

Background become
one of the major
challenges affecting



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Background of the Study Employee turnover intentions have become one of the major challenges affecting all organizations particularly after the global recession of 2008-2009 (Abdu and Kaleem, 2014; MoM, 2017; World Bank, 2016). According to U. S. Bureau of Labour Statistics (2015), 69% of workers between ages 18 and 24 leave their employers within one year and 93% leave within 5 years.

32% of older workers leave their employers within one year and 69% older workers change employers within 5 years (cited in Smart & Chamberlain, 2016). Studies by the Organization for Economic Co-operation and Development (OECD, 2005) reiterated that labour turnover is a pervasive feature of the labour market in all countries as approximately 10-15% of workers quit their jobs every year and United States alone had 15%. Many of these turnovers were reported from the service and manufacturing industry. Therefore, organizations all over the world are giving significance attention to employee turnover as high level turnover of employees slow down the performance of 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 multifaceted phenomenon, researchers across the world have formulated different models of employee turnover due to multiplicity in the sample variables used for most studies. Abbasi and Hollman (2000), asserted that the complexity of employee turnover is symptomatic of economical, psychological and organizational consequences.

In the views of Loan-Clarke and Wilkinson (2004), there is no standard framework for understanding employees' turnover processes as a whole.

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Besides, Chen et al. (2010) observed that it inflates expenses on recruitment and training of new employees. Hissom (2009) added that employee turnover has a direct effect on company revenue and profitability as a result of hiring expenses and training labour cost. Aiza and Abdus (2013) reiterated that higher and frequent staff turnover in organization result in low morale and deteriorating service quality. But Brown et al.

(2007) asserted that employee turnover may actually enhance firm performance, an opportunity which has fascinated limited awareness in the existing literature, which has focused on the impact of turnover on workers rather than on firms. However, Ampomah and Cudjor (2015) indicated that employee turnover is a recurrent aspect of the labour market which influences both firms and their workers. Organizations have to incur the expenses on recruiting and retraining of new employees, learning of specific skills tailored to job positions (Kazi & Zadeh, 2011). Incoming employees on the other hand may be more highly skilled and better educated but require in-service training or orientation to understand the operational modus operandi in their new job (Singh & Loncar, 2010). According to Mitchell et al. (2001) when employees leave the organization, it cost the organization time and money to replace them, the total cost of which sometimes range from 90% - 200% of the annual salary for the position advertised.

Employee turnover 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 administrative cost. With respect to Ghana, Statistical Service of Ghana

revealed in 2015 Labour Force Survey that 38.7% of persons aged 15-24
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upward who had tertiary education are unemployed, 20% of youth are in temporary or unsatisfactory jobs and 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, a study 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 be no exception.

Therefore, the researchers sought to examine the effect of staff turnover on organizational performance in the NHIS. **Statement of the Problem** The National Health Insurance Scheme is facing numerous problems regarding staff turnover. This contributed to staff underperformance which ultimately affect organizational efficacy. Some researchers attributed the problem to the changing demographics and societal norms which is affecting the labour pool, where loyalty to one's employer is no longer the status quo (Mathis & Jackson, 2007).

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

This suggests that certain amount of turnover rejuvenate stagnating organizations. However, excessive turnover creates an unstable labour-force and increases human resource cost (Shamsuzzoha & Shumon, 2007). In the light of these views, the study intends to identify specific causes of staff turnover as well as its positive and negative effects on organizations. **RESEARCH OBJECTIVES** The study is intended to achieve the following specific objectives: 1. To assess the causes of staff turnover in the NHIS.

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

4. To identify measures to improve staff retention at the NHIS

Research Questions The study is aimed at addressing the following research questions

1. What are the causes of staff turnover at the NHIS?
2. What are the negative effects of staff turnover on the NHIS?
3. What are the positive effects of staff turnover on the NHIS?
4. What measures can reduce the negative effects of turnover on NHIS performance.

