were used to analyze data. Descriptive statistics such as frequency distribution, mean, standard deviation, and percentages were used. Descriptive statistics are used to summarize data in a concise and informative manner (Singpurwalla, 2013).

3.11 Diagnostic Tests

Linear regression deduces if one or more of the predictor variables gives an explanation on the dependent (criterion) variable. The assumptions of the regression model include normality, linear relationship, no or little multicollinearity, autocorrelation and homoscedasticity.

3.11.1 Normality

The normal distribution was tested using Shapiro Wilk to determine if data distribution is normal (Cooper & Schindler, 2006). The assumption for testing hypothesis is that data is normally distributed. If the p-value was lower than the indicated alpha value, then the null hypothesis was rejected, and this showed that the population from which the data is obtained is not normally distributed. The opposite was true if the value of p is higher than the given alpha value then the null hypothesis was accepted showing that the population from which the data is obtained is normally distributed.

3.11.2 Multicollinearity

Multicollinearity occurs in regression in instances where some of the predictor variables are correlated with one another. One variable can be predicted from the other with some degree of accuracy (Singpurwalla, 2013). In perfect multicollinearity, the predictor is singular and cannot be inverted. Multicollinearity was tested in this study using tolerance and variance inflation factor (VIF). Tolerance is the amount of variability in one independent variable that is not explained by the other independent variables. Tolerance values less than 0.10 indicate collinearity. When $VIF > 10$ then multicollinearity exists and when $VIF > 100$ it is certain that multicollinearity is in the sample. For the assumption to hold, the VIF statistic should be $VIF < 10$ (Shrestha 2020).

3.11.3 Linearity

Linear regression sought the relationship between the study variables to be linear. Linear regression is affected by outliers, so it is essential that outliers are checked (Creswell, 2014). A scatter plot was the best way to test the linear assumption. The scatter plot was drawn using x and y residuals values. If the scatter plot takes a linear pattern, then the linear assumptions are adhered to.

3.11.4 Autocorrelation

Autocorrelation happens when the residuals are not independent from each other (Cooper & Schindler, 2006). The Durbin-Watson test was used to test autocorrelation

in a linear regression model. The d value in this test takes the values of 0 to 4. The accepted values are $1.5 < d < 2.5$ indicating the absence of autocorrelation. Values outside this range indicate the existence of autocorrelation.

3.11.5 Heteroscedasticity

In linear regression analysis, if data has heteroscedasticity the results are likely to be biased (Creswell, 2014). The study used the Breusch-Pagan/Cook-Weisberg test for heteroscedasticity. Heteroscedasticity exists if the variance of the error term varies across observations. According to the null hypothesis, a constant variance exists while the alternative hypothesis purports that heteroscedasticity does exist. The violation of homoscedasticity increases as heteroscedasticity increases

3.12 Inferential Analysis

Inferential data analysis was conducted by use of regression analysis. The Pearson moment correlation was used to measure the strength and direction of a relationship between variables. Simple linear regression was used to show the relationship between the dependent variable and independent variables and ANOVA.

The following regression models were used. Model 1 represented unmoderated relationship while Model 2 represented moderated relationship between study variables.

$$\text{Model 1: } Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \dots\dots\dots \text{Equation 3.3}$$

$$\text{Model 2: } Y = \beta_0 + \beta_1 X_1 * M + \beta_2 X_2 * M + \beta_3 X_3 * M + \beta_4 X_4 * M + \varepsilon \dots\dots\dots \text{Equation 3.4}$$

Where: -

Y is the dependent variable, employee turnover

β_0 represents the constant

X_1 represents Management style

β_1	represents	regression co-efficient of X_1
X_2	represents	Work environment
β_2	represents	regression co-efficient of X_2
X_3	represents	Reward management
β_3	represents	regression co-efficient of X_3
X_4	represents	Career growth opportunities
β_4	represents	regression co-efficient of X_4
ε	represents	Error term

M is the hypothesized moderator (Organization Culture)

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

The chapter entails analysis of data, presentation and interpretation of the findings and discussion as regards the objective of this study. The purpose of the study was to establish organizational determinants of employee turnover in the Insurance Industry in Kenya. The chapter comprises the questionnaire's response rate. This is followed by the presentation of the results of pilot test results and background information of the respondents. The descriptive results of the dependent variable, independent variables and the moderating variable are presented. And detailed results on the inferential statistics covering diagnostic tests, correlation analysis, univariate and multivariate regression analysis, as well as moderating influence analysis. The results are presented in tables and figures.

4.2 Response Rate

The sample size for the study was 197 management employees of 48 Insurance companies in Kenya. Out of which 20 managers were used for pilot study. A sample of 177 managers was issued with questionnaires. The returned questionnaires were 169 (95.4%) and the non-returned questionnaires were 8 (4.6%) as shown in Table 4.1. The returned questionnaires were crosschecked for accuracy and completeness and were used for further analysis and reporting. As explained by Sekaran and Bougie (2016), a response rate of 50% and above is adequate for analysis, 60% and above is good while that of 70% and above is excellent. Therefore, the response rate of 85.8% was excellent for further analysis and reporting.

Table 4.1: Response Rate

Questionnaire	Frequency	Percent
Returned	169	95.4
Non returned	8	4.6
Total	177	100.0

4.3 Pilot Study Results

The questionnaire was pre-tested before being used for actual data collection procedure. This approach helped the researcher to minimize on wrong answers due to misinterpretation of questions or blanks in questionnaires due to respondents misunderstanding of questions. Further pilot tests were used to test the validity and reliability testing of the data collection instrument. The questionnaire was pilot tested on 10% of the members of the sample size. These were 20 respondents. Cooper and Schindler (2014) argue that the respondents in a pilot test do not have to be statistically selected. A 5-10% of the population is sufficient for a pilot. In line with this argument, a pilot test on 20 (10% of the target population) was hence sufficient for this study.

4.3.1 Validity of the Research Instrument

As stated by Babbie (2017), validity refers to the extent by which acquired results from the process of data analysis embodies phenomenon being studied. Validity is categorized into three: content validity, face validity, and construct validity.

Content Validity

Content validity concerns how well a research instrument measures what it aims to measure. Content validity was determined by review of the questionnaire by experts in the department of Human Resource. The experts (two supervisors and two HR lecturers) scrutinized the instruments to check whether they addressed the specific objectives and if their format and language was appropriate. To obtain content validity index (CVIs) for relevancy and clarity the number of those items as relevant or clear (rating 1) were divided by the number of items. According to Polit and Beck (2006), the acceptable CVI value is at least 0.898. Table 4.2 presents the findings on content validity index. Based on the findings, the average CVI was 0.903. It was concluded that CVI meet satisfactory level, and thus the scale of the questionnaire has achieved satisfactory level of content validity (Polit & Beck, 2006).

Table 4.2: Content Validity Index

Experts	CVI
Expert 1	1.000
Expert 2	0.857
Expert 3	0.837
Expert 4	0.918
Average	0.903

Face Validity

Face validity is the probability that a given question is misunderstood or misinterpreted. According to Creswell and Creswell (2017) a proper way of enhancing face validity is through pre-testing. Face and content validity for the current research was determined by experts and researcher’s supervisors (Bhattacharjee, 2012). From study supervisors’ assessment of the questionnaire, face validity was confirmed and was improved by changing any ambiguous and unclear questions.

Construct Validity

Construct validity entails assessing how well an item is developed and is operationalized to measure a particular construct (McNabb, 2015). Construct validity is the process of finding and accumulating judgmental evidence based on research that have been conducted by other scholars by using specific instruments for measurement (Greenfield & Greener, 2016). Construct validity examines how well a test measures the idea or concept it is meant to evaluate. According to Wilson (2014), for the items to have construct validity, the average variance explained (AVE) of the constructs should be above 0.4 (Kumar, 2019). SPSS Analysis was used to provide statistics for the testing of construct validity. The results are as shown in Table 4.3. From the results, the variables had AVE values greater than 0.4 as recommended by Kumar (2019) implying that they met construct validity.

Table 4.3: Average Variance Explained for the Constructs

Variables	Average Variance explained	No. of items
Management Style	0.680	9
Work Environment	0.682	9
Reward Management	0.695	9
Career Development Opportunities	0.585	9
Organization Culture	0.695	5
Employee Turnover	0.702	6

4.3.2 Reliability of the Research Instrument

A reliability analysis is usually carried out on Likert questions. The study used Cronbach's alpha which is based on internal consistency to determine the reliability of the data collection tool. The methodology provides the measure of the average measurable item and its correlation. Field, (2009), explained that Cronbach's alpha value greater than 0.7 is considered reliable. Therefore, this study selected 0.70 as the acceptable threshold value for reliability. The correlation coefficient results helped determine the reliability of the questionnaire. The reliability results were presented in Table 4.4.

From the findings, the Cronbach Alpha for management style was 0.811; for work environment was 0.799; for reward management was 0.791; for career development opportunities was 0.784; while organization culture had value of 0.83; and finally that for employee turnover was 0.775. This shows that the variables met the reliability criteria ($\alpha > 0.70$); an indication that they were all reliable and no adjustment was required. Therefore, no modification of the items was undertaken.

Table 4.4: Reliability Analysis

Variable	Cronbach's Alpha	Number of items	Comment
Management Style	0.811	9	Accept
Work Environment	0.799	9	Accept
Reward Management	0.791	9	Accept
Career Development Opportunities	0.784	9	Accept
Organization Culture	0.83	5	Accept
Employee Turnover	0.775	6	Accept

4.4 Demographic Characteristics of Respondents

This section is about general information about the respondents. The information sought was respondents' gender, age, level of education, and number of years served in their current position. The findings are presented and discussed in sub-sections below. The demographic information is important in this study as it shows that both genders participated in the study. Respondents' work experience is important as it shows that they have worked in the industry for some duration and hence can provide information about turnover. Demographic results help to show the variability of results due to varied opinions.

4.4.1 Gender of Respondents

The selected respondents were requested to indicate their gender. The results of the analysis are presented in Figure 4.1. It is observed that 102 (60.1%) of the respondents were male while 67 (39.9%) were female. This implies that the majority of the respondents in this study were male. However, females also participated in the study but at a smaller proportion. These results suggest in insurance companies in Kenya, the majority of management employees are male. The findings of the study were in agreement with those established by Nabwire (2014) who established that the majority of respondents involved in management practices in banks are always of the male gender.

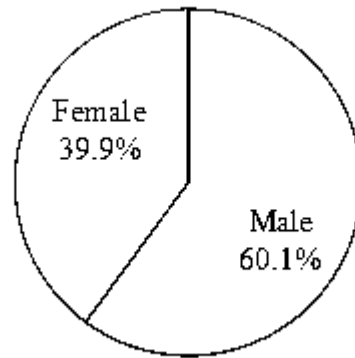


Figure 4.1: Gender Distribution of Respondents

4.4.2 Work Experience

The level of work experience may serve as an indicator of respondents' experience in their work. The study therefore sought to determine the length of time the respondents have been working with the company. Table 4.2 presents the findings obtained. From the findings, 81 (47.3%) of the respondents indicated that they had worked in the company for 6-10 years, 52 (30.9%) had worked for more than 11 years while 36 (21.8%) had worked for between 1 and 5 years. These findings show that the majority of the respondents had served in the Insurance Industry for more than five years and hence they can provide information about their company. This is in line with the findings of Northouse, (2013) that career experiences have a significant impact on a leader's characteristics and competencies. Career experiences advance one's job growth and skill building necessary for effective leadership.

