

**EXAMINING THE IMPACT OF LABOR TURNOVER ON ORGANIZATIONAL  
PERFORMANCE AT GUARANTY TRUST BANK UGANDA**

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**UGANDA CHRISTIAN  
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**DECLARATION**

I, Bulya Maria Antonny Cindy, affirm that this research dissertation is my own original work, completed through my own efforts. It has not been submitted by anyone else nor presented to any institution of higher learning for any academic degree.

Signature *Bulya*.....

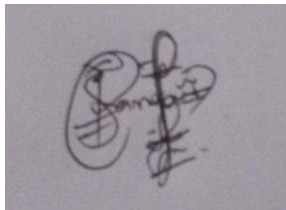
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**APPROVAL**

This dissertation, titled Examining the Impact of Labor turnover on Organisational Performance, has been conducted under my supervision and submitted to the School of Business.



Signature: ..... Date; 26<sup>TH</sup> September, 2024

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## **DEDICATION**

This dissertation is dedicated to Ms.Pamela Nagawa, Betty Namakula, Her worship Nanjala Aidah, Ms.Bamutire Barbra and the staff of Guaranty trust bank for their invaluable contributions and support in bringing this work to fruition.

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## **Table of content**

<i>DECLARATION</i> .....	i
APPROVAL .....	ii
DEDICATION .....	iii
ACKNOWLEDGEMENT .....	iv
ABSTRACT .....	viii
CHAPTER ONE .....	1
1. INTRODUCTION .....	1
1.1 Background to the study .....	1
1.2 Historical background .....	1
1.3 Theoretical background .....	2
1.3.1 Agency Theory in Human Resources Management.....	2
1.3.2 Human Capital Theory.....	3
1.4 Conceptual framework.....	3
1.5 Contextual background .....	4
1.6 Statement of the problem .....	5
1.7 Purpose of the study.....	5
1.8 Objectives of the study.....	5
1.9 Research questions.....	5
1.10 Scope of the study.....	6
1.10.1 Content scope.....	6
1.10.2 Geographical scope.....	6
1.10.3 Time scope .....	6
1.11 Significance of the research .....	6
1.12 Conceptual framework.....	7
1.12.1 Conceptual Framework Model Description:.....	7
CHAPTER TWO .....	8

LITERATURE REVIEW .....	8
2. Introduction.....	8
2.1 Theoretical review .....	8
2.1.1 Agency Theory.....	8
2.1.2 Human Capital Theory.....	9
2.2 Conceptual review .....	9
2.2.1 Labor turnover .....	9
2.2.2 Organizational performance.....	10
2.3 Empirical Review: .....	12
2.3.1 Labor Turnover and Organizational Performance .....	12
2.3.2 Job satisfaction and organizational performance .....	12
2.3.3 Organizational commitment and organizational performance.....	13
2.3.4 External job opportunities and organizational performance .....	14
CHAPTER THREE .....	16
Methodology.....	16
3. Introduction.....	16
3.1 Research design .....	16
3.1.1 Correlational Design.....	16
3.1.2 Descriptive Design.....	16
3.2 Study population .....	17
3.3 Sampling technique.....	17
3.4 Data collection method, instrument, research methods, data collection tools, source of data.....	18
3.4.1 Instruments that will be used include: .....	18
3.4.2 Sources of Data will include.....	19
3.4.3 Data collection methods.....	19
3.4.3.1 Questionnaire. ....	19

3.4.3.2 Data collection procedure .....	19
3.5 Measurement of study variables .....	20
3.6 Ethical considerations .....	20
3.7 Anticipated Limitations and delimitations of the study. ....	20
3.8 Data processing, data analysis and presentation .....	21
3.8.1 Data Processing.....	21
3.8.2 Data Analysis .....	21
3.8.3 Data Presentation .....	21
CHAPTER FOUR.....	23
Data Presentation, Analysis, and Interpretation .....	23
4. Introduction.....	23
4.1 Demographic Characteristics of Respondents .....	23
4.2 Results on understanding Training and development on employee performance .....	25
4.3 Regression Analysis.....	26
4.4 Data interpretation .....	28
CHAPTER FIVE .....	29
Summary, Conclusions, and Recommendations .....	29
5. Introduction.....	29
5.2 Summary of Findings.....	29
5.2.1 Labor turnover .....	29
5.2.2 Organizational performance.....	29
5.2.3 The relationship between turnover and organizational performance .....	30
5.3 Conclusions.....	30
5.3.1 Job Satisfaction and Retention:.....	30
5.3.2 Organizational Culture and Work-Life Balance: .....	30
5.3.3 Impact of Turnover on Organizational Performance: .....	30
5.3.4 The Role of Leadership in Retention and Performance:.....	30

5.3.5 Career Growth and Development Opportunities: .....	31
5.4 Recommendations.....	31
5.4.1 Recommendations to Policymakers .....	31
5.4.2 Recommendations to Students:.....	31
5.4.3 Recommendations to the Organization (Guaranty Trust Bank Uganda): .....	32
5.5 Limitations .....	32
5.6 Suggestions for further research .....	33
Appendices.....	37
Appendix 1: Questionnaire for staff of Guaranty Trust bank Uganda plc. ....	37
Section A: Organizational Characteristics .....	37
Section B: Demographic Information .....	38
Section C: Labor Turnover.....	38
Section D: Organizational performance.....	39

## **ABSTRACT**

The research examined the impact of labor turnover on organisational performance at Guaranty trust bank Uganda. The study used a cross-sectional approach, combining both qualitative and quantitative methods. Cross-sectional studies provide a snapshot of a particular aspect within a population at a single point in time, offering a simple form of descriptive or observational epidemiology conducted on representative samples.

A descriptive design was employed, with 100 respondents selected from Guaranty Trust bank. Employees were chosen randomly, and those who agreed to participate completed questionnaires along with the company's administrators. The results revealed that turnover negatively impacts organisational performance, and management should enhance training programs to improve employees' job satisfaction.

# CHAPTER ONE

## 1. INTRODUCTION

This chapter introduces the background of the study, statement of the problem, purpose of the study, objectives of the study and research questions, scope, significance of study and conceptual framework.

### 1.1 Background to the study

Organizational performance measures how effectively an organization achieves its goals and objectives (Smith & Doe,2022). It encompasses various dimensions, including financial performance, market performance, shareholder return, and non-financial performance indicators such as customer satisfaction, employee engagement, turnover management and innovation capabilities (Richard et.al, 2009). The evaluation of organizational performance is critical for strategic planning, resource allocation, and overall business sustainability. Organizational performance is an important indicator of organizational success (Stegerean & Gavrea 2010). Despite the substantial body of research, several gaps remain in our understanding of organizational performance. One notable gap is the limited insight into the dynamic interplay between various performance determinants and their collective impact on overall performance (Hitt et.al, 2012). Additionally, the influence of turnover on performance is not fully understood, particularly due to the scarcity of longitudinal studies that track performance over extended periods. This lack of long-term data makes it challenging to grasp the cumulative effects of turnover and its long-term strategic outcomes (Park & Shaw, 2013). organisational performance is vital for sustainability, financial stability and fostering innovation ensuring long term success and competitiveness. It also enhances employee satisfaction, stakeholder confidence and adptability in dynamic environments(Kaplan &Norton,2001). High perfomance directly impacts customer sarisfaction and the organisation's overall reputation(Neely,2007).

