



## INFLUENCE OF REMUNERATION ON EMPLOYEE TURNOVER IN THE KENYA POLICE SERVICE

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### **Abstract:**

Organizations invest a lot in their employees in terms of induction, training, developing, maintaining and retaining them. It is therefore paramount for managers to therefore minimize employee's turnover at all costs. There is therefore a need to develop further understanding of the employee turnover especially the sources of the employee turnover. The reason a lot of attention has been paid to the issue of turnover is because turnover has significant effects on organizations. The Government of Kenya is committed to ensure security of all Kenyan and to protect their property and life's, to establish the influence of remuneration on organizational turnover in the Kenya Police Service. The study made use of a descriptive survey research design. The target population of the current research study was 86 disciplined uniformed officers who work in the Laikipia Police Division headquarters. A census was conducted on all the study's respondents from the Laikipia Police Division headquarters. The researcher employed descriptive statistics and Pearson correlation to test hypothesis using SPSS version 22. Data was presented using tables and in narrative form. It was deduced that there existed a significant and strong positive correlation between remuneration and police turnover. The study recommends that the government should ensure the scheme of service has provided on how to pay police officers well in order to ensure that police officers are well paid for services offered.

**Keyword:** influence, remuneration, employee turnover, police service

### **1. Introduction**

Organizations invest a lot in their employees in terms of induction, training, developing, maintaining and retaining them. It is therefore paramount for managers to therefore minimize employee's turnover at all costs (Kevin, 2009). Although there is no standard framework for understanding the employees turnover process as whole, a

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wide range of factors have been found useful in interpreting employee turnover. There is therefore a need to develop further understanding of the employee turnover especially the sources of the employee turnover. The reason a lot of attention has been paid to the issue of turnover is because turnover has significant effects on organizations (Dyke & Strick, 2011).

Denvir and McMahon (2012) argue that high turnover rates in India have resulted to negative effects on the profitability of the organization. Intention to leave is a complex phenomenon that depends on various factors. Employee turnover is a major problem among other dominant matters in the global police service. Worldwide researches have suggested that employee turnover is highest in the Kenya police service. Studies have shown that the average turnover level among non-management Kenya police service employees in the US is about 50%, and about 25% for management staff. Estimates of average annual employee turnover range from around 60 to 300 percent, according, to the research conducted by the American Security Association (2013).

Smith (2011) discusses organization within which work settings are not only appealing but equally retains human resources and where individuals are more than ready to offer unparalleled commitment. Such settings or work environments have been reported to be low cost and equally avert huge operating expenses. In most occurrences, they have been found to enhance retention and maximize output without extravagant salaries or bonuses. Additionally, these work settings have been reported to evidently lower the costs of frequently hiring and training new personnel (Smith, 2011). Existing approximations indicate that detachment, substituting and training costs are 1.5 to 2.5 time's annual salary for individual employees that quit, implying that the departure of a middle manager ordinarily costs a company or institution around \$75,000.

## **2. Statement of the Problem**

The Government of Kenya is committed to ensure security of all Kenyan and to protect their property and life's. To achieve this objective, His excellence the President of the Republic of Kenya, on 20th October 2003 passed a presidential decree declaring the government's commitment to motivate the Kenya police personnel which said the Kenya police service employee's salaries to be increased by 300 percent (GoK, 2003). This was intended to enhance motivation to the Kenya police service personnel and increase their loyalty to the government for better services to the society

However, despite all these efforts to ensure that the disciplined personnel are satisfied and are retained within the service, the rate of employee annual turnover has increased from 12% annual in 2012 to 19% in 2015 (NPSC, 2015). The measure of recruiting 10,000 officers to balance the workforce has not been able to achieve a lot in terms of police turnover and this rate is increase every year. This is a very high rate of turn over which has remained one of the challenges the service is experiencing in the last four years (2012-2015) inclusive and this is paralyzing operations nationwide (Strategic Plan, 2013- 2018).

## **2.1 Specific objective**

To establish the influence of remuneration on organizational turnover in the Kenya Police Service.

## **2.2 Research Hypothesis**

**H<sub>0</sub>:** There is a no significant relationship between remuneration and organizational turnover in the Kenya Police Service

## **2.3 Scope of the Study**

The study was carried out in the police services using Lakipia Police Divisional Headquarters. All the police officers under the command of the police division were involved. There are 86 police officers of different ranks in the division and all of them were involved in the study.