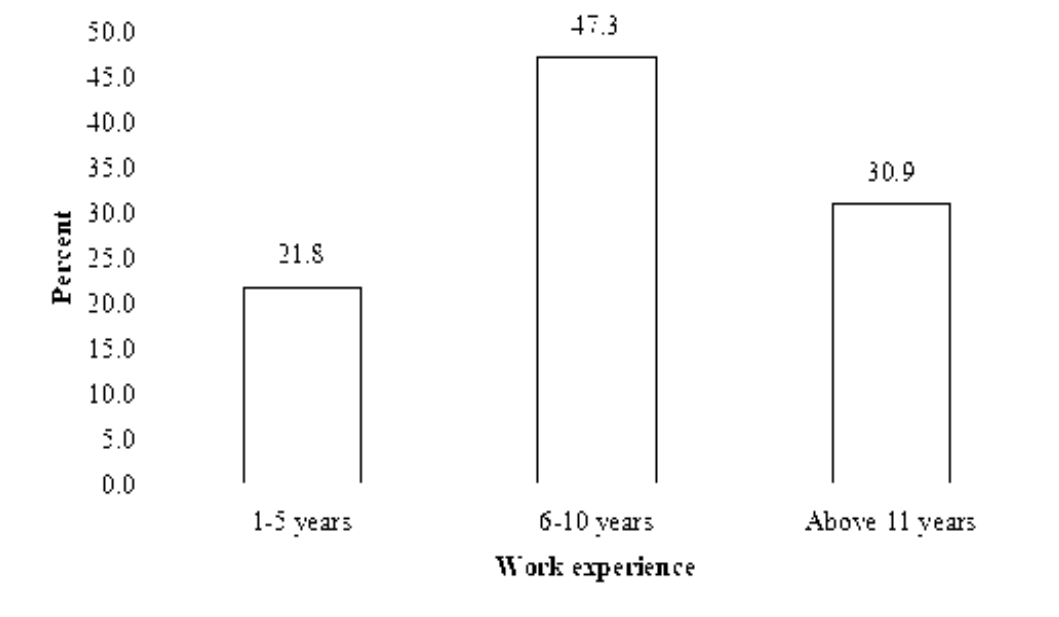


Figure 4.2: Respondents Years of Work Experience

4.5 Diagnostic Tests Results

Diagnostic tests were performed to test the assumptions of linear regression. The assumptions tested were normality, autocorrelation, multicollinearity, homoscedasticity and linear relationship. In case of violation of the regression assumptions, the confidence intervals as well as other scientific insights derived from the regression model may be regarded as misleading, biased or inefficient and therefore the inferences derived are incapable of being generalizable.

4.5.1 Normality Test Results

This study used the Shapiro Wilk test to determine if the variables follow a normal distribution (Cooper & Schindler, 2016). The null-hypothesis for the Shapiro Wilk test is that the population follows a normal distribution therefore, if the alpha level is 0.05 and the p-value is less than 0.05, then the null hypothesis that the data are normally distributed is rejected. If the p-value is greater than 0.05, then the null hypothesis is accepted since there is enough evidence that the data is not normally distributed. From the findings in Table 4.5, management style had a p-value of $0.125 > 0.05$, work environment had a p-value of $0.128 > 0.05$, reward management p-value $0.147 > 0.05$, career development opportunities p-value $0.132 > 0.05$, organization culture p-value

0.117>0.05 and employee turnover p-value 0.064>0.05. This shows that all the variables had p-values greater than 0.05 and therefore the variables were normally distributed and hence the data meets the regression analysis assumption of normality of data. The findings are in agreement with those of Mugove and Mukanzi (2018) who found normally distributed data in their study on determinants of employee turnover in selected Kenyan public universities.

Table 4.5: Normality Test Results

Variable	Shapiro-Wilk		
	Statistic	df	Sig.
Management Style	.941	169	.125
Work Environment	.913	169	.128
Reward Management	.919	169	.147
Career Development Opportunities	.934	169	.132
Organization Culture	.960	169	.117
Employee Turnover	.952	169	.064

4.5.2 Multicollinearity Test Results

Multicollinearity arises when the independent variables within a regression model are correlated. This relationship is an issue since independent variables are expected to remain independent. When the correlation level between variables is sufficiently high, it may lead to issues in model fitting and result interpretation. Variance Inflation Factor (VIF) was used, which measures multicollinearity in the regression model. The general rule of thumb is that VIF exceeding 5 warrant further investigations, if there are two or more variables that would have a VIF around or greater than 5, one of these variables must be removed from the regression model (Bryman & Cramer, 2018). Table 4.6 presents the findings obtained. Since all the VIF values were below 5, it was found that there was no multicollinearity among the independent variables. This implies that the results of the multiple regression equation are not misleading, since the independent variables in the multiple regression equation are not highly correlated amongst themselves. The findings are in agreement with those of Mamo (2017) who

used VIF to determine multicollinearity and discovered a lack of multicollinearity in the relationship between reward management systems and employee retention.

Table 4.6: Multicollinearity Test Results

Variable	Collinearity Statistics	
	Tolerance	VIF
Management Style	.360	2.781
Work Environment	.277	3.605
Reward Management	.330	3.028
Career Development Opportunities	.339	2.946
Organization Culture	.436	2.293

4.5.3 Heteroscedasticity Test Results

Heteroscedasticity is the unequal variance of errors in regression analysis, distorting predictions and requiring detection and correction (Vinod, 2008). In this study Heteroscedasticity was tested by performing the Breusch-Pagan /Cook-Weisberg test. Breusch-Pagan / Cook-Weisberg tested the null hypothesis that the error variances are all equal versus the alternative that the error variances are a multiplicative function of one or more variables (Vinod, 2008). Heteroscedasticity would be evident when the value of “Prob > Chi-squared” is greater than 0.05 (Park, 2008). The findings in Table 4.7 shows that the constant variance ($\text{Chi}^2 = 2.6874$) is insignificant ($P = 0.541$). Therefore, there is no instance of heteroscedasticity in the data and therefore multiple regression findings were not misleading. The findings are in agreement with those of Yulianti and Margaretha (2019) who found a lack of heteroscedasticity in their study on employee turnover.

Table 4.7: Breusch-Pagan Test Results

Ho: Constant variance			
Statistics	df	Stat value	p-value
Chi-squared	169	2.6874	0.5412

4.5.4 Linearity Test Results

The study used a scatter plot to test whether the assumption has been met. If the plot follows a linear pattern when plotted on the x and y axis, it was concluded that the assumption was met. As shown in Figure 4.3, there was a linear structure relationship with the dependent variable and the independent variables. Therefore, the linearity test was met and it was safe to compute regression analysis. The findings are in agreement with those of Mutua (2017) who found a linear relationship between organizational cultures on employee turnover.

Normal P-P plot of Regression Standardized Residuals

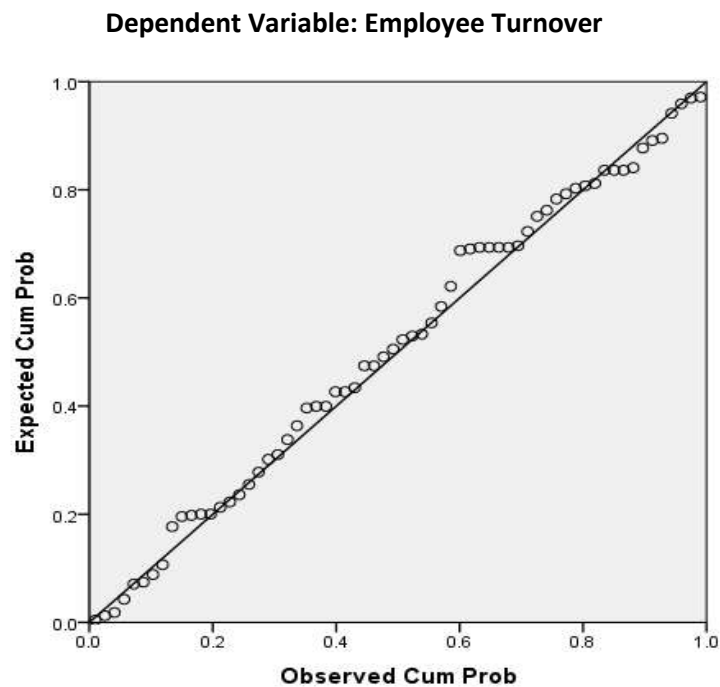


Figure 4.3: Scatter Plot for Linearity Test Results

4.5.5 Autocorrelation Test Results

Autocorrelation was checked using the Durbin-Watson test. The null hypothesis for the Durbin-Watson's d tests is that the residuals aren't linearly auto correlated. The d value ranges from 0 to 4, if the value is found to be less or equal to 2 then it implies absence of autocorrelation. If the d values are; $1.5 < d < 2.5$ it implies absence of autocorrelation in the data. Durbin-Watson test was used to analyze linear

autocorrelation for only direct neighbours being the effects of first order. Findings presented in Table 4.8 show that the d-value was 1.748; since the value lies within the range $1.5 < d < 2.5$, then we conclude that there is no autocorrelation in the data and therefore regression analysis can be computed. The findings are in agreement with those of Beyene (2017) who found a correlation between reward practices and employees' turnover intention.

Table 4.8: Durbin-Watson Test Results

Model	Std. Error of the Estimate	Durbin-Watson
1	1.345879	1.748

4.6 Management Style and Employee Turnover Findings

4.6.1 Descriptive Analysis Findings

The first objective of the study was to establish the influence of management style on employee turnover in the Insurance Industry in Kenya. Respondents gave their level of agreement on the statements about the influence of management style on employee turnover in the Insurance Industry in Kenya. Table 4.9 presents a summary of the findings obtained.

The respondents agreed that in their organization, communication is two way, employees are provided with the information they need and also the management listens to them (M= 3.982, SD= 0.339); and that employees are provided with feedback about their work to help them improve and also correct mistakes (M= 3.777, SD=0.311). They also agreed that in their organization, the management gives consideration to employees' suggestions to make them feel valued (M= 3.889, SD= 0.341). Regarding supervision as measure of management style, the respondents agreed that through supervision, that in their organization, employees are given specific instructions on their roles and responsibilities (M= 3.738, SD= 0.322); that in their organization, managers interact with employees to review their work and encourage them to improve (M= 3.698, SD= 0.326) and that employees in their organization are held accountable of their results (M= 3.948, SD= 0.310). Respondents

further agreed on management support that in their organization, managers help employees in solving problems they experience while carrying out their duties (M= 3.863, SD= 0.327); that in their organization, the managers support employees creativity and innovations to ensure that they are fully implemented (M= 3.836, SD= 0.299) and that in our organization managers support employee growth by providing them with training opportunities to enhance their skills and knowledge (M= 3.915, SD= 0.331).

From the findings above, it is evident that communication, supervision, and management support affected employees. Also, the aggregate mean value of 3.850 (SD= 0.323) supports the findings that management style influences employee turnover in the Insurance Industry in Kenya. The findings agree with Nowack (2016) that effective leadership is required for employees to realize their full potential and value. Managers who can build an all-inclusive work climate have an invaluable effect on employee commitment to an organization and the productivity generated. It also concurs with Boswel (2016) that good managers are a catalyst for improved employee performance, a brand image for the organization, the reason for customer loyalty and consistent financial results year on year. Ayres (2018) studied the impact of managerial styles and job satisfaction on employee turnover and found that decreased performance occurs with increased role ambiguity, and that as role conflict increases so does job performance. In his study, Mutunga (2015) found that leadership emerged as a significant factor that contributed to employee turnover and its related impact on organizational performance which agrees with present study findings.

Table 4.9: Descriptive Statistics on Management Style

Statements	5	4	3	2	1	Mean	Std. Dev.
Communication							
In our organization, communication is two way, employees are provided with the information they need and also the management listens to them	45	96	15	9	4	3.982	0.339
	26.6%	56.8%	8.9%	5.3%	2.4%		
In our organization, employees are provided with feedback about their work to help them improve and also correct mistakes	39	84	23	15	8	3.777	0.311
	23.1%	49.7%	13.6%	8.9%	4.7%		
In our organization, the management gives consideration to employees suggestions to make them feel valued	48	78	25	11	7	3.889	0.341
	28.4%	46.2%	14.8%	6.5%	4.1%		
Supervision							
In our organization, employees are given specific instructions on their roles and responsibilities	34	89	22	16	8	3.738	0.322
	20.1%	52.7%	13.0%	9.5%	4.7%		
In our organization, managers interact with employees to review their work and encourage them to improve	31	90	23	16	9	3.698	0.326
	18.3%	53.3%	13.6%	9.5%	5.3%		
Through supervision, employees in our organization are held accountable of their results	40	99	16	9	5	3.948	0.310
	23.7%	58.6%	9.5%	5.3%	3.0%		
Management Support							
In our organization, managers help employees in solving problems they experience while carrying out their duties	42	87	21	13	6	3.863	0.327
	24.9%	51.5%	12.4%	7.7%	3.6%		
In our organization, the managers support employee's creativity and	50	76	18	15	10	3.836	0.299
	29.6%	45.0%	10.7%	8.9%	5.9%		

Statements	5	4	3	2	1	Mean	Std. Dev.
innovations to ensure that they are fully implemented							
In our organization, managers support employee growth by providing them with training opportunities to enhance their skills and knowledge	48	83	19	14	5	3.915	0.331
	28.4%	49.1%	11.2%	8.3%	3.0%		
Aggregate Score						3.850	0.323

Respondents were also asked their opinion on how management style influences employee turnover in the Insurance Industry in Kenya. Most agreed that managers who effectively leverage employee strengths and rally individuals around team goals achieve a more favourable performance outcome than those who withhold feedback or provide little support to team members. A person's management style can also impact overall employee engagement. This agrees with Gallup (2017) research that managers account for 70 percent of the variance in employee engagement, and can adversely or positively impact employees' commitment to their work and the company. Also, leaders play a great role in motivating employees, developing skills, and providing a conducive work environment. These elements help improve employee job satisfaction, which leads to lower turnover intention (Buchanan, 2016).