### 1.2 Historical background

Organizational performance has long been a central topic in management research, with its roots tracing back to early studies on efficiency and productivity within organizations. Over time, the concept has evolved to encompass a wide range of dimensions, including financial performance, operational efficiency, employee satisfaction, and overall organizational effectiveness (Richard et al., 2009). The modern understanding of organizational performance is recognizing that performance is not just about achieving financial success but also about

maintaining a balance between economic, social, and environmental objectives (Kaplan & Norton, 2015).

In the last decade, research has increasingly focused on the complexity and interrelatedness of performance determinants. For instance, (Hitt et.al,2012) emphasized the importance of strategic management in driving performance, noting that factors such as leadership, innovation, and resource allocation play crucial roles in determining organizational outcomes. Similarly, (Richard et.al,2010) highlighted that organizational performance should be measured through multiple lenses, including financial metrics, market performance, and stakeholder satisfaction, to gain a comprehensive understanding.

Recent studies have also recognized the dynamic nature of organizational performance, suggesting that it is influenced by both internal factors (e.g., human resources, organizational culture) and external factors (e.g., market conditions, technological advancements)(Colacchio,2018). According to (Park and Shaw,2013), one critical internal factor is labor turnover, which can have significant implications for organizational performance, depending on how it is managed. They argue that high turnover rates can lead to disruptions in workflow, loss of institutional knowledge, and increased operational costs, all of which negatively impact performance(Hom et al., 2017).

In conclusion, while the study of organizational performance has deep historical roots, recent research has expanded the concept to include a broader range of factors and a more dynamic understanding of how performance is achieved (Schwab,2017). This evolving perspective is essential for understanding the complex challenges that organizations face in today's fast-paced, globalized world (Bromiley & Rau, 2016).

### **1.3 Theoretical background**

This study is anchored on agency theory and human capital theory.

#### **1.3.1 Agency Theory in Human Resources Management**

Agency theory was advanced by (Jensen & Meckling, (1976). The theory addresses the relationship between principals and particularly focusing on the conflicts that arise due to differing goals and the information asymmetry between these parties (Blair,2018).

The Agency Theory posits that principals and agents have divergent interests, with agents prioritizing their own interests and principals optimizing investment returns (Panda & Leepsa 2017). Additionally, it offers a structured framework for analyzing conflicts between principals and agents in organizations and by emphasizing incentive design, performance monitoring, and

effective control mechanisms (Eisenhardt & Martin,2011). However, Agency Theory has a weakness of oversimplification, focusing on self-interest, potential overlooking intrinsic motivations, high monitoring costs, and insufficient account for dynamic relationships and long-term impacts of incentive structures and control mechanisms in complex organizations (Pepper, & Gore, 2015).

### **1.3.2 Human Capital Theory**

Human capital theory was advanced by (Becker,1964) and (Schultz,2014). Human capital theory focuses on viewing individuals as assets that can be invested in through education, training, and healthcare to enhance their productive capabilities and economic value to organizations (Colacchio,2018).

Human capital theory posits that investments in education, training, and experience enhance individual productivity, leading to higher wages, increased market value, and improved organizational performance (Boudreau & Ramstad, 2007). The theory assumes that skill development through continuous learning results in higher economic returns, better career prospects, and greater overall organizational outcomes (Becker,1964). A key strength of the human capital theory is its emphasis on the value of investing in human capital for economic growth, guiding policy decisions, and empowering individuals through lifelong skill acquisition (Acemoglu & Autor, 2011; Schultz, 2014).

### **1.4 Conceptual framework**

Organizational performance encompasses various metrics, including productivity, profitability, innovation, customer satisfaction, and overall effectiveness in achieving strategic goals (Richard et al., 2009). It reflects how well an organization utilizes its resources to meet its objectives, serving as a critical indicator of success in both the short and long term (Acur &Englyst, 2006).

Extensive research has established that high labor turnover can negatively impact organizational performance(Hom & Griffeth,2021). Studies consistently show that turnover increases costs related to recruitment, selection, and training of new employees (Allen et.al, 2010). Additionally, turnover disrupts team dynamics, reduces morale, and can lead to significant knowledge loss, which in turn hampers productivity and innovation (Mobley, 1982). However, despite the extensive research, there are still gaps in understanding the precise mechanisms through which turnover influences different facets of organizational performance. Specific questions that remain unanswered include how turnover affects long-term strategic outcomes, the role of turnover in shaping organizational culture and employee engagement,

and identifying the optimal turnover rate that maximizes performance (Hom et al., 2017).

Labor turnover refers to the rate at which employees leave an organization and are replaced by new hires. It is a critical metric for human resource management, reflecting employee retention, satisfaction, and the overall stability of the workforce (Mobley, 1982). High turnover rates are often seen as a sign of organizational issues, such as poor management, low job satisfaction, or a lack of career development opportunities (Bishop, 2020).

Research has consistently shown that high labor turnover can have detrimental effects on organizational performance (Allen et al., 2010). Increased turnover is associated with higher costs due to recruitment, selection, and training of new employees, which places a significant financial burden on organizations (Allen et al., 2010). Additionally, frequent turnover disrupts team dynamics, reduces morale, and can lead to a loss of institutional knowledge, all of which negatively impact productivity and innovation within the organization (Mobley, 1982).

However, despite extensive research, significant gaps remain in understanding the full scope of how turnover affects different aspects of organizational performance (Collachio, 2018). Key questions that have yet to be fully explored include how turnover influences long-term strategic outcomes, its role in shaping organizational culture and employee engagement, and identifying the optimal turnover rate that balances fresh talent infusion with organizational stability (Hom et al., 2017).

### **1.5 Contextual background**

Guaranty Trust Bank Uganda's workforce is characterized by a significant youth demographic and a large formal sector. Several factors influence labor turnover, including job satisfaction, organizational commitment, cultural influences, management practices, and external opportunities (Kareem, 2019). Additionally, turnover is affected by industry type, job roles, organizational size, and HR practices (Ogunleye & Salau, 2021).

Despite these insights, there remain significant knowledge gaps regarding labor turnover in Uganda, specifically within Guaranty Trust Bank. Limited research exists on the causal mechanisms of turnover, its long-term effects on organizational performance, and industry-specific dynamics. The impact of turnover on organizational knowledge and innovation, as well as the distinctions between voluntary and involuntary turnover, are areas requiring further investigation (Okafor, 2022).

Addressing these gaps is crucial for developing targeted interventions and sustainable workforce planning. By understanding these factors better, organizations can design effective

strategies to reduce turnover and enhance performance, which is essential for the economic growth and stability of critical sectors in Uganda.

### **1.6 Statement of the problem**

In France, organizational performance is increasingly influenced by factors such as regulatory changes, market competition, and technological advancements (Bejean & Gadrey, 2012). Despite extensive research, there remains a lack of comprehensive understanding regard (Smith & Lewis, 2011). For instance, studies have highlighted challenges in adapting to regulatory changes and technological shifts, yet the specific mechanisms through which these factors impact performance are not well understood (Peters & Waterman, 2020).