RESEARCH METHODS **Research Design** The study will adopt a quantitative approach.

The rationale for adopting quantitative approach is to enable the researcher quantify and measure the effects of staff turnover on organizational performance at NHIS. Cresswell (2008) posit that quantitative study involves collection of data so that information could be quantified and subjected to statistical treatment in order to support or refute alternative knowledge claim. McMillan and Schumacher (2014) corroborated by stating

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that quantitative research relies heavily on numbers in reporting results. . Survey designs will be used to collect opinions of a population by studying a sample of the population to determine the extent to which the quantifiable variables measure the views of the respondents (. Sekaran, & Bougie, 2010). This suggests that survey designs will be used to collect quantifiable data from respondents to measure, examine and analyze their views about two or more variables so as to generalize the findings to the population (Neutens, & Robinson, 2010).

Cohen et al. (2007) added that responses are usually collated through structured instruments. According to Sekaran (2003) cross-sectional designs are used to collect data to make inferences about a population of interest at one point in time. Therefore, the rationale for the use of survey and cross-sectional designs in this study will be to assess the opinions of the NHIS staff on the causes of staff turnover, the positive and negative effects of staff turnover and to identify measures that can reduce the negative effects of staff turnover on NHIS performance only once. Target Population of the Study The targeted population of the study will be staff of Keta, Akatsi South and North, Ketu North and South District of the NHIS. Keta has a staff strength of thirty (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.

Sampling Technique and Sample size Cluster and simple random samplings will 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 <https://assignbuster.com/background-become-one-of-the-major-challenges-affecting/>

the districts are separated further apart from one another. Johnson and Christensen (2010) posit that cluster sampling is used when the elements in the population are geographically spread out. Simple random sampling will be used to select the respondents from each cluster. The simple random sampling approach will be used to help ensure that each staff member in a cluster is given an equal chance of being selected as a respondent in the study.

A total of one hundred and twenty-five (125) staff will be selected from the five clusters of districts. Sekaran (2003) suggested that it is advisable to use larger samples 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. Data Collection Instrument The study will be based on primary data gathered from the field directly through the use of questionnaires), Asmamaw (2011) and Hissom (2009). The items on the questionnaire will be rated on 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. The instrument will be self-administered by the researcher and collected after two days. This is to allow respondents to complete the questionnaires because of their work demands. A total of one hundred (100) questionnaires is expected to be fully completed and retrieved from respondents representing (83%) return rate.

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

Summation will be used to add the ratings of the respondents to determine the total effects. This will enable easy generalization from the sample to the population. the Scope of the Study The study will cover the NHIS service centres of Keta Municipality, Akatsi South North districts, Ketu North and South (Denu) all in the Volta region of Ghana.

Potential Research Outcomes It is expected that the study will come out with the following: Causes Low level of pay, lack of promotional opportunities, lack of career development opportunities, poor working conditions, lack of recognition of one's effort, pursue of higher education and unfair management treatment. Positive Effects Open up promotion channels for employee, helps in reducing redundancy in the organization, injection of new ideas and skills into the organization and replacement of poor

performers. Negative Effects Loss of skilled manpower, additional costs of <https://assignbuster.com/background-become-one-of-the-major-challenges-affecting/>

replacement recruitment, poor quality of work and difficulties in attracting new staff organization.

Significance of the Study The study will enlighten organizations on both the beneficial and the negative effects of staff turnover. It will also provide measures to mitigate the negative effects of turnover in organizations. It will serve as a spring board for organizational leaders in formulating policies that address staff turnovers beforehand. Again, it is hoped that the outcome of the study will be useful to other organizations. Lastly, it will serve as a reference point to those who wish to conduct similar study in this locale.

Organisation of the Study This study will comprise of five chapters. Chapter one will capture the background of the study, the problem statement, the research objectives, the research questions, the purpose of the study, significance of the study, scope and organization of the study. Chapter two will deal with the review of related literature.

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

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