Thematic responses show that good management style leads to improved communication by 40%, enhanced supervision by 27% and improved management support by 33%. The findings agree with Nowack (2016) that effective leadership is required for employees to realize their full potential and value. Managers who can build an all-inclusive work climate have an invaluable effect on employee commitment to an organization and the productivity generated.

4.6.2 Correlation Analysis between Management Style and Employee Turnover

The findings in Table 4.10 show that management style and employee turnover in the Insurance Industry in Kenya had a negative correlation ($r = -0.574$). The relationship was also considered significant since the p-value ($0.05 < 0.000$) was less than the selected level of significance (0.05). This implies that management style has

significant influence on employee turnover in the Insurance Industry in Kenya. Correlation analysis results showed that management style had a strong negative relationship with employee turnover in the Insurance Industry in Kenya. The findings agree with Huang *et al.*, (2016) that an organization's ability to develop strong relationships between employees and the management will result in a supportive people culture which reduces employee turnover. It also agrees with Mutunga (2019) who found in his study that leadership emerged as a significant factor that contributed to employee turnover and its related impact on organizational performance.

Table 4.10: Correlation Analysis of Management Style and Employee Turnover

		Employee Turnover	Management Style
Employee Turnover	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	169	
Management Style	Pearson Correlation	-.574**	1
	Sig. (2-tailed)	.000	
	N	169	169

4.6.3 Simple Linear Regression between Management Style and Employee Turnover

A univariate analysis was conducted in which employee turnover in the Insurance Industry in Kenya was regressed on management style.

Model Summary of Management Style on Employee Turnover

As indicated in Table 4.11, the R-squared for the relationship between management style and employee turnover in the Insurance Industry in Kenya was 0.329; this is an indication that at 95% confidence interval, 32.9% of variation in employee turnover in the Insurance Industry in Kenya can be attributed to changes in management style. Therefore, management style can be used to explain 32.9% of changes in employee turnover in the Insurance Industry in Kenya. However, there are other factors that can be attributed to 67.1% change in employee turnover in the Insurance Industry in Kenya other than management style.

Table 4.11: Model Summary of Management Style on Employee Turnover

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	-.574 ^a	.329	.335	.16950

a. Predictors: (Constant), Management Style

Analysis of Variance of Management Style on Employee Turnover

From the analysis of variance (ANOVA) findings in Table 4.12, the study found out that $\text{Prob}>F_{1,167} = 0.000$ was less than the selected 0.05 level of significance. This suggests that the model as constituted was fit to predict employee turnover in the Insurance Industry in Kenya. Further, the F-calculated, from the table (85.484) was greater than the F-critical, from f-distribution tables (3.898) supporting the findings that management style can be used to predict employee turnover in the Insurance Industry in Kenya.

Table 4.12: ANOVA of Management Style on Employee Turnover

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.456	1	2.456	85.484	.000 ^b
1 Residual	4.798	167	0.029		
Total	7.254	168			

a. Dependent Variable: Employee Turnover

b. Predictors: (Constant), Management Style

Beta Coefficients of Management Style on Employee Turnover

From the results in Table 4.13, the following regression model was fitted.

$$Y = 1.431 - 0.312 X_1$$

(X_1 is management style)

The coefficient results showed that the constant had a coefficient of 1.431 suggesting that if management style was held constant at zero, employee turnover in the Insurance Industry in Kenya would be 1.431 units. In addition, results showed that management

style coefficient was -0.312 indicating that a unit improvement in management style would result in a 0.312 decrease in employee turnover in the Insurance Industry in Kenya. It was also noted that the P-value for management style coefficient was 0.016 which is less than the set 0.05 significance level indicating that management style was a significant determinant of employee turnover. Based on these results, the study rejected the null hypothesis and accepted the alternative that management style has a negative influence on employee turnover in the Insurance Industry in Kenya

Table 4.13: Beta Coefficients of Management Style on Employee Turnover

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.431	0.512		2.795	0.006
¹ Management Style	-0.312	0.128	-0.216	-2.438	0.016

Dependent Variable: Employee Turnover

The study findings are supported by Maslow's Hierarchy of Needs Theory developed by Maslow's (1943) which claims that employers must motivate the employees through meeting each level of employees' needs for employees to truly commit themselves to workplace goals. According to this theory, failing to meet employee's needs at any level in the hierarchy can create a lack of fulfillment in employees' professional lives, causing them to eventually try to fulfil these needs on their own, possibly by finding a new employer who provides better opportunities. The study findings also agree with Blanchard, Hersey and Johnson (2016) that in autocratic leadership, employees are highly involved in the decision-making processes and managers encourage employees to participate and every individual strives to improve the organizational climate and performance. This management style reports the lowest employee turnover and allows for a good working relationship between employees and management and employees exhibit high degrees of responsibility and commitment which drives organizational performance. Overall employee productivity is high, leading to a higher financial return per employee and creates an innovative forum where employees and their managers exchange ideas, all improving the learning and growth perspective of the balance scorecard.

4.7 Work Environment and Employee Turnover Findings

4.7.1 Descriptive Analysis Findings

The second objective of the study was to assess the influence of work environment on employee turnover in the Insurance Industry in Kenya. Respondents were therefore asked to indicate their level of agreement on statements about the influence of work environment on employee turnover in the Insurance Industry in Kenya. Table 4.14 presents a summary of the findings obtained.

The study sought to measure work environment in terms of work schedules, physical environment and work relationships. Regarding work schedules, respondents agreed that their organization prioritizes employee work schedule to maintain a healthy and productive workforce (M= 3.961, SD= 0.367); and that in their organization, employees are given time off to focus on their personal life and have a break from their work (M= 3.856, SD= 0.377) and that in their organization, employees are provided with flexible working hours to take care of their needs (M= 3.994, SD= 0.367). On physical environment they agreed that in their organization, employees are provided with adequate working space to perform their work efficiently (M= 3.955, SD= 0.385); that their organization, the work environment is safe to protect the employee health and safety (M= 3.836, SD= 0.351) and that in their organization, the management ensure that the work environment has proper lighting and air quality to help employees undertake their tasks comfortably (M= 3.994, SD= 0.332). Respondents also agreed on work relationships that in their organizations, employees are encouraged together as a team to achieve firm goals (M= 3.830, SD= 0.355); that in their organization, employees are encouraged to maintain positive relationships to be more productive (M= 3.988, SD= 0.367); that in their organization, employees maintain good communication among themselves to perform their tasks effectively (M= 3.961, SD= 0.417).

The study findings therefore show that the respondents agreed that work schedules, physical environment, and work relationships affected employees in the Insurance Industry in Kenya. Also, as shown by an aggregate mean of 3.931 (SD= 0.369), it is evident that work environment influenced employee turnover in the Insurance Industry

in Kenya. The work environment therefore plays a large role in organizational performance through its ability to keep employees motivated. The study findings agree with Briner (2016) that employees will be more productive and content where their obligations are in tandem with their work environment. Poor work environment forces employees to disengage and leave organizations more than any other factor. Also, Armstrong (2016) asserts that organizations should focus on work life balance employment practices which aim at providing scope for employees to balance what they do at work with the responsibilities and interests they have outside work. This allows reconciliation between competing claims of employer work needs and home needs.

Table 4.14: Descriptive Statistics on Work Environment

	5	4	3	2	1	Mean	Std. Dev.
Work Schedules							
Our organization prioritizes employee work schedules to maintain a healthy and productive workforce	54 32.0%	75 44.4%	25 14.8%	10 5.9%	5 3.0%	3.961	0.367
In our organization, employees are given time off to focus on their personal life and have a break from their work	45 26.6%	79 46.7%	26 15.4%	12 7.1%	7 4.1%	3.856	0.377
In our organization, employees are provided with flexible working hours to take care of their needs	72 42.6%	55 32.5%	19 11.2%	14 8.3%	9 5.3%	3.994	0.367
Physical environment							
In our organization, employees are provided with adequate working space to perform their work efficiently	60 35.5%	73 43.2%	15 8.9%	13 7.7%	8 4.7%	3.955	0.385
In our organization, the work environment is safe to protect the employee health and safety	44 26.0%	80 47.3%	24 14.2%	15 8.9%	6 3.6%	3.836	0.351

	5	4	3	2	1	Mean	Std. Dev.
In our organization, the management ensure that the work environment has proper lighting and air quality to help employees undertake their tasks comfortably	60 35.5%	70 41.4%	21 12.4%	14 8.3%	4 2.4%	3.994	0.332
Work relationships							
In our organizations, employees are encouraged together as a team to achieve firm goals	42 24.9%	87 51.5%	23 13.6%	12 7.1%	5 3.0%	3.830	0.355
In our organization, employees are encouraged to maintain positive relationships to be more productive	55 32.5%	82 48.5%	15 8.9%	9 5.3%	8 4.7%	3.988	0.367
In our organization, employees maintain good communication among themselves to perform their tasks effectively	54 32.0%	79 46.7%	18 10.7%	11 6.5%	7 4.1%	3.961	0.417
Aggregate Score						3.931	0.369

Respondents were also asked their views on how work environment influence employee turnover in the Insurance Industry in Kenya. They explained that an improper and unfavourable workplace environment leads to work stress. It also causes errors being committed by the employees. Also, an unfavourable workplace environment results in under-utilization of the capabilities available with the employees, leading to increased turnover. They also indicated a conducive and safe work environment reduces employee turnover while unsafe and poor relations at work increases employee turnover in the Insurance Industry in Kenya. This agrees with Sedarmayanti (2017) that a comfortable work environment for employees can increase morale and encourage better performance and employees stay afloat. The findings also agree with Nayeri, Nazari, Salsali and Ahmadi (2015) that the working environment is one of the most crucial factors which influence the level of satisfaction as well as motivation of its employees. According to Westerman and Yamamura

(2017) social, organizational and physical factors are impetus for task and activity which consequently impact the performance of workers.

Thematic responses were that a good work environment results to an improved work schedule by 33%, improved physical environment by 37% and enhanced work relationships by 30%. The study findings also agree with Chandrasekar (2016) that a balanced work- life is linked to increased job satisfaction and organizational commitment.

4.7.2 Correlation Analysis between Work Environment and Employee Turnover

From Table 4.15, Work environment is also seen to have a negative correlation with employee turnover in the Insurance Industry in Kenya ($r = -.769$). Since the p-value (0.023) was less than the selected level of significance (0.05), the relationship was considered significant. Correlation analysis results showed that work environment had a very strong and negative relationship with employee turnover in the Insurance Industry in Kenya. This is in line with Kurniawaty, Ramly and Ramlawati (2019) that work environment had a positive and significant influence on job satisfaction and that work environment had a negative influence on turnover intention. Also, Sojeb (2016) revealed that there is a significant relationship between work environment and employee turnover intention which agrees with present study findings.

Table 4.15: Correlation Analysis of Work Environment on Employee Turnover

		Employee Work Turnover Environment	
Employee Turnover	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	169	
Work Environment	Pearson Correlation	-.769**	1
	Sig. (2-tailed)	.023	
	N	169	169

4.7.3 Simple Linear Regression between Work Environment and Employee Turnover

A univariate analysis was therefore conducted to test the null hypothesis.

Model Summary of Work Environment on Employee Turnover

From the model summary findings in Table 4.16, the r-squared for the relationship between work environment and employee turnover in the Insurance Industry in Kenya was 0.591; this is an indication that at 95% confidence interval, 59.1% variation in employee turnover in the Insurance Industry in Kenya can be attributed to changes in work environment. Therefore, work environment can be used to explain 59.1% change in employee turnover in the Insurance Industry in Kenya. However, the remaining 40.9% variation in employee turnover in the Insurance Industry in Kenya suggests that there are other determinants other than work environment that explain employee turnover in the Insurance Industry in Kenya.

Table 4.16: Model Summary of Work Environment on Employee Turnover

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	-0.769 ^a	0.591	0.588	0.15617

a. Predictors: (Constant), Work Environment

Analysis of Variance of Work Environment on Employee Turnover

From the analysis of variance (ANOVA) findings in Table 4.17, the study found out that $\text{Prob} > F_{1,167} = 0.000$ was less than the selected 0.05 level of significance. This suggests that the model as constituted was fit to employee turnover in the Insurance Industry in Kenya. Further, the F-calculated, from the table (111.636) was greater than the F-critical, from f-distribution tables (3.898) supporting the findings that work environment can be used to predict employee turnover in the Insurance Industry in Kenya.