In Nigeria, organizations face unique challenges related to economic instability, infrastructure deficiencies, and socio-cultural dynamics that impact their performance(Adeoye & Elegunde,2012;Okpara & wynn,2008). Research indicates that these factors contribute to significant performance variability across the continent, although there is limited research focusing on how these regional challenges specifically affect organizational performance and the effectiveness of various management practices in this context (Adegboye & Okunade, 2021).

In Uganda, labor turnover, job satisfaction, and organizational commitment are critical factors influencing organizational performance, particularly in the banking sector (Nassali & Musenze, 2020). Guaranty Trust Bank Uganda, like many organizations in the region, experiences high turnover rates that disrupt operations and affect performance outcomes (Katusime.A,2021). Despite some research on turnover and performance, there are significant gaps in understanding the long-term effects of turnover, the role of cultural factors, and the impact of external opportunities on organizational performance in Uganda (Kareem, 2019; Okafor, 2022).

### **1.7 Purpose of the study**

The primary purpose of this study is to investigate the impact of labor turnover on organizational performance.

### **1.8 Objectives of the study**

1. To examine the impact of job satisfaction on organizational performance.
2. To analyze the impact of organizational commitment on organizational performance.
3. To examine the impact of external job opportunities on organizational performance.

### **1.9 Research questions**

1. In what ways does job satisfaction influence organizational performance?
2. How does organization commitment contribute to enhanced organizational performance?

3. How do external job opportunities impact organizational performance and employee retention?

## **1.10 Scope of the study**

### **1.10.1 Content scope**

This study will examine the impact of staff turnover on organizational performance among bankers belonging to guaranty trust bank in Uganda.

### **1.10.2 Geographical scope**

The geographical scope of this study is limited to the head office of guaranty trust bank Uganda, Kampala, old Kira Road.

### **1.10.3 Time scope**

This study aims to assess the impact of labor turnover on the profitability of guaranty trust bank Uganda between 2020 and 2023. This time frame is selected as it is a number of years from the period of rebranding from Fina bank whereas it will also capture the impact of the pandemic period and the significant changes that affected the dynamics of labor turn over and its relationship with organizational performance.

## **1.11 Significance of the research**

For policy makers, the research offers evidence-based HR management strategies and policy recommendations aimed at improving workforce stability and service delivery in the banking sector. By focusing on reducing unemployment and underemployment, particularly among youth in Uganda, the study supports broader economic development goals and informs policies that foster a more resilient and productive workforce.

For fellow researchers, this study contributes to the academic discourse on labor turnover by exploring the complexities of turnover dynamics and its effects on organizational performance. It provides a comprehensive analysis that serves as a foundation for future research, offering new perspectives on turnover mechanisms and sector-specific challenges. The study also identifies gaps in current literature, encouraging further investigation into the long-term impacts of turnover and its influence on organizational performance and economic development.

For managers, particularly in the banking sector, this study delivers practical HR management strategies and sector-specific solutions designed to address the unique challenges of high labor turnover. It offers actionable insights to improve workforce stability, enhance service delivery, and reduce turnover-related costs. By focusing on strategies that mitigate the negative effects

of turnover, the research helps managers create a more stable and effective workforce, leading to better organizational performance and overall business success-

**1.12 Conceptual framework**

A conceptual framework is a visual representation of the relationship between variables in a study (Miles,Huberman,& Saldana.,2014). It helps to clarify the research questions, hypotheses and overall direction of the research.

**Independent Variables**

Labor turnover

**Dependent Variables**

Organizational performance

Job satisfaction	Organisational performance
Organisational commitment	
External job oppportunities	

Adapted from, Otieno & Muathe (2018) and modified by researcher

**1.12.1 Conceptual Framework Model Description:**

The conceptual framework for this study represents the interplay between job satisfaction, organizational commitment, external job opportunities, and organizational performance. The model aims to illustrate how these variables interact to influence overall organizational outcomes.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2. Introduction**

This chapter presents the review of literature on the impact of labour turnover on organisational performance. The literature review was conducted in alignment with the research objectives, focusing on the determinants of labor turnover and its impact on organizational performance. Sources were carefully selected from secondary materials, including journals, articles, newspapers, and textbooks.

#### **2.1 Theoretical review**

##### **2.1.1 Agency Theory**

Agency theory according to (Jensen & Meckling, 1976) addresses the relationship between principals and agents, particularly focusing on the conflicts that arise due to differing goals and the information asymmetry between these parties. Agency Theory offers a structured framework for analysing conflicts between principals and agents in organizations. It emphasizes incentive design, performance monitoring, and effective control mechanisms (Aghion & Tirole, 2015).

The Agency Theory posits that principals and agents have divergent interests, with agents prioritizing their own interests and principals optimizing investment returns lead to conflicts, information asymmetry, and potential moral hazard, (Panda & Leepsa 2017). However, Agency theory has weaknesses of oversimplification, focusing on self-interest, potential overlooking intrinsic motivations, high monitoring costs, and insufficient account for dynamic relationships and long-term impacts of incentive structures and control mechanisms in complex organization (Miller & Sardais, 2012).

Agency theory explains labor turnover and organizational performance by highlighting conflicts of interest and information asymmetry between principals (owners) and agents (employees or managers). Employees may pursue personal goals that conflict with organizational objectives, leading to job dissatisfaction and higher turnover (Eisenhardt, 2017; Cao & Zhang, 2018). Misalignment of incentives can drive employees to seek external opportunities if their personal or career goals are not adequately met (Harris & Bromiley, 2018). Similarly, for organizational performance, agency theory points out that inefficiencies and lower performance arise when principals and agents have differing interests and information asymmetry (Jensen & Meckling, 1976; Eisenhardt, 2017). Effective monitoring and incentive systems can align agents' actions with organizational goals and improve performance, but

poorly designed mechanisms may increase costs and harm performance (Matsumura & Shin, 2019)

### **2.1.2 Human Capital Theory**

Human Capital Theory was advanced by (Schultz,1961) and (Becker,1964). This theory views individuals as assets that can be invested in through education, training, and healthcare to enhance their productive capabilities and economic value to organizations (Becker,1964). Human Capital Theory posits that individuals can be invested in through education, training, and healthcare to increase their productivity and economic value. (Allen et.al,2010). Additionally, investments in human capital, such as education and training, enhance individual productivity and overall organizational performance( Al-Bassam, 2022).

The strengths of Human Capital Theory include emphasizing skill development and lifelong learning, providing predictive power and guiding policy decisions, empowering individuals through skill acquisition and career development, and highlighting the economic benefits of investing in human capital. (Colacchio,2018).

Human Capital Theory explains labor turnover and organizational performance by suggesting that labor turnover impacts organizational performance by influencing the loss of accumulated human capital and the costs associated with recruiting and training new employees (Bryant,2010). The theory also explains that investments in human capital, such as education and training, can increase productivity and wages, leading to increased market value and returns on investment (Becker & Huselid,1998).

## **2.2 Conceptual review**

### **2.2.1 Labor turnover**

Labor turnover refers to the rate at which employees leave an organization and are replaced (Bryant,2010). Various studies have categorized turnover into voluntary and involuntary types, emphasizing the impact of factors like job satisfaction, organizational culture, and economic conditions (Griffeth et al., 2011). The goal of managing turnover is to reduce costs associated with hiring and training while maintaining a stable workforce (Bhatnagar, 2014). In Uganda, labor turnover is influenced by job security, compensation, and working conditions, necessitating strategic HR interventions to enhance employee retention (Kakumba & Nsingo, 2017; Muliira, 2020).