## **3. Theoretical Review**

### **3.1 Labor Theory**

Advanced by Becker, (1964) and premised on the idea of human capital which he employed to contend that much of the skill and knowledge that is essential to undertake an occupation could exclusively be obtained if some investment was entered into especially in time and resources (Becker, 1964). In advancing this theoretical perspective, Becker (1964) had observed the significance of the reality that there exists a considerably higher value in a given work relationship with respect to some of the knowledge and skills acquired by an organization's personnel as compared to other potential relationships. He further contends that in most cases, such specialized knowledge and skills do improve productivity and consequently they may presumably materialize to valuable parts of the work relationship in practice. However, he observed that their existence introduces problems into; funding of personnel training, noncomplex models of wages and other conditions of the employment relationship (Becker, 1964). Specifically, he notes management should not plan for labor services provided by personnel with specialized skills in the categories of undifferentiated and general inputs, for which equilibrium price (wages) and quantity (the aggregate of organizational personnel or total working hours) are arrived at making use of the intersection of supply and demand curves. In the event that it is established that an organization's personnel possesses specialized skills, it is imperative to determine which worker undertakes what job and in what firm (Becker, 1964). It is also important for management to understand that if their organization had financed for the particular training of an employee who left for another job, then this capital expenditure by the organization would be partially wasted, because no returns from this investment would be realized. In the same vein, he argued that an employee that has had his or her employment terminated after he had financed himself for a particular training would potentially be incapable of realizing any further return and potentially experience a capital loss (Becker, 1964). Further, he argued that in cases where the financing of

specific skills are important, matters of lack of concern or disinterest whether a firm's labor force constantly consisted of the same individuals or a swiftly varying group.

Whilst, the main motivation behind (Becker 1964) was the economic incentives for financing of training and education, along the way he submitted a concept that provides a rationale for longstanding associations between firms and their human resources. It is on this concept that Doeringer and Piore (1971) formulated their theory of internal labor markets. Their theory was based on the premise that investments by business enterprises in specialized training support firms to establish other institutional arrangements tailored to secure employment and minimize turnover. All these practices result to the firmness of an organization which in turn enables an additional development of specific skills. Additionally, they contend that the utilization of mass-production technology, incorporated with an elaborate division of labor, demands specialized competencies and makes stable employment associations more valuable (Doeringer & Piore, 1971).

Further, Becker (1964) also contend that in such situations employees and employers would probably split both the expenses incurred and returns realized from specialized training as a means of providing motivation for both parties to cultivate and maintain the relationship. This also implies that an organization's personnel would generally earn less than their opportunity cost throughout the advance stages of their labor relationship (for instance when they were undertaking their training), and subsequently more than their opportunity cost in the relationship. Previous works by economists and subsequent researchers prior to the work of Becker (1964) had established that this type of an earnings scheme would generate an "upward sloping wage tenure profile". Labor economists have additionally established that this concept is in accordance with the "firm-specific human capital" hypothesis; that long-tenured personnel generally earn fairly extra compared to their short-run opportunity cost. This empirical pattern is confirmed through employee's labour turnover in the Kenya police service.

### **3.2 Empirical Review**

In a New Zealand, recent study of turnover by Boxall (2013) established that incentive for individual occupation change is multidimensional and therefore it cannot be elucidated by one variable. They also contend that over time there have been emergences of several variables that seem to be steadily connected to turnover. Further, they note that age, tenure, overall satisfaction, job content, intentions to remain on the job, and commitment were all negatively related to turnover (i.e. the higher the variable, the lower the turnover) a study which was conducted by Hom and Griffeth (2007), a meta-analysis of some 800 turnover studies was conducted and the analysis confirmed some well-established findings on the causes of turnover. These include: job satisfaction, organizational commitment, comparison of alternatives and intention to quit.

Mobley (2009) pointed out that remuneration on collective level economic researches furnish us with consistent and valuable evidence of the effect or influence

that the state of labour market exhibits on occurrences of turnover within the summation level. At the composite level the existing link between economic variables like levels of employment or available work vacancies and turnover has been well determined. Further, at the personal level, the workforce market methodology underscores anticipated beneficial and intelligent economic choice among personnel and the discerned availability of substitute job opportunities. Other studies have established that actual substitutes are a superior predictor of personal turnover in comparison to observed or noticed opportunities.