Table 4.17: ANOVA of Work Environment on Employee Turnover

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.456	1	2.456	111.636	.000 ^b
1 Residual	3.628	167	0.022		
Total	6.084	168			

a. Dependent Variable: Employee Turnover

b. Predictors: (Constant), Work Environment

Beta Coefficients of Work Environment on Employee Turnover

From the results in table 4.18, the following regression model was fitted.

$$Y = 1.792 - 0.497 X_2$$

(X_2 is Work Environment)

The coefficient results showed that the constant had a coefficient of 1.792 suggesting that if work environment was held constant at zero, employee turnover in the Insurance Industry in Kenya would be at 1.792 units. In addition, results showed that work environment coefficient was -0.497 indicating that a unit improvement in work environment would result in a 0.497 decrease in employee turnover in the Insurance Industry in Kenya. It was also noted that the P-value for work environment coefficient was 0.000 which is less than the set 0.05 significance level indicating that work environment was significant. Based on these results, the study rejected the null hypothesis and accepted the alternative that work environment has a negative influence on employee turnover in the Insurance Industry in Kenya. The study findings also agree with Sojeb (2016) who revealed that there is a significant relationship between work environment and employee turnover intention.

Table 4.18: Beta Coefficients of Work Environment on Employee Turnover

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.792	.188		9.523	.000
1 Work Environment	-.479	.046	-.519	-10.462	.000

Dependent Variable: Employee Turnover

The study findings are supported by Theory Z which was developed by Ouchi (1981). The theory explains that workers have a high need to be supported by the company, and highly value a working environment in which such things as family, cultures and traditions, and social institutions are regarded as equally important as the work itself. According to the theory, employees find a work-life balance important and want to maintain this. Family, culture and traditions are therefore just as important as working conditions. The study findings also agree with Huang *et al.*, (2010) also observed that high levels of employee productivity are achievable when organizations ensure the physical environment is conducive to organizational needs. The study findings also agree with Chandrasekar (2016) that a balanced work- life is linked to increased job satisfaction and organizational commitment.

4.8 Reward Management and Employee Turnover Findings

4.8.1 Descriptive Analysis Findings

The third objective of the study was to determine the influence of reward management on employee turnover in the Insurance Industry in Kenya. Respondents were asked to indicate their level of agreement on statements about the influence of reward management on employee turnover in the Insurance Industry in Kenya. Table 4.19 presents a summary of the findings obtained.

The study measured reward management in terms of promotion, recognition and fairness. Regarding promotion, the findings show that the respondents agreed that their

organization provides its employees work with promotion (M= 4.007, SD= 0.307); that their organization, employees are promoted for good performance (M= 3.817, SD= 0.276); and that their organization provides promotion to employees and encourages them to remain in the organization (M= 3.902, SD= 0.302). On recognition, respondents agreed that in their organization, employees are recognized by offering rewards (M= 3.764, SD= 0.283); that in their organization employee's recognition makes them feel they are important to the organization (M= 3.975, SD= 0.283); and that recognition of employees encourages them to remain in the organization (M= 3.902, SD= 0.302). Furthermore, respondents agreed on fairness that their organization employee's fairness is ensured by equal treatment (M=3.830, SD= 0.319); that in their organization pay and promotion is done through a fair process (M= 3.836, SD= 0.295); and that positive fairness promotes employees trust and motivation (M= 3.902, SD= 0.331).

These findings suggest that promotion, recognition and fairness had some level of effect on employees. Therefore, as supported by an aggregate mean of 3.882 (SD= 0.300), it is evident that reward management influences employee turnover in the Insurance Industry in Kenya. The study findings agree with those of Musyoki and Kadubo (2012) that employees were most motivated by a decent basic pay, medical, housing and leave allowances, training and development, career development, life insurance and retirement benefits in addition to legally required NSSF and performance related pay such as overtime bonuses. Also, Premeaux (2014) found in his study that many employees were interested in the prospects of fringe benefits, career development and increase in base salaries to give their best performance. In addition, Kotler and Keller (2019), posit that increase in base pay is very influential in reducing employee turnover because of the employee value attached to the salary and the things the money can purchase. These agree with findings of present study.

Table 4.109: Descriptive Statistics on Reward Management

Statements	5	4	3	2	1	Mean	Std. Dev.
Promotion							
Our organization provides its employees with promotion	61	74	15	12	7	4.007	0.307
	36.1%	43.8%	8.9%	7.1%	4.1%		
In our organization, employees are promoted for good performance	54	65	24	17	9	3.817	0.276
	32.0%	38.5%	14.2%	10.1%	5.3%		
Providing promotion to employees encourages them to remain in the organization	60	60	28	15	6	3.902	0.302
	35.5%	35.5%	16.6%	8.9%	3.6%		
Recognition							
In our organization employees are recognized by offering rewards	43	76	26	15	9	3.764	0.283
	25.4%	45.0%	15.4%	8.9%	5.3%		
In our organization employee's recognition makes them feel they are important to the organization	50	85	19	10	5	3.975	0.283
	29.6%	50.3%	11.2%	5.9%	3.0%		
Recognition of employees encourages them to remain in the organization	67	58	18	13	13	3.902	0.302
	39.6%	34.3%	10.7%	7.7%	7.7%		
Fairness							
Our organization employee's fairness is ensured by equal treatment	57	57	30	19	6	3.830	0.319
	33.7%	33.7%	17.8%	11.2%	3.6%		
In organization pay and promotion are done through a fair process	52	71	21	16	9	3.836	0.295
	30.8%	42.0%	12.4%	9.5%	5.3%		
Positive fairness promotes employees trust and motivation	66	55	24	14	10	3.902	0.331
	39.1%	32.5%	14.2%	8.3%	5.9%		
Aggregate Score						3.882	0.300

Respondents were also asked to give their view on how reward management influences employee turnover in the Insurance Industry in Kenya. They explained that employee incentive programmes can help to make employees feel more valued by the organization, which leads to a greater feeling of contentment. Also, giving promotion for hard work is one way to boost employee motivation and participation; when employees are rewarded, they feel like they trust their employer and feel supported and that's powerful. Recognition connects employees to the organization, elevates performance, and increases the likelihood they'll stay. They also indicated that an effective reward system greatly contributes to a reduction in employee turnover rate as it increases job satisfaction and productivity since employees feel valued and rewarded, but a poor system leads to increased employee turnover since they look for better opportunities at other organizations. The findings agree with expectancy theory which suggests that employees are more motivated to perform where the reward and compensation systems create a perception of strong links between performance and rewards (Gardner, Dyne & Pierce, 2014). The findings also agree with Carragher (2016) that base pay, recognition and celebration increases employee satisfaction and increases organizational efficiency where employees improve their skills and knowledge and can use these tools to progress organizational goals. In an overall, such activities increase employee productivity, reduce turnover rates and absenteeism.

Thematic responses were that good reward management leads to promotion by 30%, recognition by 34% and fairness by 36%. Premeaux (2014) found in his study that many employees were interested in the prospects of fringe benefits, career development and increase in base salaries to give their best performance.

4.8.2 Correlation Analysis between Reward Management and Employee Turnover

From Table 4.20, reward management is seen to have a negative correlation with employee turnover in the Insurance Industry in Kenya ($r = -.684$, $p < 0.05$). Since the p -value (.001) was less than the selected level of significance (0.05), the relationship between the two variables was considered to be significant. Correlation analysis results showed that reward management had a strong and negative relationship with employee

turnover in the Insurance Industry in Kenya. The study findings agree with those of Mendis (2017) that remuneration, cash incentives, work life balance, supervisor support and employee recognition variables were negatively correlated with turnover intention. It also agrees with Mamo (2017) who found a negative relationship between reward management system and turnover intention.

Table 4.20: Correlation Analysis between Reward Management and Employee Turnover

		Employee Reward Turnover Management	
Employee Turnover	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	169	
Reward Management	Pearson Correlation	-.684**	1
	Sig. (2-tailed)	.001	
	N	169	169

4.8.3 Simple Linear Regression between Reward Management and Employee Turnover

A univariate analysis was therefore conducted to test the null hypothesis.

Model Summary of Reward Management on Employee Turnover

From the model summary findings in Table 4.21, the r-squared for the relationship between reward management and employee turnover in the Insurance Industry in Kenya was 0.468; this is an indication that at 95% confidence interval, 46.8% variation in employee turnover in the Insurance Industry in Kenya can be attributed to changes in reward management. Therefore, reward management can be used to explain 46.8% change in employee turnover in the Insurance Industry in Kenya. However, the remaining 53.2% variation in employee turnover in the Insurance Industry in Kenya suggests that there are other determinants other than reward management that explains employee turnover in the Insurance Industry in Kenya.

Table 4.21: Model Summary of Reward Management on Employee Turnover

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	-.684 ^a	0.468	0.461	0.16921

a. Predictors: (Constant), Reward Management

Analysis of Variance of Reward Management on Employee Turnover

From the analysis of variance (ANOVA) findings in Table 4.22, the study found out that $\text{Prob}>F_{1,267} = 0.000$ was less than the selected 0.05 level of significance. This suggests that the model as constituted was fit to predict employee turnover in the Insurance Industry in Kenya. Further, the F-calculated, from the table (75.423) was greater than the F-critical, from f-distribution tables (3.898) supporting the findings that reward management can be used to predict employee turnover in the Insurance Industry in Kenya.

Table 4.112: ANOVA of Reward Management on Employee Turnover

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.456	1	2.456	75.423	.000 ^b
1 Residual	5.438	167	0.033		
Total	7.894	168			

a. Dependent Variable: Employee Turnover

b. Predictors: (Constant), Reward Management

Beta Coefficients of Reward Management on Employee Turnover

From the results in table 4.23, the following regression model was fitted.

$$Y = 1.808 - 0.369 X_3$$

(X_3 is Reward Management)

The coefficient results showed that the constant had a coefficient of 1.808 suggesting that if reward management was held constant at zero, employee turnover in the Insurance Industry in Kenya would be at 1.808 units. In addition, results showed that

reward management coefficient was -0.369 indicating that a unit increase in reward management would result in a 0.369 decrease in employee turnover in the Insurance Industry in Kenya. It was also noted that the P-value for reward management coefficient was 0.000 which is less than the set 0.05 significance level indicating that reward management was significant. Based on these results, the study rejected the null hypothesis and accepted the alternative that reward management has negative influence on employee turnover in the Insurance Industry in Kenya. The findings also agree with Armstrong and Brown (2011) that reward strategy, among other things, plays an essential role in enhancing an employee’s motivation, job satisfaction and performance.

Table 4.123: Beta Coefficients of Reward Management on Employee Turnover

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.808	.215		8.398	.000
Reward Management	-.369	.052	.364	7.096	.000

a. Dependent Variable: Employee turnover

The findings of the study are supported by Equity theory which was developed by Adams in (1963). The theory explains that the perception of individuals about the fairness of their rewards relative to others influences their level of motivation. It also argues that the more intense the employee perceives that he or she is either more or less paid, the higher the tension and the stronger the motivation to act. Gautam (2019) also found that compensation, benefits, work-life balance, performance recognition and empowerment and career opportunity were the major factors as the components of a comprehensive reward system. Results also revealed the negative significant relationship between employee motivation and their turnover intention which agrees with present study findings.

4.9 Career Development Opportunities and Employee Turnover Findings

4.9.1 Descriptive Analysis Findings

The fourth objective of the study was to examine the influence of career development opportunities on employee turnover in the Insurance Industry in Kenya. Respondents were asked to give their level of agreement on statements about the influence of career development opportunities on employee turnover in the Insurance Industry in Kenya. Table 4.24 presents a summary of the findings obtained.

The study assessed career development opportunities using sourcing development opportunities, study leave, and scholarships. Regarding sourcing development opportunities, respondents agreed that the organization provides training opportunities for employees (M= 3.955, SD= 0.291); that the organization requires employees to work as a team and learn from each other (M= 3.961, SD= 0.280); and that the organization supports employees' professional courses (M= 3.836, SD= 0.301). On study leave, respondents agreed that study leave is a fundamental human resource policy in the organization (M= 3.803, SD= 0.304); that study leave offers employees the chance for personal growth (M= 3.836, SD= 0.323) and that study leave provides long-term benefits for the organization since it supports skills growth (M= 3.896, SD= 0.297). The respondents also agreed on scholarships that every employee in the organization has the opportunity get scholarship (M= 4.021, SD= 0.310); that scholarships help employees to advance in their career (M= 3.810, SD= 0.276) and that scholarships provides employees with opportunities to learn through new experiences (M= 3.902, SD=0.302).