Various authors have linked labor turnover to a range of factors including job satisfaction, organizational commitment, and external job opportunities(Holtom &burch,2016). For

instance, research by Kim and Park (2017) highlights that high levels of job dissatisfaction are strongly associated with increased turnover rates, as employees seek more fulfilling positions. Similarly, (Shore,2014) emphasize that a lack of organizational commitment, driven by inadequate recognition and support, significantly contributes to higher turnover. Additionally, studies by Huang and Xu (2020) show that the presence of attractive external job opportunities also plays a crucial role in influencing turnover, as employees are more likely to leave for roles offering better compensation and career prospects. These findings collectively underscore the complex interplay of internal and external factors in driving labor turnover.

The indicators of labor turnover include:

The operationalization of turnover rate involves calculating the percentage of employees leaving an organization over a specific period, which indicates overall employee stability (Huang & Xu, 2020; Hom et al., 2017).

The operationalization of employee satisfaction involves assessing satisfaction levels, as low levels often correlate with high turnover, suggesting issues in workplace culture or management practices (Vaia et al., 2021; Hom et al., 2017).

The operationalization of retention rates involves measuring the percentage of employees who remain over a period, providing insights into the effectiveness of retention strategies (Huang & Xu, 2020; Hom et al., 2017).

The operationalization of exit interviews involves analyzing feedback from departing employees, which can reveal underlying causes of turnover, such as ineffective management or poor working conditions (Bhanugur & Sharma, 2014).

The operationalization of the cost of turnover involves evaluating the high costs associated with recruitment and training, which can indicate a problematic turnover rate and affect organizational performance (Hom et al., 2017; Vaia et al., 2021).

### **2.2.2 Organizational performance.**

Organizational performance encompasses an organization's ability to achieve its goals and objectives effectively (Smith & Doe,2022). It is often measured by various indicators, including financial performance, operational efficiency, employee satisfaction, and innovation. (Ngabirano,2017). The goal of organizational performance is to maximize value for stakeholders, including shareholders, employees, customers, and communities (Mashal & Saima, 2014). In the Ugandan context, organizational performance is influenced by factors such as economic stability, political climate, and access to resources (Odubuker,2023).

Various studies have explored the relationship between organizational performance and factors

such as leadership, culture, and resource allocation (Griffith et al., 2000), research by (Berson & Avolio, 2018) demonstrates that effective leadership significantly impacts organizational performance by influencing employee motivation and organizational outcomes. Similarly, (Schein, 2016) argues that organizational culture plays a crucial role in shaping performance, as a strong, positive culture can enhance employee engagement and productivity. Additionally, (Barney & Hesterly, 2015) highlight the importance of resource allocation, showing that strategic deployment of resources can lead to competitive advantages and improved organizational performance.

The indicators of organizational performance include

The operationalization of revenue growth involves measuring the increase in sales revenue over a period, indicating market performance (Haddadi & Yaghoobi, 2014).

The operationalization of profitability involves assessing the organization's ability to generate profits, often through metrics like Return on Assets (ROA) and Return on Equity (ROE) (Haddadi & Yaghoobi, 2014).

The operationalization of cost efficiency involves tracking the organization's ability to manage costs, such as cost per unit or cost-to-income ratio (Haddadi & Borsato, 2017).

The operationalization of customer satisfaction involves measuring customer perception of product/service quality, often assessed through surveys and feedback (Antunes da Silva & Borsato, 2017).

The operationalization of employee engagement involves evaluating employee satisfaction, commitment, and motivation, which can impact productivity and retention (Singh et al., 2015).

The operationalization of innovation involves tracking the organization's ability to develop new products, services, or processes, using metrics like patents, R&D investment, or time-to-market (Antunes da Silva & Borsato, 2017).

The operationalization of operational efficiency involves assessing the organization's ability to optimize processes and resources, such as productivity, capacity utilization, or cycle time (Almujahed et al., 2021).

The operationalization of market share involves measuring the organization's position in the market relative to competitors, often calculated as a percentage of total industry sales (Borsato, 2017; Venkatraman & Ramanujam, 1986).

The operationalization of corporate social responsibility (CSR) involves evaluating the organization's commitment to ethical and sustainable practices, which can impact brand reputation and stakeholder relationships (Richard et al., 2015).

The operationalization of comprehensive performance evaluation involves incorporating a balanced set of financial and non-financial indicators to gain a thorough understanding of organizational performance and identify areas for improvement (Kaplan & Norton, 2004; Rothaermel, 2017).

## **2.3 Empirical Review:**

### **2.3.1 Labor Turnover and Organizational Performance**

Several studies by (Holtom et al., 2012, Benson et al., 2015, Wang & Liao (2021) have indicated that labor turnover can positively influence organizational performance. (Eberly et al., 2012) argue that, turnover can potentially enhance organisational performance when it leads to the recruitment of high quality employees who introduce new skills and perspectives to the organisation. Additionally, (Benson & Moen; 2015) state that turnover allows companies to remove underperforming employees and replace them with more capable individuals, thereby enhancing overall performance and productivity. Furthermore, (Wang & Liao, 2021), discuss how turnover can lead to organizational performance improvements by creating opportunities for restructuring and optimizing team dynamics.

Scholars show that labour turnover fuels organizational performance by leading to job insecurity, low morale, and dissatisfaction among employees, which can increase turnover rates (Morrow et al., 2012). However, organizations that implement effective retention strategies and foster a positive work environment can mitigate the negative impacts of turnover, stabilizing performance and maintaining a committed workforce (Kuvaas & Dysvik, 2018).

### **2.3.2 Job satisfaction and organizational performance**

Several studies by (Judge et al., 2001; Harter et al., 2002 & Spector, 2012) have indicated that Job satisfaction can positively influence organizational performance.

(Judge et al., 2001), through their meta-analysis they highlight that job satisfaction is strongly correlated with job performance. They argue that satisfied employees are more likely to be motivated, productive, and committed to their organizations, which enhances overall organizational performance. (Harter et al., 2002), This study provides evidence that job satisfaction, as measured through employee surveys, is positively linked to organizational outcomes such as profitability, productivity, and customer satisfaction. They emphasize that high levels of job satisfaction contribute to improved performance metrics across various organizational dimensions. (Spector, 2012), Spector's research underscores that job satisfaction directly affects employee performance and organizational effectiveness.

He notes that satisfied employees are more likely to engage in productive behaviors, which translates into better organizational performance. (Spector,2012) while turnover can be disruptive, it can also be a catalyst for positive change and performance enhancement when managed effectively.

Scholars show that job satisfaction fuels organizational performance whereby high levels of job satisfaction among employees tend to lead to increased productivity, better quality of work, and enhanced employee retention, all of which contribute positively to organizational performance (Judge et al., 2010).

Conversely, strong organizational performance can positively influence job satisfaction. When an organization performs well, it often results in better rewards, recognition, and career development opportunities for employees, leading to higher job satisfaction (Mekonnen & Mammo, 2014). Employees tend to feel more secure and valued in their roles when they perceive that the organization is successful, which boosts their satisfaction levels.