Czakan (2010), much of the actual turnover in organizations has to do with the level of compensation offered by the management of satisfaction. Though it has proved difficult and tedious to conduct, research in turnover especially among individuals that already quit from a company it has been implied that there exists a strong relationship between resolve to quit and concrete turnover. He also observed that the association between resolve and turnover is firm and typically stronger than the satisfaction-turnover association, albeit it still made up for less than a quarter of the fluctuations in turnover.

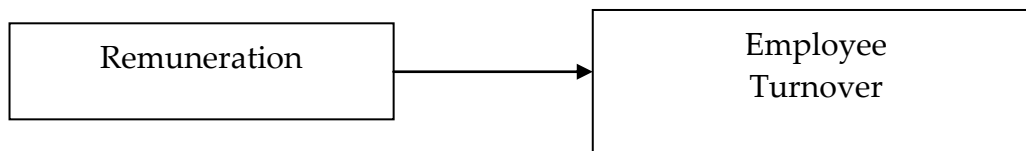
In a study, Zuber (2008) found that business organizations that report high levels of high personnel turnover exhibit high degree of instability emanating from belief among their employees that they work in an unpredictable work environment. Further, he observed high levels of employee turnover are also experienced within business organizations that equally exhibit a high degree of inefficiency (Zuber, 2008). From his research findings he argued that in scenarios where employees are working for companies whose future is uncertain majority of them are inclined to quit and seek after firm companies because of an existing belief that working for stable businesses would create a scenario in which they are able to predict their career advancement (Zuber, 2008). Czakan (2010) also argued that the application of a quantitative technique to managing of personnel significantly contributes to disenchantment of workforce leading to employee turnover. Management should therefore desist from the utilization of a quantitative method in managing its employees (Czakan, 2010).

Simon et al. (2009) also argued that all these methodologies should be eliminated if managers want to reduce labour turnover and in the process enhance organizational competitiveness in the present day globalization environment. Additionally, they observed the existence of intense need among employees for information on processes and occurrences within organizations have been reported to lead to significantly lower employee turnover as their organizations embrace strong communication systems (Simon et al., 2009). Further, they note it is the existence of such dependable communication systems that create an environment of comfort for employees significantly contributing to their retention, as most hold to the belief that they are in positions where they are part of in some degree of the decision-making process (Simon et al., 2009). This was found to essentially mean that an organization's personnel should comprehensively be cognizant of about matters that have an impact on their working environment (Costly et al., 2008). Failure to develop openness in sharing organizational

related information creates minimal chances if employee retention in most business organizations (Costly et al., 2008).

Further, Costly et al., (2008) identified several factors key among them; inadequate personnel policies, inadequate recruitment policies, inadequate supervisory practices, an inadequate grievance procedures and lack of motivation as major influences of high employee turnover. Similarly, in his study Griffeth et al., (2011) noted that all these elements significantly contribute to high workforce turnover, the rationale been the non-existence of appropriate management practices and policies on issues that relate to personnel consequently employees are not recruited scientifically, their promotions are not grounded on well laid out policies and the non-existence of grievance procedures. Further, he contends that wage and wage-related have limited influence on labour turnover. He identified other variables such as; inadequate recruitment practices, failure of recognition, the non-existence of a competitive compensation procedures and a toxic working atmosphere all of which significantly contribute to employees turnover (Griffeth et al., 2011).

**Figure 1: Conceptual Framework**



### 3. Research Design and Methodology

The study made use of a descriptive survey research design which is involved in providing descriptions for the attributes of a specific individual or of groups. The target population of the current research study was 86 disciplined uniformed officers who work in the Laikipia Police Division headquarters. These employees are of different cadres from the lowest to management level. This is because to have a clear picture, all the levels of employees needs to be involved since the turnover is cutting across all the cadres.

**Table 1: The Target Population**

	No. of Employees
Senior officers	34
Junior Officers	52
<b>Total</b>	<b>86</b>

**Source:** OCPD’s Staff Nominal Roll (January, 2018)

The study did not conduct sampling since the population was not big enough and given that there are structures that are well designed in the police services, this study’s final subjects were extracted from these structures. To achieve this, a census was conducted on all the study’s respondents from the Laikipia Police Division headquarters. The

study made use of questionnaires to collect required primary data from its final sampled subjects.