The findings above are a clear indication that sourcing for development opportunities, study leave, and scholarships affect employees. Also, as supported by an aggregate mean of 3.891 (SD= 0.298) it can be concluded that career development opportunities influence employee turnover in the Insurance Industry in Kenya. The study findings agree with Nouri and Parker (2014) that both training effectiveness and organizational prestige enhance employee beliefs about the career growth opportunities offered by the public accounting firms, which, in turn lead to higher commitment and lower turnover intentions. It also concurs with the findings of Syahrizal (2018) that

compensation and career development had a positive and significant influence on job satisfaction and negatively affect turnover intention, meaning that if the compensation provided by the company can meet the needs of the employee's desire, employee job satisfaction will increase and lower employee turnover rates.

Table 4.24: Descriptive Statistics on Career Development Opportunities

Statements	5	4	3	2	1	Mean	Std. Dev.
Sourcing for development opportunities							
The organization provides training opportunities for employees	51	79	22	13	4	3.955	0.291
	30.2%	46.7%	13.0%	7.7%	2.4%		
The organization requires employees to work as a team and learn from each other	62	64	25	10	8	3.961	0.280
	36.7%	37.9%	14.8%	5.9%	4.7%		
The organization supports employees professional courses	45	80	23	13	8	3.836	0.301
	26.6%	47.3%	13.6%	7.7%	4.7%		
Study leave							
Study leave is a fundamental human resource policy in the organization	40	81	28	15	5	3.803	0.304
	23.7%	47.9%	16.6%	8.9%	3.0%		
Study leave offers employees the chance for personal growth	38	86	29	11	5	3.836	0.323
	22.5%	50.9%	17.2%	6.5%	3.0%		
Study leave provides long-term benefits for the organization since it supports skills growth	50	76	26	9	8	3.896	0.297
	29.6%	45.0%	15.4%	5.3%	4.7%		
Scholarships							
Every employee in the organization has the opportunity get scholarship	72	58	19	11	9	4.021	0.310
	42.6%	34.3%	11.2%	6.5%	5.3%		
Scholarships help employee to advance in their career	37	86	30	10	6	3.810	0.276
	21.9%	50.9%	17.8%	5.9%	3.6%		
Scholarships provides employees with opportunities to learn through new experiences	44	86	25	7	7	3.902	0.302
	26.0%	50.9%	14.8%	4.1%	4.1%		
Aggregate Score						3.891	0.298

Respondents were also asked to give their view on how career development opportunities influence employee turnover in the Insurance Industry in Kenya. They

explained that when they engage employees by focusing on their career development, the business benefits in a variety of ways: Employees stay with an organization because they're engaged and developing their careers and are more likely to perform at a higher level. Institutional knowledge increases and can be shared among employees. They also explained that career development increases employee motivation and productivity. Attention to career development helps attract top staff and retain valued employees. The findings agree with those of Puspitaa and Susanty (2017) that career development and work motivation will reduce turnover intention. It also agrees with Li Yifei (2018) career growth was the predictor of both career commitment and organizational identification and that career growth conveys an indirect influence on employee turnover intention through the mediating effect of career commitment. Therefore, if insurance companies in Kenya can improve their career management practices, they can be able to reduce their employee turnover rate.

Thematic responses were that good career development opportunities lead to increase and improved training 44%, increased workshops/seminars by 27% and increased scholarships by 29%. Syahrizal (2018) that compensation and career development had a positive and significant influence on job satisfaction and negatively affect turnover intention.

4.9.2 Correlation Analysis between Career Development Opportunities and Employee Turnover

From Table 4.25, career development opportunities are seen to have a negative correlation with employee turnover in the Insurance Industry in Kenya ($r = -.627$, $p < 0.001$). The p-value (.021) was less than the selected level of significance (0.05) suggesting that the relationship between the two variables was significant. This means that career development opportunities negatively affect employee turnover in the Insurance Industry in Kenya. Correlation analysis results showed that career development opportunities had a strong and negative relationship with employee turnover in the Insurance Industry in Kenya. The findings are in line with those of Syahrizal (2018) that compensation and career development had a positive influence on job satisfaction and negatively affect turnover intention, meaning that if the

compensation provided by the company can meet the needs of the employee's desire, employee job satisfaction will increase and lower employee turnover rates. However, the findings disagree with those of Al-sharafi (2018) which showed that career development has no relationship with employees' satisfaction or retention.

Table 4.25: Correlation Analysis of Career Development Opportunities on Employee Turnover

		Employee Turnover	Career Development Opportunities
Employee Turnover	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	169	
Career Development Opportunities	Pearson Correlation	-.627**	1
	Sig. (2-tailed)	.021	
	N	169	169

4.9.3 Simple Linear Regression between Career Development Opportunities and Employee Turnover

A univariate analysis was therefore conducted to test the null hypothesis.

Model Summary of Career Development Opportunities on Employee Turnover

From the model summary findings in Table 4.26, the r-squared for the relationship between career development opportunities and employee turnover in the Insurance Industry in Kenya was 0.393; this is an indication that at 95% confidence interval, 39.3% variation in employee turnover in the Insurance Industry in Kenya can be attributed to changes in career development opportunities. Therefore, career development opportunities can be used to explain 39.3% change in employee turnover in the Insurance Industry in Kenya. However, the remaining 60.7% variation in employee turnover in the Insurance Industry in Kenya suggests that there are other determinants other than career development opportunities that explains employee turnover in the Insurance Industry in Kenya.

Table 4.26: Model Summary of Career Development Opportunities on Employee Turnover

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	-.627 ^a	.393	.389	.161352

a. Predictors: (Constant), career development opportunities

Analysis of Variance of Career Development Opportunities on Employee Turnover

From the analysis of variance (ANOVA) findings in Table 4.27, the study found out that $\text{Prob}>F_{1,167} = 0.000$ was less than the selected 0.05 level of significance. This suggests that the model as constituted was fit to predict employee turnover in the Insurance Industry in Kenya. Further, the F-calculated, from the table (84.762) was greater than the F-critical, from f-distribution tables (3.898) supporting the findings that career development opportunities can be used to employee turnover in the Insurance Industry in Kenya.

Table 4.27: ANOVA of Career Development Opportunities on Employee Turnover

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.179	1	42.179	84.762	.000 ^b
	Residual	98.106	197	.498		
	Total	140.285	198			

a. Dependent Variable: Employee Turnover

b. Predictors: (Constant), Career Development Opportunities

Beta Coefficients of Career Development Opportunities on Employee Turnover

From the results in table 4.28, the following regression model was fitted.

$$Y = 1.142 - 0.311 X_4$$

(X_4 is Career Development Opportunities)

The coefficient results showed that the constant had a coefficient of 1.142 suggesting that if career development opportunities were held constant at zero, employee turnover in the Insurance Industry in Kenya would be at 1.142 units. In addition, results showed that career development opportunities coefficient was -0.311 indicating that a unit increase in career development opportunities would result in a 0.311 decrease in employee turnover in the Insurance Industry in Kenya. It was also noted that the P-value for career development opportunities coefficient was 0.000 which is less than the set 0.05 significance level indicating that reward management was significant. Based on these results, the study rejected the null hypothesis and accepted the alternative that career development opportunities have negative influence on employee turnover in the Insurance Industry in Kenya. The findings also agree with Syahrizal (2018) that career development had a positive and significant influence on job satisfaction and negatively affects turnover intention, meaning that if the compensation provided by the company can meet the needs of the employee's desire, employee job satisfaction will increase and lower employee turnover rates.

Table 4.28: Beta Coefficients of Career Development Opportunities on Employee Turnover

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	1.142	.176		6.489	.000
1 Career Development Opportunities	-.311	.045	-.271	-6.911	.000

a. Dependent Variable: Employee Turnover

The study findings are supported by expectancy theory established by Vroom (1964). The theory explains that if employees expect little compensation and there is no growth opportunity in return for their work, they may put forth only minimal effort until they eventually look to a new employer for new opportunities.

4.10 Multiple Regression Analysis without the Moderator Findings on Organizational Determinants and Employee Turnover

The study aimed to establish the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya. To achieve the objective, the study conducted regression analysis. Using multiple regression analysis, the study examined the combined influence of organizational determinants (management style, work environment, reward management, career development opportunities) on employee turnover.

4.10.1 Model Summary without the Moderator

Model summary was used to establish the amount of variation in employee turnover in the Insurance Industry in Kenya that can be explained by changes in management style, work environment, reward management, and career development opportunities. The predictive power of the model was determined using coefficient of determination (R^2). The model summary results in Table 4.29 show that the R-squared is 0.733 which suggests that 73.3% of all variation in employee turnover in the Insurance Industry in Kenya are explained by changes in management style, work environment, reward management, and career development opportunities. The remaining 26.7% suggests that there are other determinants that can be attributed to variation in employee turnover in the Insurance Industry in Kenya that were not discussed in this study. Correlation coefficient (R) shows the relationship strength between the study variables. From the findings the variables were strongly and positively related as indicated $r = 0.856$.

The findings agree with Mayhew (2017) who states that a high level of employee turnover may be related to factors such as low wages or unattractive working conditions, or to a high concentration of casual or seasonal workers. Conversely high turnover may be related to a high level of demand for skills where workers are induced to change employers in wages. Poor job feedback, job dissatisfaction, unmet job expectations, performance problems, situational constraints, socialization difficulties, greater degrees of job stress, and a lack of career advancement opportunities among others as causes of employee turnover. It also agrees with Shukla and Dr Sinha, (2013)

who stated that a poor relationship with the management can be an important reason for the employees to leave their jobs. Employer-employee relationship plays a vital role in turnover.

Having established that transformational organizational determinants (management style, work environment, reward management, career development opportunities) can explain employee turnover, the study sought to establish whether the model was significant. Analysis of variance was used.

Table 4.29: Model Summary without the Moderator

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.856 ^a	0.733	0.731	0.13416

a. Predictors: (Constant), management style, work environment, reward management, career development opportunities

4.10.2 Analysis of Variance without the Moderator

To determine the fitness of the model to predict the dependent variable (employee turnover in the Insurance Industry in Kenya), the study conducted an F-test at 95% confidence level. The significance of the study variables was determined based on the P-value of the variable coefficients at 0.05 significance level. The decision in the fitness of the model was accepted if p-values were below 0.05 and rejected if it was above 0.05. The findings in Table 4.30 showed that Prob>F 4,164= 0.000 was less than the 0.05 significance level. This suggested that the model as constituted was fit in predicting employee turnover in the Insurance Industry in Kenya. Further, the F-calculated, from the table (112.525) was greater than the F-critical, from f-distribution tables (2.427) supporting the findings that organizational determinants (management style, work environment, reward management, career development opportunities) can be used to predict employee turnover in the Insurance Industry in Kenya. The finding agrees with Griffeth, Horn, and Gaertner (2000) that turnover is triggered by dissatisfaction with such factors as relationships with supervisors, job content, working conditions, and pay

To test the significance of the study variables student t-test was used to establish the amount of influence each organizational determinant had on employee turnover in the Insurance Industry in Kenya.

Table 4.30: Analysis of Variance without the Moderator

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.25	4	2.0625	112.525	.000 ^b
	Residual	3.006	164	0.018		
	Total	11.256	168			

a. Dependent Variable: employee turnover

b. Predictors: (Constant), management style, work environment, reward management, career development opportunities

4.10.3 Beta Coefficients of the Study Variables without the Moderator

From the coefficients in Table 4.31, the following regression model was fitted;

$$Y = 1.481 - 0.159 X_1 - 0.232 X_2 - 0.216 X_3 - 0.196 X_4$$

Where Y is employee turnover X_1 is management style; X_2 is work environment; X_3 is reward management; and X_4 is career development opportunities.

The findings showed that holding management style, work environment, reward management, and career development opportunities to constant at zero, employee turnover in the Insurance Industry in Kenya would be 1.481. The constant ($\beta = 1.481$) was significant at 0.05 significance level ($P = 0.000$). The findings further showed that management style had a coefficient of -0.159 indicating that holding all other factors constant, a unit improvement in management style would result in a 15.9% decrease in employee turnover in the Insurance Industry in Kenya. The coefficient was significant since the p-value obtained (0.004) was less than the level of significance of 0.05. It was established that management style has a negative significant influence on employee turnover in the Insurance Industry in Kenya.

Regarding work environment, it was observed that work environment had a coefficient of -0.232 suggesting that holding all other factors constant, a unit improvement in work environment results in a 23.2% decrease in employee turnover in the Insurance

Industry in Kenya. This variable was significant since the p-value (0.003) was less than the significance 0.05. Results further showed that reward management has a coefficient of -0.216 indicating that increasing reward management by one unit while holding all other factors constant would result in 0.216-unit decrease in employee turnover in the Insurance Industry in Kenya. This relationship was significant since the p-value (0.006) was less than the 0.05 significance level.