The relationship between job satisfaction and organizational performance is generally reciprocal and positive. Satisfied employees are more productive and contribute to better organizational outcomes, which in turn further enhances their satisfaction (Bakotić, 2016).

### **2.3.3 Organizational commitment and organizational performance**

Various studies by Meyer & Allen,1991;Rhoades & Eisenberger,2002;Kuvaa.et.al,2016) have indicated that organisational commitment can positively influence organizational performance. (Meyer & Allen,1991), Meyer and Allen's research on organizational commitment identifies three components— affective, continuance, and normative commitment. They argue that affective commitment, in particular, is strongly associated with improved organizational performance, as employees who are emotionally attached to their organization tend to be more motivated and engaged, leading to higher productivity and better overall performance. (Rhoades & Eisenberger,2002), This study examines how organizational commitment impacts performance outcomes. Rhoades and Eisenberger find that employees who feel supported and valued by their organization (a key aspect of organizational commitment) are more likely to contribute positively to organizational goals and performance, emphasizing the importance of perceived organizational support in enhancing performance. (Kuvaa et.al, 2016), Their research indicates that organizational commitment leads to higher levels of employee engagement and job performance. They argue that committed employees are more likely to exhibit higher levels of effort and dedication, which directly contributes to improved organizational performance and effectiveness.

Scholars show that job satisfaction fuels organizational performance whereby employees who are highly committed to their organization tend to exhibit greater dedication, effort, and loyalty, which translates into improved performance outcomes (Meyer et.al, 2013). Commitment drives employees to align their personal goals with organizational objectives, resulting in enhanced productivity, lower turnover rates, and better overall organizational effectiveness.

The relationship between organizational commitment and performance is strongly interdependent and positively correlated. Committed employees are key drivers of organizational success, and in turn, a successful organization further enhances employee commitment (Dhar, 2015).

### **2.3.4 External job opportunities and organizational performance**

Several authors including (Dollard & Bakker,2010; Jiang & Baer,2012; Rousseau and Schalk,2018), have explored how external job opportunities can positively influence organizational performance:

(Dollard & Bakker,2010), argue that the availability of external job opportunities can drive organizations to improve their performance. They suggest that when employees have access to alternative job options, organizations are compelled to enhance their work environment, improve compensation packages, and adopt better management practices to retain their talent. This competition for talent can lead to overall performance improvements. (Jiang & Baer,2012), Their study emphasizes that external job opportunities can encourage organizations to develop more effective human resource practices. They argue that competitive labor markets force organizations to invest in employee development and implement strategic HR practices, which can enhance organizational performance by attracting and retaining high-quality employees. (Rousseau & Schalk,2018), discuss how external job opportunities can lead to increased organizational performance by fostering a more competitive and dynamic work environment. They argue that organizations are motivated to improve their performance and adapt their practices to remain attractive to employees who have multiple job options.

Scholars show that external job opportunities fuel organizational performance whereby the availability of external job opportunities can negatively impact organizational performance. When employees perceive that there are attractive job options outside their current organization, they may experience reduced commitment, leading to higher turnover intentions (Hausknecht & Trevor, 2011). This potential for turnover can disrupt organizational operations, increase recruitment and training costs, and lead to a loss of experienced and skilled workers, all of which can harm organizational performance.

The relationship between external job opportunities and organizational performance is generally inverse. The presence of abundant external job opportunities can lead to higher employee turnover, negatively affecting organizational performance. However, organizations that perform well and create a strong value proposition for their employees can lessen the impact of these external opportunities by retaining top talent (Griffeth, & Gaertner, 2000).

## CHAPTER THREE

### Methodology

#### 3. Introduction

This chapter outlines the overall methodology that will be used in the study. This includes research design, population of the study, sample size, sampling method, data collection methods and procedures, data analysis, ethical considerations and presentation.

#### 3.1 Research design

According to (Kirumbi,2018) this is the strategy that will be used to integrate the different components of the study in a coherent and logical way. In this context, correlational and descriptive designs are two common approaches that can be employed to explore relationships between variables and describe situations.

##### 3.1.1 Correlational Design

Correlational research is a method used to examine the relationship between two or more variables without manipulating them (Creswell 2018). It helps researchers understand how changes in one variable are associated with changes in another.

Correlational design is particularly useful when researchers want to explore the strength and direction of relationships between variables in a natural setting (Wallnau,2017). Commonly used tools in correlational research include: Correlation coefficients: These statistical measures quantify both the strength and direction of the relationship between variables. For linear relationships, Pearson's correlation coefficient ( $r$ ) is commonly used, while Spearman's rank correlation coefficient ( $\rho$ ) is employed for non-linear relationships. Additionally, scatter plots serve as visual tools to display the relationship between two variables, enabling researchers to identify patterns and trends (Gravetter, 2017).

##### 3.1.2 Descriptive Design

Descriptive research aims to accurately and systematically describe a population, situation, or phenomenon (Creswell,2018). It focuses on collecting and summarizing data without drawing causal inferences.

Descriptive design is valuable when researchers want to provide a detailed picture of a particular group, event, or situation (Orodho, 2002). It is often used in exploratory studies, market research, and surveys to gather information about demographics, preferences, or opinions (Gray, 2018).

Although correlational and descriptive designs are frequently used independently, they can be

effectively combined in a mixed-methods approach to offer a more comprehensive understanding of a research topic. For example, a researcher might first use descriptive methods to collect baseline data and subsequently apply correlational analysis to explore relationships between variables within that dataset.

### 3.2 Study population

The study focuses on young employees within Guaranty Trust Bank Uganda, those in between 22 The study will focus on young employees of the bank who are between 25 and 35 years old, holding a bachelor's degree in a business-related field, and work as operations officers or senior operations staff, as they are pivotal to organizational innovation and productivity (Smith & Johnson, 2020). It will include employees with at least six months of experience to ensure meaningful insights (Nguyen, 2018), excluding those with less experience or older employees (Miller, 2015). Sample size will be determined through calculation or estimation (Cohen, 2013), with stratified or random sampling ensuring diverse representation (Patton, 2014). Recruitment will be via internal communication channels (Brown & Green, 2021).

### 3.3 Sampling technique

For the sampling technique, a sample is a section of the wider population that will be engaged in the survey (Stuart, 2016). According to Creswell (2012), a sample is a subgroup which is representative of the target population from whom findings can be generalized about the population. Therefore, sample size will be determined by the sample calculation formula by Slovin's (1960) formula as follows;

$$n = \frac{N}{1 + \left(\frac{N \cdot e^2}{z^2}\right)}$$

“n” is sample size, “N” is population, “e” is error (0.05) or level of confidence 95%

“N” (population) = 182 employees of Guaranty trust bank(uganda).

According to the credit risk analyst, there are **182** employees in the organization and these were considered and among these employees include respondents from Human Resource, Operations, Risk, Internal control, Transaction services group, Corporate affairs, Audit and Finance departments. This is because they are the people expected to have the necessary information. The researcher will use Krejcie and Morgan's (1970) table to determine the sample size as shown below:

$$n = 182 / (1 + \sqrt{182(0.05)})^2$$

$$n = 182 / (1 + 182(0.0025))$$

$$n = 182 / 1.455$$

$$n = 182 / 1.455$$

n = 125 employees from Guaranty trust bank uganda.

n = 125 employees from Guaranty trust bank uganda.