The researcher employed descriptive statistics which includes frequencies and percentages for purposes of primary data analysis. The current research made use of Pearson correlation evaluation to test mentioned study's hypothesis using Statistical Package for the Social Sciences (SPSS) version 22 to analyze gathered data. Data was presented using tables and in narrative form.

#### 4. Data Analysis, Presentation and Interpretation

##### 4.1 Response Rate

During the research study, the researcher distributed 86 which reflected 100% questionnaires. This was equivalent to the sample size that was adopted for the study. The rate at which the study's final subjects responded is as demonstrated in Table 2.

**Table 2:** Response Rate Analysis

Responses		Frequency	Percent
Valid	Questionnaires Distributed	86	100
	Questionnaires Returned	79	92

The table 2 shows that from the 86 questionnaires that distributed 79 questionnaires were fully filed and returned. This constitutes a 92% response rate. According to Kothari (2009), a 50% response rate is considered sufficient hence the response rate in this study was projected as been suitable for utilization in the objective of analysis and interpretation.

##### 4.2 Responses on salaries offered in police services

The study wanted to establish whether the salaries offered in police services influences employee turnover. The study's final subjects' views on this theme under research were as demonstrated in Table 3.

**Table 3:** Response on salaries offered in police services

Responses	Frequency	Percent
Disagree	18	22.7
Neutral	4	5.5
Agree	57	71.8
<b>Total</b>	<b>79</b>	<b>100.0</b>

The analyzed data demonstrated from a substantial number of the study's final subjects as displayed by the obtained 71.8% that salaries offered in police services influences employee turnover while 22.7% disagreed that salaries offered in police services influences employee turnover. This shows that for the police officers level of turnover will be influenced by the salaries. This agrees with a study done by Thomas, (2010) that fair and equitable remuneration practices are essential to positive employee relations and employee turnover.

### 4.3 Responses on allowances paid to police officers are sufficient

The study wanted to establish whether allowances paid to police officers are sufficient to retain officers within the service. The study's final subjects' views on this theme under research were as demonstrated in Table 4.

**Table 4:** Responses on allowances paid to police officers are sufficient

Responses	Frequency	Percent
Disagree	61	77.2
Neutral	1	1.4
Agree	7	21.4
<b>Total</b>	<b>79</b>	<b>100.0</b>

The current study substantiated from a substantial number of research's final subjects as demonstrated by the obtained 77.2% disagreed that allowances paid to police officers are sufficient to retain officers within the service while 21.4% of the respondents argues that allowances paid to police officers are sufficient to retain officers within the service. This shows that there is a problem with allowance for improving turnover since majority of the respondents argues that the allowance is not sufficient. This findings are supported by Khan et. al. (2010), organizational goals are directly comparative to the personal goals of an individual and that organizational productivity can be increased if employees are self-motivated towards their work rather than being directed.

### 4.3 Responses on Police officers Remuneration Policies

The study wanted to establish whether there is police officers remuneration policy to improve police officers turnover. The study's final subjects' views on this theme under research were as demonstrated in Table 5.

**Table 4.7** Police officers Remuneration Policies

Responses	Frequency	Percent
Disagree	10	12.1
Neutral	4	4.3
Agree	65	83.6
<b>Total</b>	<b>79</b>	<b>100.0</b>

The analyzed data demonstrated from a substantial number of the study's final subjects as displayed by 83.6% that there is police officers remuneration policy to enhance police officers turnover while 12.1% of the respondents disagreed that there is police officers remuneration policy for turnover improvement. This implies from the majority of respondents that there is remuneration policy to enhance the police officers turnover. These study's results are in concurrence with those of a research study by Ballentine (2003) who observed that in order to ensure that the employees attains the stated goals in an efficient and effective manner, it is pertinent that the employee reward policy is deployed in a way that engenders a motivated workforce.



#### 4.4 Responses on Medical Benefits

The study wanted to establish whether police officers are allowed to have medical benefits. The study's final subjects' views on this theme under research were as demonstrated in Table 6.

