

# [Background become one of the major challenges affecting](https://assignbuster.com/background-become-one-of-the-major-challenges-affecting/)

Backgroundof the StudyEmployeeturnover intentions havebecome one of the major challenges affecting allorganizations particularlyafter the global recession of 2008-2009 (Abdu and Kaleem, 2014; MoM, 2017; WorldBank, 2016).  Accordingto U. S. Bureau of Labour Statistics (2015), 69% of workers between ages 18 and24 leave their employers within one year and 93% leave within 5 years.

32% of older workers leave their employers withinone year and 69% older workers change employers within 5 years (cited in Smart& Chamberlain, 2016).  Studies by theOrganization for Economic Co-operation and Development (OECD, 2005) reiteratedthat labour turnover is a pervasivefeature of the labour market in all countries as approximately 10-15% of workersquit their jobs every year and United States alone had 15%.  Many of these turnovers were reported from theservice and manufacturing industry. Therefore, organizations all over the world are giving significance attention toemployee turnover as high level turnover of employees slow down the performanceof organization (Allen et al., 2010) and the National Health Insurance Scheme(NHIS) in Ghana is no exception. Battand Colvin (2011) posited that in order to comprehend this multifacetedphenomenon, researchers across the world have formulated different models ofemployee turnover due to multiplicity in the sample variables used for most studies.  Abbasi and Hollman (2000), asserted that thecomplexity of employee turnover is symptomatic of economical, psychological andorganizational consequences.

In the views of Loan-Clarke andWilkinson (2004), there is no standard framework for understanding employees’turnover processes as a whole. Besides, Chen et al. (2010) observed that it inflates expenses on recruitment andtraining of new employees.  Hissom (2009)added that employee turnover has a direct effect on company revenueand profitability as a result of hiring expenses and training labour cost. Aizaand Abdus (2013) reiterated that higher and frequent staff turnover inorganization result in low morale and deteriorating service quality. But Brownet al.

(2007) asserted that employee turnover may actually enhance firm performance, an opportunity which has fascinated limited awareness in the existingliterature, which has focused on the impact of turnover on workers rather thanon firms.  However, Ampomah and Cudjor (2015) indicated that employee turnover is a recurrent aspectof the labour market which influences both firms and their workers. Organizationshave to incur the expenses on recruiting and retraining of new employees, learningof specific skills tailored to job positions (Kazi & Zadeh, 2011).  Incoming employees on the other hand may bemore highly skilled and better educated but require in-service training ororientation to understand the operational modus of operandi in their new job(Singh & Loncar, 2010). According to Mitchell et al. (2001) when employeesleave the organization, it cost the organization time and money to replacethem, the total cost of which sometimes range from 90% – 200% of the annualsalary for the position advertised.

Employeeturnover can cost companies millions of dollars per year (Ton, & Huckman, 2008). Phillips and Connell (2003) enumerate the cost of turnover to include, recruiting cost, interviews and selection cost, orientation cost and administrativecost.  With respect to Ghana, Statistical Service ofGhana revealed in 2015 Labour Force Survey that 38. 7% of persons aged 15? 24 upward who had tertiaryeducation are unemployed, 20% of youth are in temporary or unsatisfactory jobsand most often this group turnover their job for better or well-paid jobs. However, the general employee turnover rate stood at 11. 9% in 2015.

For instance, astudy on total number of employee turnover in Vodafone stood at 18%. Ghana Education Service  stood at 19. 2% (GNAT/TEWU, 2010).  These revelations suggest that NHIS would beno exception. Therefore, the researchers sought to examine the effect of staffturnover on organizational performance in the NHIS.  Statement of the ProblemThe National Health Insurance Schemeis facing numerous problems regarding staff turnover.  This contributed to staff underperformancewhich ultimately affect organizational efficacy. Some researchers attributedthe problem to the changing demographics and societal norms which is affectingthe labour pool, where loyalty to one’s employer is no longer thestatus quo (Mathis & Jackson, 2007).

Mitchell, Holtom and Lee (2001) attributestaff turnover to conditions of service. On the other hand, Ampomah and Cudjor (2015) indicated that some degree of turnoveris anticipated, inevitable and considered beneficial to all organizations as newstaffs may inject fresh blood into the firm by introducing ground-breaking ideas, technological inventiveness and more efficient ways of doing things. Inaddition, turnover may help rectify poor hiring and placement decisions. Suchturnovers are termed functional turnover (Abdali, 2011).

This suggests thatcertain amount of turnover rejuvenate stagnating organizations. However, excessiveturnover creates an unstable labour-force and increases human resource cost(Shamsuzzoha & Shumon, 2007).  Inthe light of these views, the study intends to identify specific causes ofstaff turnover as well as its positive and negative effects on organizations. RESEARCHOBJECTIVES The study is intended to achieve thefollowing specific objectives: 1.    To assess the causes of staff turnoverin the NHIS.

2.    To ascertain the negative effects ofstaff turnover on NHIS. 3.    To ascertainthe positive effects of staff turnover on NHIS.

4.    To identify measures to improvestaff retention at  theNHIS ResearchQuestionsThestudy is aimed at addressing the following research questions1.    What are the causes of staffturnover at the NHIS? 2.   Whatare the negative effects of staff turnover on the NHIS? 3.   Whatare the positive effects of staff turnover on the NHIS? 4.   Whatmeasures can reduce the negative effects of turnover on NHIS performance. RESEARCHMETHODSResearchDesignThe study will adopt a quantitativeapproach.