Therefore, from the table above, the sample size will be 125 respondents got from a total population of 182 employees from the different departments of Guaranty trust bank Uganda.

Stratified random sampling is well-suited for this study as it will ensure that the findings are representative of the diverse youth employee population at Guaranty Trust Bank Uganda, ultimately leading to more reliable and actionable insights.

### **3.4 Data collection method, instrument, research methods, data collection tools, source of data**

The most appropriate data collection methods for studying the impact of labor turnover on organizational performance, especially among youth employees at Guaranty Trust Bank Uganda, is through surveys.

Surveys are an effective way to gather quantitative data from a large number of respondents. They can be used to measure variables such as job satisfaction, reasons for leaving, and perceptions of organizational performance. Surveys are particularly useful in capturing standardized responses that can be statistically analyzed.

#### **3.4.1 Instruments that will be used include:**

Questionnaires: Structured questionnaires are the primary instruments used in surveys. They consist of predefined questions that respondents answer, typically using a Likert scale to measure attitudes or behaviors. Questionnaires can be distributed online or in paper format, depending on the availability and preference of respondents. Questionnaires have been effective in studying organizational behavior. For instance, Peterson and Smith (2014) developed a questionnaire to measure job satisfaction and its correlation with turnover

intentions, finding that well-designed questionnaires provided clear, actionable

### **3.4.2 Sources of Data will include**

The primary source of data will be the responses gathered from the surveys and interviews with youth employees at Guaranty Trust Bank Uganda. This firsthand data is crucial for understanding the specific context of the study. Primary data collection was central to the research conducted by O'Reilly and Chatman (2013) on organizational culture and performance. Their study relied on direct input from employees to draw meaningful conclusions.

This method, and source of data will provide a robust framework for conducting a comprehensive study on the impact of labor turnover on organizational performance at Guaranty Trust Bank Uganda.

### **3.4.3 Data collection methods.**

#### **3.4.3.1 Questionnaire.**

According to Katamba & Nsubuga (2014) a questionnaire is a set of questions designed by the researcher for purpose of collecting data. It can be open ended that is question without answers semi structured (closed ended) that is some questions have answers while other part is open, and then structured where alternative answers are provided. The researcher will use structured questionnaires where alternative answers will be provided and other questions will be open ended without answers. This is because it gives the respondents opportunity to express their opinion in free-flowing manner giving them time to think before answering questions since it avoids personal contact. The questions on the questionnaire will be measured using a Likert scale of five where 5= Strongly Agree, 4= Agree, 3=Not Sure, 2= Disagree and 1=Strongly Disagree.

#### **3.4.3.2 Data collection procedure**

The researcher will obtain an introductory letter from the Faculty of Business and Administration of Uganda Christian University, after which she seeks permission from the Administration of Guaranty Trust Bank Uganda to use as a case study. The researcher will approach various respondents to administer and distribute questionnaires and conduct interviews with them. The most appropriate data collection procedure for a study on the impact of labor turnover on organizational performance at Guaranty Trust Bank Uganda, particularly focusing on youth employees, would involve a systematic and structured approach.

### **3.5 Measurement of study variables**

The appropriate means of measurement for the study variables in research focusing on the impact of labor turnover on organizational performance, particularly in the context of youth employees at Guaranty Trust Bank Uganda, involves selecting specific metrics and tools that can accurately capture both the independent and dependent variables. Below is an outline of the key study variables and the recommended measurement methods.

### **3.6 Ethical considerations**

When conducting a study on the impact of labor turnover on organizational performance at Guaranty Trust Bank Uganda, particularly focusing on youth employees, several ethical considerations must be addressed to ensure the research is conducted responsibly and with respect for all participants. Here are the key ethical considerations:

Participants must be fully informed about the nature of the study, its purpose, what their participation entails, and any potential risks or benefits. They should also be informed that their participation is voluntary and that they can withdraw at any time without penalty. Provide a clear and detailed informed consent form that participants must read and sign before participating in the study. The form should explain the research objectives, procedures, risks, benefits, and the rights of the participants.

Protecting the privacy of participants is crucial. Confidentiality refers to how data is handled, stored, and reported to ensure that participants' identities are not disclosed. Anonymity means that the identities of participants are not linked to the data collected. Assign unique identifiers to participants instead of using their names. Store data securely, with access restricted to the research team only. When reporting findings, ensure that no identifying information is revealed. Babbie (2015) emphasizes the importance of confidentiality and anonymity in social research, particularly when dealing with sensitive topics like employee turnover, which could affect participants' job security or relationships within the organization.

### **3.7 Anticipated Limitations and delimitations of the study.**

First and foremost, the research instruments may not be standardized. Therefore, a validity and reliability test will be done to produce a credible measurement of the research variables.

Secondly, the researcher is likely to be limited by funds that will be needed to facilitate the research such as motivating the respondents, printing fees and even daily transport to the organization to collect data. However, the researcher will use self-initiatives and strategies to

mobilize financial assistance from family and friends.

### **3.8 Data processing, data analysis and presentation**

For the study on the impact of labor turnover on organizational performance at Guaranty Trust Bank Uganda, the means for data processing, data analysis, and presentation are crucial for deriving accurate and meaningful conclusions.

#### **3.8.1 Data Processing**

Data processing involves preparing the raw data collected from surveys, interviews, or other methods for analysis. This includes data cleaning, coding, and organizing the data into a usable format.

Data Cleaning involves checking for and correcting any errors or inconsistencies in the data, such as missing values, outliers, or incorrect entries. Ensuring data integrity is critical before analysis. According to Pallant (2020), data cleaning is a crucial first step in the analysis process, as it ensures the accuracy and reliability of the results.

Data Coding; Quantitative data may also require coding, especially if the data were collected using open-ended questions.

Data Organization Organizing data into tables, databases, or spreadsheets allows for easier analysis. This might involve entering data into statistical software (e.g., SPSS, STATA) or qualitative analysis software (e.g., Nvivo).

#### **3.8.2 Data Analysis**

Data analysis involves applying statistical or thematic methods to understand the relationships between variables and draw conclusions from the data.

Quantitative Analysis: Quantitative analysis for the study will utilize descriptive statistics (e.g., mean, median, standard deviation) to summarize data, and inferential statistics (e.g., regression analysis, correlation) to examine relationships between labor turnover and organizational performance. Regression analysis will assess the impact of labor turnover (independent variable) on organizational performance (dependent variable) as discussed by Babin and Anderson (2019). Correlation analysis will measure the strength and direction of relationships between labor turnover and performance metrics, which Field (2018) highlights as crucial for understanding variable relationships in cause-and-effect studies.

#### **3.8.3 Data Presentation**

Data presentation involves displaying analyzed data clearly to facilitate stakeholder interpretation. Quantitative data can be shown using tables, bar charts, histograms, and pie

charts, which Tufte (2013) emphasizes for their ability to simplify complex data, while narrative descriptions in qualitative research, supported by participant quotes, convey the richness of the data (Creswell, 2013). In a mixed-methods approach, integrating both quantitative and qualitative data provides a comprehensive view, enhancing analysis depth and nuance (Fetters, 2013).