Regarding career development opportunities, it was noted that it had a coefficient of -0.196 indicating that holding all other factors constant, a unit increase in career development opportunities leads to a 19.6% improvement in employee turnover in the Insurance Industry in Kenya. The variable was also found to be significant since the p-value (0.005) was less than the selected level of significance (0.05).

Based on the magnitude, the study established that work environment had the highest influence on employee turnover in the Insurance Industry in Kenya followed by reward management, career development opportunities, and lastly was management style. The findings agree with Mayhew (2017) states that a high level of employee turnover may be related to factors such as low wages or unattractive working conditions, or to a high concentration of casual or seasonal workers. It also agrees with Ching-Wen (2014) that to fulfil the basic needs and provide a good working environment, good pay and other benefits in an economic approach is quite multifaceted and burdensome to an organization. Lyengi (2014) established that salary, employee dissatisfaction with their work, poor working conditions, lack of employee's participation in decision making process, lack of motivation, discrimination at workplace, supervision are among the factors influencing the employee's turnover at the firm which concurs with present study findings.

Table 4.131: Beta Coefficients without the Moderator

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.481	0.201		-7.368	.000
Management Style	-0.159	0.068	-0.067	-2.338	.004
Work Environment	-0.232	0.079	-0.251	-2.937	.003
¹ Reward Management	-0.216	0.082	-0.016	-2.634	.006
Career Development Opportunities	-0.196	0.069	-0.126	-2.841	.005

a. Dependent Variable: employee turnover

4.11 Multiple Regression Model with the Moderator Findings on Organizational Determinants and Employee Turnover

The fifth objective of the study was to establish the moderating influence of organization culture on the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya. Moderation happens when the relationship between the dependent variable and the independent variables is dependent on a third variable (moderating variable). The influence that this variable has is termed as interaction as it affects the direction or strength of the relationship between the dependent and independent variable. To achieve the fifth research objective, the study computed moderating influence regression analysis. This (moderating influence regression analysis) also guided the study in testing the fifth research hypothesis. Organization culture has no significant moderating influence on the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya.

The study combined all the four organizational determinants (management style, work environment, reward management, career development opportunities) to form a new variable X. The study then used stepwise regression to establish the moderating influence of organization culture (M) on the relationship between organizational determinants (X) and employee turnover in the Insurance Industry in Kenya (Y).

From the model summary findings in Table 4.32, the first model was the regression between organizational determinants (X) without moderator and interaction term. The value of R-squared was 0.733 which suggests that 73.3% change in employee turnover in the Insurance Industry in Kenya can be explained by changes in organizational determinants. The p-value for the first model (0.000) was less than the selected level of significance (0.05) suggesting that the model was significant. The findings in the second model which constituted organizational determinants, organization culture and interaction term (X*M) as predictors, the r-squared was 0.798. This implies that the introduction of organization culture in the second model led to a 0.065 increase in r-squared, showing that organization culture positively moderates the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya.

Table 4.32: Model Summary of Moderating Influence of Organizational Culture on Organizational Determinants and Employee Turnover

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.856 ^a	.733	.630	.09257	.630	286.619	1	267	.000
2	.895 ^b	.802	.798	.06616	.168	64.211	3	265	.000

a. Predictors: (Constant), organizational determinants

b. Predictors: (Constant), organizational determinants, organization culture, Interaction

From the model summary findings in Table 4.33, the F-calculated for the first model, was 286.619 and for the second model was 222.408. Since the F-calculated for the two models were more than the F-critical, 3.898 (first model) and 2.659 (second model), the two models were good fit for the data and hence they could be used in predicting the moderating influence of organization culture on the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya.

Table 4.33: ANOVA of Moderation Influence of Organization Culture on Organizational Determinants and Employee Turnover

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.456	1	2.456	286.619	.000 ^b
	Residual	1.431	167	0.009		
	Total	3.887	168			
2	Regression	2.956	3	0.985	222.408	.000 ^c
	Residual	0.731	165	0.004		
	Total	3.687	168			

a. Dependent Variable: Employee turnover

b. Predictors: (Constant), organizational determinants

c. Predictors: (Constant), organizational determinants, organization culture, Interaction

Further, by substituting the beta values as well as the constant term from the coefficient's findings for the first step regression modelling, the following regression model will be fitted:

$$Y = 1.387 - 0.308 X$$

Where X is organizational determinants; Y is Employee turnover

The findings show that when organizational determinants are held to a constant zero, employee turnover in the Insurance Industry in Kenya will be at a constant value of 1.876. The findings also show that organizational determinants have a statistically significant influence on employee turnover in the Insurance Industry in Kenya as shown by a regression coefficient of -0.308 (p-value= .000).

By substituting the beta values as well as the constant term from model 2 emanating from the second step in regression modelling the following regression model was fitted:

$$Y = 1.876 - 0.220 X - 0.325 M - 0.283 X * M$$

Where X is organizational determinants; M is organization culture and X*M is the interaction term between organizational determinants of organization culture.

The findings show that when organizational determinants, organization culture and the interaction term ($X*M$) are held to a constant zero, employee turnover in the Insurance Industry in Kenya will be at a constant value of 1.876. The model also indicated that organizational determinants had a negative and statistically significant influence on employee turnover in the Insurance Industry in Kenya as shown by a regression coefficient of -0.220 (p-value= 0.002). It is also seen that organization had a negative and significant influence on employee turnover in the Insurance Industry in Kenya as shown by a regression coefficient -0.325. On the other hand, interaction of organizational determinants and organization culture ($X*M$) also had a negative influence on employee turnover in the Insurance Industry in Kenya as shown by a regression coefficient of -0.283 (p-value= 0.000).

It is therefore seen that organizational determinants on its own has 22% influence on employee turnover in the Insurance Industry in Kenya. However, when interacted with organization culture, it has an influence of 28.3%. This is a clear indication that introduction of organization culture as moderating variable has positive influence on organizational determinants and its influence on employee turnover in the Insurance Industry in Kenya. The study therefore rejects the null hypothesis and accepts the alternative, that organization culture has a positive significant moderating influence on the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya.

The descriptive findings showed that management employees in insurance companies in Kenya agreed on average (Mean= 3.863) that organization culture has some moderating influence on the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya. Also, regression findings have shown that the R-square change was 0.065 which suggests that introduction of organization culture as a moderating variable results to a 6.5% increase in amount of variation in employee turnover in the Insurance Industry in Kenya explained by the model. Therefore, organization culture has a significant moderating influence on the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya.

The findings agree with Amah, (2012) that the culture of organization has been affected by attitudes, norms and beliefs that lead to strong communication between employees. Dell and Kumasey (2013) that organizational culture is an important recipe for the encouragement or discouragement of behaviours in organization. In addition, Biju (2015) intimated that organizational culture can increase or decrease employee retention rates in organizations because it affects commitment levels of employees in organizations. Individuals tend to be attracted to and remain engaged in organizations that perceive to be compatible.

Table 4.34: Beta Coefficients of Moderation Influence of Organization Culture on Organizational Determinants and Employee Turnover

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	1.387	.194		7.149	.000
1 Organizational determinants					
	-3.308	.050	-.580	-6.160	.000
(Constant)	1.876	.609		3.080	.000
2 Organizational determinants					
	-.220	.067	-.782	-3.284	.002
Organization culture	-.325	.048	-.310	-6.771	.000
Interaction (X*M)	-.283	.065	-.161	-4.354	.000

a. Dependent Variable: Employee turnover

4.12 Descriptive Analysis Findings on Employee Turnover

The main objective of the study was to establish organizational determinants of employee turnover in the Insurance Industry in Kenya. Respondents were therefore asked to indicate their level of agreement on the statements about employee turnover. Table 4.35 presents a summary of the findings obtained. The findings show that the respondents agreed that the number of employees leaving the organization annually has reduced (M= 3.909, SD= 0.335); that employees leave the organization voluntarily (M= 3.863, SD= 0.327); and that employees leave the organization involuntarily (M=

3.836, SD= 0.299). They further agreed that employees leave the organization due to retirement (M= 3.836, SD= 0.351); that the number of new recruitments has decreased in the organization (M= 3.994, SD= 0.332); and that low new recruitments save costs for the organization (M= 3.981, SD= 0.339).

The findings are consistent with those of Aman (2015) that employees may leave an organization due to sickness, death, moving abroad or employer-initiated termination. Heneman, Judge and Kammeyer-Muelle (2012) also observed that employees might decide to leave an organization voluntarily because of getting a better job, changing career, or present job is unattractive because of poor working conditions, low pay or benefits, and bad relationship with supervisor. In addition, Campbell, Ganco, Franco and Agarwal (2012) observed that employees leave an organization due to bad relationships in the workplace, being bored or unchallenged in the work itself and poor benefits.

Table 4.35: Descriptive Statistics on Employee Turnover

Statements	5	4	3	2	1	Mean	Std. Dev.
The number of employees leaving the organization annually has reduced	57 (33.7%)	65 (38.5%)	29 (17.2%)	10 (5.9%)	8 (4.7%)	3.909	0.335
Employees leave the organization voluntarily	48 (28.4%)	79 (46.7%)	20 (11.8%)	15 (8.9%)	7 (4.1%)	3.863	0.327
Employees leave the organization involuntarily	46 (27.2%)	79 (46.7%)	23 (13.6%)	12 (7.1%)	9 (5.3%)	3.836	0.299
Employees leave the organization due to retirement	44 (26.0%)	82 (48.5%)	22 (13.0%)	14 (8.3%)	7 (4.1%)	3.836	0.351
The number of new recruitments has decreased in the organization	70 (41.4%)	59 (34.9%)	19 (11.2%)	11 (6.5%)	10 (5.9%)	3.994	0.332
Low new recruitments save costs for the organization	60 (35.5%)	68 (40.2%)	24 (14.2%)	12 (7.1%)	5 (3.0%)	3.981	0.339
Aggregate Score						3.903	0.330

4.13 Descriptive Analysis Findings on Organization Culture

The fifth objective of the study was to establish the moderating influence of organization culture on the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya. Respondents were therefore asked to indicate their level of agreement on statements about the moderating influence of organization culture on the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya. Table 4.36 presents a summary of the findings obtained.

Based on the findings, the respondents were in agreement that core values sets a foundation for the organization's culture (M= 3.738, SD= 0.283); core values help to attract, hire, and retain the right type of employees (M= 3.988, SD= 0.287); that the organization provide employees with safe work environment (M= 3.902, SD= 0.302); and that artefact helps in shaping and that artefacts help in ensuring that employees understand the organization culture (M= 3.836, SD= 0.323) . They were also in agreement that artefacts help in shaping and reinforcing culture in the organization (M= 3.850, SD= 0.299).

This is clear indication that organization culture affects the rate of turnover in an organization indirectly. Also, as supported by an aggregate mean score of 3.863 (SD= 0.299) we can conclude that organization culture establish has moderating effect on the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya. The findings agree with those of Biju (2015) that, organizational culture can increase or decrease employee retention rates in organizations because it affects commitment levels of employees in organizations. Individuals tend to be attracted to and remain engaged in organizations that perceive to be compatible. In addition, Eaton and Kilby (2015) found that when the organizational culture is weak, the organization's existence is at risk because organization members have different values and beliefs, where they may work against the management's priority which agrees with present study findings.

Table 4.36: Descriptive Statistics on Organization Culture

Statements	5	4	3	2	1	Mean	Std. Dev.
Core values set a foundation for the organization's culture	36 (21.3%)	85 (50.3%)	25 (14.8%)	13 (7.7%)	10 (5.9%)	3.738	0.283
Core values help to attract, hire, and retain the right type of employees	72 (42.6%)	53 (31.4%)	21 (12.4%)	16 (9.5%)	7 (4.1%)	3.988	0.287
The organization provide employees with safe work environment	63 (37.3%)	61 (36.1%)	21 (12.4%)	14 (8.3%)	10 (5.9%)	3.902	0.302
Artefacts helps in ensuring that employees understand the organization culture	51 (30.2%)	74 (43.8%)	19 (11.2%)	16 (9.5%)	9 (5.3%)	3.836	0.323
Artefact helps in shaping and reinforcing culture in the organization	48 (28.4%)	78 (46.2%)	20 (11.8%)	15 (8.9%)	8 (4.7%)	3.850	0.299
Aggregate Score						3.863	0.299

4.14 Summary of Hypotheses Findings

The study tested a series of hypotheses to determine the significance of the relationships between organizational determinants and employee turnover in the insurance industry in Kenya. Using inferential statistical analysis, each hypothesis was evaluated at a 5% level of significance. The findings indicated that management style, work environment, reward management, and career development opportunities had statistically significant effects on employee turnover. In addition, organizational culture was found to significantly moderate the relationship between organizational determinants and employee turnover. Consequently, all null hypotheses were rejected and the corresponding alternative hypotheses accepted, confirming the importance of organizational determinants in influencing employee turnover within the industry. Table 4.37 presents a summary of the hypothesis findings.