**Table 6: Responses on Medical Benefits**

		Frequency	Percent
Valid	Disagree	303	12.7
	Neutral	0	0
	Agree	44	87.3
	<b>Total</b>	<b>79</b>	<b>100.0</b>

The analyzed data demonstrated from a substantial number of the study's final subjects as displayed by 87.3% that there is medical benefits for police officers and their families while 12.7% argued that there is no medical benefits for police officers. From majority of the responses, this shows that there are medical benefits for police officers. This findings agrees with Mike (2010) who noted that medical benefits is the most critical factor in keeping an employee satisfied in today's business world.

#### 4.5 Responses on Satisfaction Levels on Remuneration and Police officers Turnover

The study wanted to establish from the level of respondents satisfaction on remuneration and police officers turnover. The study's final subjects' views on this theme under research were as demonstrated in Table 7.

**Table 7: Responses on Satisfaction Levels**

Responses	Frequency	Percent
Highly Satisfied	5	6.1
Satisfied	22	27.7
Neutral	0	0.0
Dissatisfied	45	56.8
Highly Dissatisfied	7	9.4
<b>Total</b>	<b>79</b>	<b>100.0</b>

The analyzed data demonstrated from a substantial number of the study's final subjects as displayed by 56.8% revealed that they are dissatisfied with the police officers remuneration policy in Police department while 27.7% of the respondents were satisfied with the remuneration policy. This shows that from the majority of responses, the remuneration policy in Police department is not satisfying and significantly leads to turnover.

#### 4.6 Response on Organization Provides Officers with Financial and Counseling

The study wanted to establish whether organization provides officers with assistance programs like financial and counseling for family matters. This is shown in the Table 8.

**Table 8: Response on Organization Provides Officers with Financial and Counseling**

Responses	Frequency	Percent
Disagree	70	88.5
Agree	7	11.5
<b>Total</b>	<b>79</b>	<b>100.0</b>

The analyzed data demonstrated from a substantial number of the study's final subjects as displayed by 88.5% disagreed that the organization provides officers with assistance programs like financial and counseling for family matters while 11.5% of the respondents argued that organization provides officers with assistance programs like financial and counseling for family matters. These findings agrees with a study done Amen Imran (2013) who found that when organization provides with assistance programs like financial and counseling for family matters they tend to keep their jobs longer than those who do not and they tend to improve on their turnover.

#### 4.9 Hypothesis Testing

The current study also made use of Pearson correlation in this segment as a technique of establishing whether there was any association that exists between the remuneration and employee turnover. Pearson's correlation is often employed to determine the existence of a linear correlation between two variables and occurrences that exhibit the existence of significant effect between the variables. The results of this exercise in the current study are as demonstrated in Table 10.

**Table 10: Correlations of the dependent and independent variables**

Independent Variables	Remuneration
Turnover (Y)	Pearson Correlation(r )
	Sig. (2-tailed)

\*Correlation is significant at the 0.05 level (2-tailed)

#### 4.10 Test of hypothesis for the Variable Remuneration

From this exercise, it was deduced that there existed a significant and strong positive correlation between remuneration and police turnover as demonstrated by the obtained correlation of 0.689. Further, from the exercise it was established that the p-Value of 0.003 is < (less than) the minimum significance level ( $\alpha$ ), accordingly the indicated null hypothesis in the study; that a relationship between remuneration and turnover does not exist is hereby rejected. From this it was observed that the sampled data can be employed to the total study's population at 95% confidence level.

### 5. Summary, Conclusions and Recommendations

The current study substantiated from a substantial number of research's final subjects who disagreed that allowances paid to police officers are sufficient to retain officers within the service. The analyzed data demonstrated from a substantial number of the study's final subjects that there is police officers remuneration policy to enhance police

officers turnover. The analyzed data demonstrated from a substantial number of the study's final subjects that there are medical benefits for police officers and their families. The analyzed data demonstrated from a substantial number of the study's final subjects demonstrated high levels dissatisfaction with the police officers remuneration policy in Police department.

This shows that from the majority of responses, the remuneration policy in Police department is not satisfying. The analyzed data demonstrated from a substantial number of the study's final subjects disagreed that the organization provides officers with assistance programs like financial and counseling for family matters.

The study concludes that, the remuneration policy in Police department is not satisfying and significantly leads to turnover. Mainly, salaries offered, allowances paid and medical benefits culminated to job dissatisfaction among police officers significantly leading to high levels of turnover.

The study recommends that the government should ensure the scheme of service has provided on how to pay police officers well in order to ensure that police officers are well paid for services offered.

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