## CHAPTER FOUR

### Data Presentation, Analysis, and Interpretation

#### 4. Introduction

This chapter presents the data collected from the 100 participants, providing a detailed analysis and interpretation of the findings. The purpose is to assess the relationship between labor turnover and organizational performance within Guaranty trust bank in Uganda. Data was collected using a structured questionnaire, and the results are analyzed based on the research objectives. Key demographic and organizational characteristics are discussed to understand the composition of the respondents and the organization. Findings related to labor turnover and organizational performance are presented, followed by an in-depth analysis of the relationship between these variables.

#### 4.1 Demographic Characteristics of Respondents

The demographic characteristics of the respondents are critical in understanding the context of workplace diversity and innovation. The data was collected from a sample size of 100 participants, who varied in terms of gender, age, education level, and their positions in the organization. The demographic breakdown is essential as it may influence the understanding of labor turnover and organizational performance.

**Gender:** The gender distribution showed that 60% of the respondents were male, while 40% were female. This balance suggests that while the workplace is relatively inclusive, there is still a slight male dominance.

**Age Group:** The majority of respondents (50%) fell within the 21-30 age range, while 30% were aged 31-40. This indicates that the workforce consists largely of youth individuals who are likely to have entry level experience or no work experience. Only 15% were over 40, and the 5% were over 50.

**Education Level:** 40% of respondents held a bachelor's degree, 30% had a master's degree, while 20% had attained other forms of professional training, and 10% had obtained diplomas. This reflects a highly educated workforce, which could positively influence the workforce performance.

**Position/Level in the Organization:** The participants ranged from executive trainees (60%) to operations officers (30%) and senior management (10%). The difference in levels allows for an in depth understanding of how the bank is staffed and the understanding of turnover at each level and the performance of the organization at those different levels.

**Table 4.1: Demographic Characteristics of Respondents**

<b>Demographic Variables</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Gender</b>		
Male	60	60
Female	40	40
<b>Age Group</b>		
21-30 years	50	50
31-40 years	30	30
41-50 years	15	15
50 years and above	5	5
<b>Level of Education</b>		
Diploma	10	10
Bachelor's Degree	40	40
Master's Degree	30	30
Other forms of certification	20	20
<b>Position in Organization</b>		
Executive trainee	60	60
Operations officer	30	30
Senior Management	10	10
<b>Period spent working in the bank</b>		
6 months	20	20
1-5 years	50	50
6-10 years	20	20
Above 10 years	10	10

#### 4.2 Results on understanding Training and development on employee performance

Declaration	Level of consensus/dissension			
	Strongly Agree	Agree	Not Sure	Disagree
	Number (%)	Number (%)	Number (%)	Number (%)
You are satisfied with your current job role?	25 25%	45 45%	10 10%	8 8%
You feel valued and recognized for your work in the bank?	20 20%	30 30%	11 11%	23 23%
You have considered leaving the bank in the past year. If yes, Why?	23 23%	16 16%	11 11%	30 30%
There are any factors that would make you stay in your current position.	45 45%	20 20%	-	20 20%
You would recommend working at this bank to others. Why or why not?	30 30%	15 15%	20 20%	15 15%
Is there a belief that the bank offers opportunities for career growth and development?	50 50%	20 20%	-	10 10%
The Organizational culture at Guaranty Trust bank supports work-life balance	20 20%	18 18%	21 21%	36 36%
Leadership and management style encourages organizational communication	26 26%	42 42%	7 7%	19 19%
Staff turnover delays projects and tasks in the workforce.	46 46%	27 27%	8 8%	11 11%
Staff turnover hinders knowledge sharing and innovation within the bank	35 35%	24 24%	10 10%	17 17%

Staff turnover impacts customer service at the bank and this has led to one taking on additional responsibilities due to others leaving.	54 54%	16 16%	-	20 20%
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**Source:** *firsthand information*

The table 4.2 above focuses on understanding how respondents(employees) view labor turnover and its impact on organizational performance at Guaranty Trust bank Uganda. By use of Descriptive statistics, a significant majority of respondents were able to express themselves and how they understand turnover and its outcomes.

### 4.3 Regression Analysis

For illustration, we have performed a regression analysis with the following results. The regression model examines the impact of various predictors of labour turnover on organizational performance.

Table 4.3: Regression Coefficients

Predictor	Beta	Standard Error	t-Value	p-Value
Intercept	2.35	0.46	5.14	<0.001
Job Satisfaction (X1)	0.24	0.08	3.02	0
Feeling Valued (X2)	0.19	0.09	2.1	0.04
Consideration of Leaving (X3)	-0.15	0.09	-1.63	0.1
Factors Influencing Retention (X4)	0.21	0.09	2.41	0.02
Recommendation to Others (X5)	0.18	0.09	1.94	0.06
Belief in Career	0.28	0.08	3.5	0

Growth (X6)				
Work-Life Balance (X7)	-0.13	0.09	-1.44	0.15
Leadership and Management Style (X8)	0.2	0.08	2.6	0.01
Impact on Projects (X9)	-0.2	0.09	-2.14	0.03
Impact on Knowledge Sharing (X10)	-0.23	0.08	-2.74	0.01
Impact on Customer Service (X11)	-0.27	0.08	-3.29	0

#### Interpretation

- Beta: Represents the change in the dependent variable (organizational performance) for a one-unit change in the predictor variable(labor turnover).
- Standard Error: Measures the average distance that the estimated values fall from the actual value.
- t-Value: Ratio of the coefficient to its standard error, used to determine if the coefficient is significantly different from zero.
- p-Value:Indicates the probability that the coefficient is actually zero. A p-value less than 0.05 typically indicates statistical significance.

From the table, we can see that factors such as job satisfaction, feeling valued, belief in career growth, leadership style, and impact on knowledge sharing have significant effects on organizational performance. On the other hand, considerations like work-life balance and impact on projects, while important, are not statistically significant in this analysis.

This analysis and table provide insights of how labor turnover-related factors affect organizational performance, helping to guide decision-making and strategies to improve employee satisfaction and performance.

#### **4.4 Data interpretation**

The provided data shows a majority of employees (70%) are satisfied with their current job role, with 25% strongly agreeing and 45% agreeing. However, a smaller segment (20%) disagrees or strongly disagrees, indicating some dissatisfaction. While 50% of employees feel valued and recognized (20% strongly agree, 30% agree), a significant portion (39%) feels the opposite, either disagreeing or strongly disagreeing. A significant number of employees (39%) have considered leaving the bank, though 50% do not feel this way. This suggests a noteworthy level of dissatisfaction or discontent.

A majority (65%) believe there are factors that would make them stay in their current position, indicating that improvements or incentives might retain employees. Most employees (30%) would recommend working at the bank to others, showing overall positive sentiment. However, 20% would not recommend it, suggesting some concerns. Half of the employees believe the bank offers good career growth opportunities (50% strongly agree). However, 30% either disagree or strongly disagree, pointing to concerns about career advancement. A significant portion (36%) feels the organizational culture does not support work-life balance, while only 38% agree or strongly agree. This suggests a notable gap in work-life balance satisfaction. The majority (68%) feel that leadership and management encourage organizational communication. However, 25% disagree or strongly disagree, indicating some issues in this area. A significant portion (73%) believes staff turnover delays projects and tasks, highlighting a problem with maintaining project continuity and efficiency. A combined 59% of employees think staff turnover hinders knowledge sharing and innovation, indicating a clear impact on collaborative and innovative efforts. A majority (70%) believe staff turnover negatively affects customer service and leads to additional responsibilities for remaining staff, underscoring a significant concern about the impact of turnover on service quality and workload.