Table 4.37: Summary of Hypothesis Findings

S/No	Null Hypothesis (H₀)	Alternate Hypothesis (H₁)	Decision
1.	Management style has no significant influence on employee turnover in the Insurance Industry in Kenya	Management style has a significant influence on employee turnover in the Insurance Industry in Kenya	Reject H ₀ ; Accept H ₁
2.	Work environment has no significant influence on employee turnover in the Insurance Industry in Kenya.	Work environment has a significant influence on employee turnover in the Insurance Industry in Kenya.	Reject H ₀ ; Accept H ₁
3.	Reward management has no significant influence on employee turnover in the Insurance Industry in Kenya.	Reward management has a significant influence on employee turnover in the Insurance Industry in Kenya	Reject H ₀ ; Accept H ₁
4.	Career development opportunities have no significant influence on employee turnover in the Insurance Industry in Kenya	Career development opportunities have a significant influence on employee turnover in the Insurance Industry in Kenya.	Reject H ₀ ; Accept H ₁
5.	Organizational culture has no significant moderating influence on the relationship between organizational determinants and employee turnover in the Insurance Industry in Kenya.	Organizational culture has a significant moderating influence on the relationship between organizational determinants and employee turnover in the Insurance Industry in Kenya.	Reject H ₀ ; Accept H ₁

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter presents the summary, conclusion and recommendations of the study as per the study hypothesis. The main focus of the study was to find out the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya.

5.2 Summary of Major Findings

The study presents a summary of findings based on specific objectives of the study. The study was guided by the following specific objectives; to establish the influence of management style on employee turnover in the Insurance Industry in Kenya; to assess the influence of work environment on employee turnover in the Insurance Industry in Kenya; to determine the influence of reward management on employee turnover in the Insurance Industry in Kenya; to examine the influence of career development opportunities on employee turnover in the Insurance Industry in Kenya; and to establish the moderating influence of organization culture on the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya.

5.2.1 Management Style and Employee Turnover

The first objective of the study was to establish the influence of management style on employee turnover in the Insurance Industry in Kenya. The findings revealed that management style, measured in terms of communication, supervision, and management support, has a significant influence on employee turnover. The study established that effective communication practices, particularly two-way communication, provision of relevant information, and regular feedback, enhance employee engagement and performance. Employees also indicated that when management considers their suggestions, they feel valued, which strengthens their commitment to the organization.

In terms of supervision, the findings showed that clear guidance on roles and responsibilities, regular interaction between managers and employees, and accountability for performance contribute to improved employee effectiveness. Such supervisory practices were found to create a structured and supportive work environment that reduces turnover intentions. Regarding management support, respondents agreed that managers play a critical role in assisting employees in solving work-related challenges, supporting creativity and innovation, and promoting employee growth through training and development opportunities. These supportive practices were found to enhance employee motivation, job satisfaction, and retention.

Further findings indicated that effective management styles that promote feedback, support, and employee involvement lead to better performance outcomes and lower employee turnover. In contrast, management approaches characterized by limited feedback and inadequate support were associated with higher turnover intentions.

Overall, the study established that management style has a significant influence on employee turnover in the Insurance Industry in Kenya. Consequently, the null hypothesis, which stated that management style has no significant influence on employee turnover, was rejected and the alternative accepted.

5.2.2 Work Environment and Employee Turnover

The second objective of the study was to assess the influence of the work environment on employee turnover in the Insurance Industry in Kenya. The findings revealed that the work environment, measured in terms of work schedules, physical environment, and work relationships, has a significant influence on employee turnover. The study established that organizations provide supportive work schedules, including flexible working hours and time off, which help employees maintain a healthy work-life balance. Such practices were found to enhance employee well-being and reduce turnover intentions. In addition, the physical work environment was perceived to be conducive, with adequate working space, safe conditions, and proper lighting and air quality, all of which enable employees to perform their tasks efficiently and comfortably.

Regarding work relationships, the findings indicated that employees are encouraged to work collaboratively as a team, maintain positive relationships, and communicate effectively. These factors contribute to a supportive work environment that enhances productivity and strengthens employee attachment to the organization. Further findings showed that an unfavourable work environment leads to increased stress, errors in task performance, and underutilization of employee capabilities, which in turn contribute to higher employee turnover. Conversely, a conducive and safe work environment, coupled with positive workplace relationships, was found to significantly reduce employee turnover.

Overall, the study established that the work environment has a significant influence on employee turnover in the Insurance Industry in Kenya. Consequently, the null hypothesis, which stated that the work environment has no significant influence on employee turnover, was rejected and the alternative accepted.

5.2.3 Reward Management and Employee Turnover

The third objective of the study was to determine the influence of reward management on employee turnover in the Insurance Industry in Kenya. Reward management was measured using promotion, recognition, and fairness. The findings revealed that respondents generally agreed that their organizations provide opportunities for promotion. Employees indicated that promotions are based on good performance and that such practices motivate them to remain in the organization. This implies that promotion serves as an important retention strategy by rewarding employee effort and encouraging continued organizational commitment.

With regard to recognition, the results showed that employees are acknowledged through rewards and appreciation for their contributions. Respondents noted that recognition makes them feel valued and important to the organization, thereby strengthening their sense of belonging. As a result, recognition was found to play a significant role in enhancing employee retention. In terms of fairness, respondents agreed that their organizations uphold fairness through equal treatment of employees and transparent processes in pay and promotion. Fair reward practices were associated

with increased employee trust and motivation, which are essential in reducing turnover intentions.

Qualitative responses further supported these findings. Respondents explained that incentive programs enhance employees' sense of value and job satisfaction, thereby reducing turnover. Promotion based on merit was identified as a key driver of motivation and engagement, while recognition was seen to strengthen employees' attachment to the organization and improve performance. Additionally, a fair and well-structured reward system was reported to significantly reduce employee turnover by enhancing satisfaction and productivity. Conversely, ineffective or unfair reward systems were linked to increased turnover, as employees tend to seek better opportunities elsewhere.

Based on these findings, the study concludes that reward management has a significant influence on employee turnover in the Insurance Industry in Kenya. Therefore, the null hypothesis, which stated that reward management has no significant influence on employee turnover, was rejected, while the alternative hypothesis was accepted.

5.2.4 Career Development Opportunities and Employee Turnover

The fourth objective of the study was to examine the influence of career development opportunities on employee turnover in the Insurance Industry in Kenya. The findings revealed that career development opportunities, measured through sourcing development opportunities, study leave, and scholarships, significantly influence employee turnover.

The study established that organizations provide employees with training and development opportunities, encourage teamwork as a learning platform, and support professional courses. These initiatives enhance employees' skills and competencies, thereby increasing their commitment to the organization. In addition, study leave was identified as an important human resource policy that promotes personal growth and long-term organizational benefits through skills development. Employees also perceived scholarships as valuable opportunities that enable career advancement and exposure to new learning experiences.

Further findings indicated that career development opportunities play a critical role in reducing employee turnover. Respondents noted that employees are more likely to remain in organizations that invest in their career growth, as this increases engagement, motivation, and productivity. Career development was also found to enhance knowledge sharing, improve performance, and attract and retain talented employees.

Overall, the study established that career development opportunities have a significant influence on employee turnover in the Insurance Industry in Kenya. Consequently, the null hypothesis, which stated that career development opportunities have no significant influence on employee turnover, was rejected and the alternative accepted.

5.2.5 Moderating Influence of Organization Culture on the Relationship between Organizational Determinants and Employee Turnover

The fifth objective of the study was to establish the moderating influence of organizational culture on the relationship between organizational determinants and employee turnover in the Insurance Industry in Kenya. The findings revealed that organizational culture, reflected through core values and organizational artefacts, plays a significant moderating role in this relationship. The study established that core values form the foundation of organizational culture and are instrumental in attracting, hiring, and retaining employees who align with the organization's expectations. Respondents also indicated that organizations provide a safe work environment, which reinforces a positive culture and enhances employee well-being. In addition, organizational artefacts were found to play a key role in shaping and reinforcing culture, as they help employees understand and internalize organizational values and practices.

These findings suggest that organizational culture indirectly influences employee turnover by strengthening the relationship between organizational determinants (management style, work environment, reward management, and career development opportunities) and employee turnover. A strong and positive culture enhances the effectiveness of these determinants in reducing turnover, while a weak culture may diminish their impact.

Furthermore, organizational culture has a notable moderating effect on the relationship between organizational determinants and employee turnover. Overall, the study established that organizational culture has a significant moderating influence on the relationship between organizational determinants and employee turnover in the Insurance Industry in Kenya. Consequently, the null hypothesis which stated that organizational culture has no moderating influence on this relationship, was rejected and the alternative accepted.

5.3 Conclusions

This section covers the conclusions of the study.

5.3.1 Management Style and Employee Turnover

The study concludes that management style is a critical determinant of employee turnover in the Insurance Industry in Kenya. Specifically, leadership approaches that are participative, supportive, and transparent foster positive employee attitudes, enhance job satisfaction, and strengthen organizational commitment, thereby reducing turnover intentions. Conversely, autocratic and unsupportive management practices contribute to employee dissatisfaction and significantly increase the likelihood of turnover. This underscores the importance of adopting effective leadership styles to enhance employee retention.

The initial null hypothesis tested was that management style does not significantly influence employee turnover in Kenya's Insurance Industry. However, the study found that management style plays a statistically significant role in explaining staff turnover within this sector. Specifically, it was identified as having a negative influence. This suggests that enhancements in management style could lead to a decrease in employee turnover in Kenya's insurance sector. Consequently, the study rejects the null hypothesis and accepts the alternative, and concludes that there is a negative correlation between management style and employee turnover in this industry.

5.3.2 Work Environment and Employee Turnover

The study concludes that the work environment has a significant influence on employee turnover in the Insurance Industry in Kenya. A conducive work environment characterized by adequate resources, safe working conditions, and positive interpersonal relationships promotes employee well-being and satisfaction, which in turn reduces turnover intentions. On the other hand, poor working conditions, lack of essential resources, and unhealthy workplace relationships increase employee frustration and the propensity to leave the organization.

The second test of the null hypothesis suggested that the work environment has no significant influence on employee turnover in Kenya's Insurance Industry. However, the study revealed that the work environment plays a statistically significant role in influencing employee turnover within this sector. It was found to have a negative influence, implying that enhancing workplace conditions could lead to a decrease in employee turnover in Kenya's Insurance Industry. Consequently, the study rejects the null hypothesis and accepts the alternative, and concludes that there is a negative correlation between employee turnover and the work environment in Kenya's insurance sector.

5.3.3 Reward Management and Employee Turnover

The study concludes that reward management significantly affects employee turnover in the Insurance Industry in Kenya. Organizations that provide fair, competitive, and performance-based rewards are more likely to retain their employees, as such systems enhance motivation, satisfaction, and perceived organizational support. In contrast, inequitable or inadequate reward systems lead to dissatisfaction and increase employees' intentions to seek alternative employment opportunities.

The third null hypothesis tested was that reward management does not significantly influence employee turnover in Kenya's Insurance Industry. However, the study found that reward management does have a statistically significant influence on employee turnover within this sector. Specifically, it was shown to have a negative influence. This suggests that improvements in reward management would lead to a decrease in

employee turnover in Kenya's Insurance Industry. Consequently, the study rejects the null hypothesis and accepts the alternative, and concludes that there is a negative correlation between reward management and employee turnover in this sector.

5.3.4 Career Development Opportunities and Employee Turnover

The study concludes that career development opportunities play a significant role in influencing employee turnover in the Insurance Industry in Kenya. Access to training, professional development, and clear career progression paths enhances employees' sense of growth and long-term commitment to the organization, thereby reducing turnover. Again, limited opportunities for advancement and skill development result in stagnation, dissatisfaction, and a higher likelihood of employee exit.

The fourth null hypothesis tested was that career development opportunities do not significantly affect employee turnover in the Insurance Industry in Kenya. However, the study found that opportunities for professional growth play a statistically significant role in employee turnover within this sector, revealing a negative influence. This suggests that enhancing career development opportunities would lead to a decrease in staff turnover in Kenya's Insurance Industry. The findings indicate a negative relationship between career development opportunities and employee turnover, thus rejecting the null hypothesis based on the data collected.

5.3.5 Moderating Influence of Organization Culture on the Relationship between Organizational Determinants and Employee Turnover

The study concludes that organizational culture significantly moderates the relationship between organizational determinants and employee turnover in the Insurance Industry in Kenya. A strong organizational culture, characterized by shared values, supportive practices, and a positive work climate, reinforces the effectiveness of management style, work environment, reward management, and career development opportunities in reducing turnover. On the other hand, a weak or negative culture diminishes the positive effects of these determinants, thereby increasing employee turnover.