The rationale for adopting quantitative approach is to enable theresearcher quantify and measure the effects of staff turnover on organizationalperformance at NHIS.  Cresswell (2008)posit that quantitative study involves collection of data so that informationcould be quantified and subjected to statistical treatment in order to supportor refute alternative knowledge claim. McMillan and Schumacher (2014)corroborated by stating that quantitative research relies heavily on numbers inreporting results.  . Survey designs will be used tocollect opinions of a population by studying a sample of the population todetermine the extent to which the quantifiable variables measure the views ofthe respondents (. Sekaran, & Bougie, 2010). This suggests that survey designs will be used to collect quantifiabledata from respondents to measure, examine and analyze their views about two ormore variables so as to generalize the findings to the population (Neutens,& Robinson, 2010).

Cohen et al. (2007) added that responses are usuallycollated through structured instruments. According to Sekaran (2003) crosssectional designs are used to collect data to make inferences about apopulation of interest at one point in time. Therefore, the rationale for theuse of survey and cross sectional designs in this study will be to assess theopinions of the NHIS staff on the causes of staff turnover, the positive andnegative effects of staff turnover and to identify measures that can reduce thenegative effects of staff turnover on NHIS performance only once. TargetPopulation of the Study The targeted population of the studywill be staff of Keta, Akatsi South and North, Ketu North and South District ofthe NHIS.  Keta has a staff strength ofthirty (30), Akatsi South has twenty-eight (28), North has twenty-seven (27), Ketu North thirty (30) and South forty (40). In all one hundred and twenty-five(125) employees will be targeted.

SamplingTechnique and Sample sizeCluster and simple random samplingswill be used to select the respondents from the five districts namely Keta, Akatsi North and South, Ketu North and South for the study. Cluster sampling will be used to group the staff on district bases because thedistricts are separated further apart from one another.  Johnson and Christensen (2010) posit thatcluster sampling is used when the elements in the population are geographicallyspread out. Simple random sampling will be used to select the respondents fromeach cluster. The simple random sampling approach will be used to help ensurethat each staff member in a cluster is given an equal chance of being selectedas a respondent in the study.

A total ofone hundred and twenty-five (125) staff will be selected from the five clustersof districts. Sekaran (2003) suggested that it is advisable to use largersamples in quantitative study for easy generalizability of the findings. Moreover, Sekaran (2003) maintained that sample sizes of between thirty (30)and five hundred (500) respondents are appropriate for most research. DataCollection InstrumentThe study will be based on primarydata gathered from the field directly through the use of questionnaires), Asmamaw (2011) and Hissom (2009). The items on the questionnaire will be ratedon a five (5) point Likert-type rating scale of “ Strongly Disagree”,” Disagree”, “ Undecided”, “ Agree”, “ Strongly Agree” which will be coded 1, 2, 3, 4, and 5 respectively.  Theinstrument will be self-administered by the researcher and collected after twodays. This is to allow respondents to complete the questionnaires because oftheir work demands. A total of one hundred (100) questionnaires is expected tobe fully completed and retrieved from respondents representing (83%) returnrate.

This is higher than the 30% anticipated in most research (Sekaran, 2003). Scoringand Interpretation of DataThe scores will be obtained byadding the scored marks such as “ Strongly Disagree – 1”, “ Disagree – 2”, “ Undecided- 3”, “ Agree – 4”, and “ Strongly Agree – 5”. The highest frequency count andpercentage score of respondents on any of the responses to represent theirview.  DataAnalysisThe data collated will betransformed into more suitable format for analysis by utilizing StatisticalProduct and Service Solution version 20 and Microsoft Excel 2010. Statisticaltechniques to be used in analyzing the data are frequency counts, percentages, sum, mean and standard deviation. Frequency counts and percentages will be usedto determine the number of respondent who “ Strongly Disagree”, “ Disagree”,” Undecided”, “ Agree”, or “ Strongly Agree” and their percentage scores. Mean andstandard deviation will be used to provide descriptive view of the effects ofstaff turnover on organizational performance.

Summation will be used to add theratings of the respondents to determine the total effects. This will enableeasy generalization from the sample to the population.  the Scopeof the StudyThe study will cover the NHISservice centres of Keta Municipality, Akatsi South North districts, Ketu Northand South (Denu) all in the Volta region of Ghana.

PotentialResearch OutcomesItis expected that the study will come out with the following: CausesLowlevel of pay, lack of promotional opportunities, lack of career developmentopportunities, poor working conditions, lack of recognition of one’s effort, pursue of higher education and unfair management treatment. Positive EffectsOpensup promotion channels for employee, helps in reducing redundancy in theorganization, injection of new ideas and skills into the organization andreplacement of poor performers. Negative EffectsLossof skilled manpower, additional costs of replacement recruitment, poor quality ofwork and difficulties in attracting new staff organization.

Significance of the StudyThestudy will enlighten organizations on both the beneficial and the negativeeffects of staff turnover. It will also provide measures to mitigate thenegative effects of turnover in organizations. It will serve as a spring boardfor organizational leaders in formulating policies that address staff turnoversbeforehand.  Again, it is hoped that theoutcome of the study will be useful to other organizations. Lastly, it willserve as a reference point to those who wish to conduct similar study in thislocale.  Organisationof the StudyThisstudy will comprise of five chapters. Chapter one will capture the backgroundof the study, the problem statement, the research objectives, the researchquestions, the purpose of the study, significance of the study, scope andorganization of the study. Chapter two will deal with the review of relatedliterature.

Chapter three will focus on methodology which will describe theresearch design, the setting, the population, sampling technique and sample size, data gathering instruments and procedures of the study and methods of dataanalysis. Chapter four will present the results and discuss the findings. Chapterfive will cover summary of the findings based on the research questionspresented together with conclusions and recommendations. The chapter will end withlimitations and suggestions for further studies.

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