The fifth study hypothesis examined whether organizational culture significantly moderates the relationship between the determinants influencing employee turnover in Kenya's Insurance Industry. The findings revealed that organizational culture has a direct and substantial influence on the connection between management style and employee turnover in this sector. Additionally, the interaction between work environment and organizational culture positively affected the relationship between work environment and employee turnover. The study also indicated that the incorporation of organizational culture into reward management significantly influenced the association between reward management and employee turnover in Kenya's Insurance Industry. Further, the implementation of organizational culture had a notable positive influence on the relationship between employee turnover and career advancement opportunities in this sector. Based on these results, the study rejects the null hypothesis and accepts the alternative, concluding that organizational culture plays a significant role in positively modifying the link between employee turnover and career development opportunities in Kenya's Insurance Industry.

5.4 Recommendations

This section covers the recommendations of the study.

5.4.1 Recommendations of Policy and Practice

Employee retention can be enhanced by adopting a management style that aligns with the needs of employees. It's crucial for insurance companies to focus on fostering positive relationships both among employees and between employees and their supervisors, ensuring these interactions remain smooth and harmonious. Management support, clear communication, and leadership significantly influence retention rates. As a result, leaders in insurance companies should consult with group managers to guide employees on tasks and processes.

Based on the study's findings, insurance companies should prioritize creating a supportive work environment by focusing on clear goals. They should foster a positive non-physical work atmosphere and ensure the physical workspace meets employees'

needs. Additionally, implementing well-structured work schedules can significantly contribute to employee motivation and retention.

Increasing pay alone is not enough to reduce employee turnover; employees' perception of whether they are being paid fairly for their work also plays a crucial role. Therefore, insurance companies should adopt an equitable pay system, ensuring that every employee is fairly compensated for their contribution. The current reward system should take this into consideration. Additionally, offering attractive cash incentives is another key factor in reducing turnover. Insurance companies should enhance employee incentive programs, such as performance-based bonuses, where goals are realistic and aligned with both the business objectives and the employees involved.

Insurance companies in Kenya should implement an effective coaching and mentoring program to support employees in carrying out their duties and responsibilities. This approach fosters strong relationships between management and employees while identifying talents that require further development. The study also suggests that insurance companies base their career development programs on research findings related to employee competence management. To address competency gaps, they should organize training programs and define career paths aligned with position competencies, ensuring these are communicated to all employees. Additionally, companies should periodically conduct position analyses and integrate coaching into their employees' career development plans.

The research advises that insurance companies perform a thorough cultural assessment to pinpoint key cultural characteristics such as hierarchical, innovative, collaborative, and competitive. Deliberately foster a culture of growth and development that clearly prioritizes learning, internal movement, and mentorship. This culture needs to be conveyed from the CEO downwards; emphasizing that career development is an essential organizational focus, rather than merely a human resources initiative.

5.4.2 Recommendations to Practitioners

Managers must assert themselves while setting a positive example for their teams. Leaders should advocate for the group's interests, involve staff in organizational decision-making, seek group approval on significant matters, and maintain a friendly, supportive, and considerate approach towards others. Management should strive to cultivate a work environment that attracts, motivates, and retains staff, ensuring they can work comfortably, which in turn boosts organizational productivity. Providing adjustable and flexible furniture for all employees is essential to promote comfort and long-term health.

5.4.3 Recommendations to Theory

The research proposes a novel comprehensive theoretical framework that directly connects Leadership Theories, Motivational Theories, and Career Theories. This model must illustrate how inadequate management practices and inequitable rewards directly erode the psychological contract and an employee's view of their career trajectory. The theory ought to go beyond examining these variables separately. The theory ought to formally propose and model their combined detrimental impacts. For instance, consider that a harmful work atmosphere amplifies the detrimental influences of inadequate reward management on professional growth.

5.4.4 Suggested Areas for Further Studies

This study focused on the organizational determinants influencing employee turnover in Kenya's Insurance Industry, with data collected exclusively from management-level employees. While organizational culture served as the moderating variable, it is recommended that future research consider alternative moderators, such as organizational image, which can significantly affect employees' willingness to remain associated with a company. Since the study concentrated on management, future studies should include employees across all organizational levels to enhance the generalizability of the findings. The study examined only four organizational determinants, which collectively accounted for 73.3% of the variation in employee turnover. Therefore, further research is needed to identify additional factors that may

explain the remaining 26.7% of the variation. Future studies could also investigate the influence of these organizational determinants not only on employee turnover but also on overall employee and organizational performance.

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APPENDICES

Appendix I: Questionnaire

Kindly tick appropriately

Section A: Demographic Information

1. Kindly indicate your gender

Male () Female ()

2. How long have you been working in the company?

1-5 years ()

6-10 years ()

Above 11 years ()

Section B: Management Style

3. Indicate the extent to which you agree with on the following statements about the influence of management style on employee turnover in the Insurance Industry in Kenya. Using the scale 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree

Statements	5	4	3	2	1
Communication					
In our organization, communication is two way, employees are provided with the information they need and also the management listens to them					
In our organization, employees are provided with feedback about their work to help them improve and also correct mistakes					
In our organization, the management gives consideration to employees suggestions to make them feel valued					
Supervision					

In our organization, employees are given specific instructions on their roles and responsibilities					
In our organization, managers interact with employees to review their work and encourage them to improve					
Through supervision, employees in our organization are held accountable of their results					
Management Support					
In our organization, managers help employees in solving problem they experience while carrying out their duties					
In our organization, the managers support employees creativity and innovations to ensure that they are fully implemented					
In our organization, managers support employee growth by providing them with training opportunities to enhance their skills and knowledge					

4. In your own view, how does management style influence employee turnover in the Insurance Industry in Kenya?

.....
.....
.....
.....

Section C: Work Environment

5. Indicate the extent to which you agree with on the following statements about the influence of work environment on employee turnover in the Insurance Industry in Kenya. Using the scale 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree

	5	4	3	2	1
Work schedules					
Our organization prioritizes employee work schedules to maintain a healthy and productive workforce					
In our organization, employees are given time off to focus on their personal life and have a break from their work					
In our organization, employees are provided with flexible working hours to take care of their needs					
Physical environment					
In our organization, employees are provided with adequate working space to perform their work efficiently					

In our organization, the work environment is safe to protect the employee health and safety					
In our organization, the management ensure that the work environment has proper lighting and air quality to help employees undertake their tasks comfortably					
Work relationships					
In our organizations, employees are encouraged together as a team to achieve firm goals					
In our organization, employees are encouraged to maintain positive relationships to be more productive					
In our organization, employees maintain good communication among themselves to perform their tasks influenceively					

6. In your own view, how does management style influence employee turnover in the Insurance Industry in Kenya?

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Section D: Reward Management

7. Indicate the extent to which you agree with on the following statements about the influence of reward management on employee turnover in the Insurance Industry in Kenya. Using the scale 1-strongly disagree, 2-disagre, 3-moderate, 4-agree, 5-strongly agree

Statements	5	4	3	2	1
Promotion					
Our organization provides its employees with promotion					
In our organization, employees promoted for good performance					
Providing promotion to employees encourages them to remain in the organization					
Recognition					
In our organization employees are recognized by offering rewards					

In our organization employee's recognition makes them feel they are important to the organization					
Recognition of employees encourages them to remain in the organization					
Fairness					
Our organization employee's fairness is ensured by equal treatment					
In organization pay and promotion are done through a fair process					
Positive fairness promotes employees trust and motivation					

8. In your own view, how does reward management influence employee turnover in the Insurance Industry in Kenya?

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Section E: Career Development Opportunities

9. Indicate the extent to which you agree with on the following statements about the influence of career development opportunities on employee turnover in the Insurance Industry in Kenya? Using the scale 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree

	5	4	3	2	1
Sourcing for development opportunities					
The organization provides training opportunities for employees					
The organization requires employee to work as a team and learn from each other					
The organization supports employees professional courses					
Study leave					
Study leave is a fundamental human resource policy in the organization					
Study leave offers employees the chance for personal growth					
Study leave provides long-term benefits for the organization since it supports skills growth					

Scholarships					
Every employee in the organization has the opportunity get scholarship					
Scholarships help employee to advance in their career					
Scholarships provides employees with opportunities to learn through new experiences					

10. In your own view, how does career development opportunities influence employee turnover in the Insurance Industry in Kenya?

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Section F: Organization Culture

11. Indicate the extent to which you agree with on the following statements about the moderating influence of organization culture on the relationship between organizational determinants of employee turnover in the Insurance Industry in Kenya? Using the scale 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree

	5	4	3	2	1
Core values set a foundation for the organization’s culture					
Core values help to attract, hire, and retain the right type of employees					
The organization provide employees with safe work environment					
Artefacts helps in ensuring that employees understand the organization culture					
Artefact helps in shaping and reinforcing culture in the organization					

Section G: Employee Turnover

12. Indicate the extent to which you agree with on the following statements about
Using the scale 1-strongly disagree, 2-disagre, 3-moderate, 4-agree, 5-strongly agree

Statements	5	4	3	2	1
The number of employees leaving the organization annually has reduced					
Employees leave the organization voluntarily					
Employees leave the organization involuntarily					
Employees leave the organization due to retirement					
The number of new recruitments has decreased in the organization					
Low new recruitments save costs for the organization					

THANK YOU

Appendix II: Introduction Letter



Appendix III: NACOSTI Permit



JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY
P.O BOX 62000(00200) NAIROBI, Tel:(067) 58700001-4
(Office of the Deputy Vice Chancellor, Research Production and Extension Division)
JKUAT INSTITUTIONAL SCIENTIFIC AND ETHICS REVIEW COMMITTEE

REF: JKU/2/4/896B

Date: 4th May, 2023

TERESIA WANJIKU GICHUNGU
DEPARTMENT OF ENTREPRENEURSHIP, TECHNOLOGY, LEADERSHIP AND MANAGEMENT, JKUAT

Dear Ms. Gichungu,

RE: ORGANIZATIONAL DETERMINANTS AND EMPLOYEE TURNOVER IN THE INSURANCE INDUSTRY IN KENYA

This is to inform you that JKUAT Institutional Scientific and Ethics Review Committee has reviewed and approved your above research proposal. Your application approval number is JKU/ISERC/02316/0884. The approval period is 4th May 2023 to 3rd May 2024.

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by JKUAT ISERC.
- iii. Death and life threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to JKUAT ISERC within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to JKUAT ISERC within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to JKUAT ISERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://oris.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely

Dr Patrick Mburugu
CHAIR, JKUAT ISERC



JKUAT is ISO 9001:2015 and ISO 14001:2015 certified



Setting Trends in Higher Education, Research, Innovation and Entrepreneurship

Appendix IV: List of Insurance Companies in Kenya

1. AAR Insurance Kenya
2. Africa Merchant Assurance Company (AMACO)
3. Allianz
4. Apollo Life Assurance
5. AIG Kenya Insurance Company
6. British-American Insurance Company Kenya Limited
7. Cannon Assurance Company Limited
8. Capex Life Assurance Company
9. CIC General Insurance
10. CIC Life Assurance
11. Continental Reinsurance
12. Corporate Insurance Company
13. Directline Assurance Company
14. East Africa Reinsurance Company
15. Fidelity Shield Insurance Company
16. First Assurance Kenya Limited
17. GA Insurance Company
18. Geminia Insurance Company
19. ICEA LION General Insurance Company
20. ICEA LION Life Assurance Company
21. Intra Africa Assurance Company
22. Invesco Assurance Company
23. Kenindia Assurance Company
24. Kenya Orient Insurance
25. Kenya Reinsurance Corporation
26. Klaim Insure Insurance Company
27. Liberty Life Assurance Kenya Limited
28. Madison Insurance Company Kenya
29. Mayfair Insurance Company
30. Mercantile Insurance Company
31. Metropolitan Life Insurance Kenya

32. Occidental Insurance Company
33. Next Car Insurance Kenya
34. Old Mutual Life Assurance Company
35. Pacis Insurance Company
36. Phoenix of East Africa Assurance Company
37. Pioneer Assurance Company
38. Real Insurance Company
39. Resolution Insurance Company
40. Sanlam Kenya plc – was Pan Africa Life Assurance
41. Takaful Insurance of Africa
42. Tausi Assurance Company
43. Heritage Insurance Company
44. Jubilee Insurance Company Limited
45. Monarch Insurance Company
46. Trident Insurance Company
47. UAP Insurance Company
48. UAP Life Assurance Company

Source: Insurance Regulatory Authority of Kenya (2024)