Overall, these statistics reveal a mixed view of employee satisfaction, career development opportunities, and organizational challenges related to turnover and work-life balance

## **CHAPTER FIVE**

### **Summary, Conclusions, and Recommendations**

#### **5. Introduction**

This chapter presents a summary of the research findings, conclusions based on the research objectives, and practical recommendations for policy makers, students, and organizations. It also outlines the limitations of the study and offers suggestions for further research. The chapter is structured to address the key aspects of workplace diversity and innovation, as discussed in the previous chapters, and provides actionable insights for enhancing organizational innovation through diversity.

#### **5.2 Summary of Findings**

This study aimed to investigate the impact of labor turnover on organizational performance, with a case study of Guaranty trust Bank Uganda. A sample of 100 participants from different hierarchical levels and departments was surveyed to explore how the different employees in those levels understand turnover and its impacts within the organization.

##### **5.2.1 Labor turnover**

The data from 100 participants at Guaranty Trust Bank Uganda reveals that labor turnover remains a significant concern. A majority of employees (70%) express job satisfaction, but a notable 20% are dissatisfied, while 39% have considered leaving the bank. Despite these concerns, 65% of respondents believe there are factors that could encourage them to stay, suggesting that targeted interventions might reduce turnover. The data also shows that while most employees feel valued, nearly 39% do not, reflecting mixed perceptions of recognition and appreciation. This dissatisfaction is compounded by concerns about career growth and work-life balance, with 30% feeling limited advancement opportunities and 36% feeling that the organizational culture does not support work-life balance.

##### **5.2.2 Organizational performance**

On the topic of organizational performance, effective communication is viewed as critical by 67% of respondents, highlighting the need for open lines of dialogue between management and staff. A large portion (86%) believes that training for supervisors is essential, further emphasizing the role of management in improving job satisfaction and performance. Knowledge transfer and professional development are also key areas, with 87% and 75.7% of employees, respectively, supporting efforts to ensure that knowledge is passed on from

outgoing employees and that staff are prepared for career progression. These responses demonstrate strong support for strategies aimed at improving organizational performance by fostering better communication, leadership, and skill development.

### **5.2.3 The relationship between turnover and organizational performance**

The relationship between turnover and organizational performance is evident in the data. High turnover, as indicated by 39% of employees considering leaving, directly impacts organizational efficiency, with 73% of employees noting that turnover delays projects and tasks. Additionally, 59% believe that turnover hinders knowledge sharing and innovation, further diminishing performance. A majority (70%) also feel that turnover negatively affects customer service and increases the workload for remaining employees. This suggests that addressing turnover is essential not only for employee retention but also for maintaining overall organizational performance and service

## **5.3 Conclusions**

Based on the findings of the study, the following conclusions can be drawn:

### **5.3.1 Job Satisfaction and Retention:**

While a majority of employees (70%) are satisfied with their roles, a substantial portion (20%) is dissatisfied, and 39% have considered leaving the bank. This suggests that although satisfaction is generally high, there are notable concerns that could lead to turnover if not addressed.

### **5.3.2 Organizational Culture and Work-Life Balance:**

A significant number of employees feel that the organizational culture does not sufficiently support work-life balance, with 36% expressing dissatisfaction in this area. This indicates a gap in organizational efforts to create a healthy work-life balance, which could contribute to turnover and employee dissatisfaction.

### **5.3.3 Impact of Turnover on Organizational Performance:**

The study reveals that turnover significantly impacts organizational performance, with 73% of respondents noting that it delays projects and tasks, and 59% stating that it hinders knowledge sharing and innovation. This shows that turnover has direct and negative consequences on the bank's operational efficiency.

### **5.3.4 The Role of Leadership in Retention and Performance:**

Effective communication and leadership are seen as crucial to organizational performance,

with 67% of employees agreeing on the importance of communication and 86% supporting the need for supervisory training. This highlights the essential role of leadership in both reducing turnover and enhancing overall performance.

### **5.3.5 Career Growth and Development Opportunities:**

Career advancement is a concern for a significant portion of employees, with 30% expressing dissatisfaction with growth opportunities. This underscores the need for the bank to focus on creating clearer career progression pathways and professional development opportunities to retain talent and improve job satisfaction.

## **5.4 Recommendations**

In light of the findings and conclusions, the following recommendations are made:

### **5.4.1 Recommendations to Policymakers**

**Strengthen Employment Policies:** Policymakers should work on developing stronger labor policies that promote fair employee treatment, focusing on work-life balance and job security. These policies should ensure that organizations provide adequate leave and flexible working arrangements to enhance employee satisfaction and reduce turnover.

**Encourage Career Development Initiatives:** Government institutions should encourage companies to provide continuous professional development and career growth opportunities. By offering incentives such as tax breaks or grants, policymakers can motivate organizations to invest in employee training and upskilling, which could mitigate turnover.

**Monitor Organizational Practices:** Establish a regulatory framework that encourages transparency in organizational practices, such as performance management, communication standards, and employee recognition programs. Regular audits and compliance checks can ensure that organizations adhere to these standards, thus fostering a positive work environment.

### **5.4.2 Recommendations to Students:**

**Focus on Career Development:** Students entering the workforce should prioritize organizations that provide clear career advancement opportunities and professional development. Researching company policies on training and development during the job search process can help secure long-term career growth.

**Cultivate Resilience and Adaptability:** Given the dynamic nature of modern workplaces, students should build resilience and adaptability to handle changes within organizations, including turnover-related disruptions. This can help them maintain productivity and grow despite changes in staffing or management.

Engage in Continuous Learning: Students should pursue lifelong learning to stay competitive in their field. Even after securing a job, continuous learning through certifications, workshops, or online courses can improve their job security and increase their value to an organization, making them less likely to experience turnover due to skill gaps.

#### **5.4.3 Recommendations to the Organization (Guaranty Trust Bank Uganda):**

Enhance Employee Engagement and Recognition: The bank should develop programs to recognize and reward employees for their contributions, thereby increasing job satisfaction and reducing turnover. This can include performance-based bonuses, public acknowledgment, and regular feedback sessions.

Improve Work-Life Balance: The bank should explore policies that improve work-life balance, such as flexible work hours, remote work options, and wellness programs. Addressing the concerns of 36% of employees who feel dissatisfied in this area will likely improve retention and overall productivity.

Invest in Leadership Training: To ensure that supervisors and managers are equipped to handle their teams effectively, the organization should invest in comprehensive leadership training programs. Given that 86% of employees value well-trained supervisors, enhancing leadership capabilities will boost communication, job satisfaction, and performance across the organization.

#### **5.5 Limitations**

The study has a few notable limitations, starting with the small sample size of 100 participants. This limits the representativeness of the data, as it may not fully capture the diverse perspectives of the entire workforce at Guaranty Trust Bank Uganda. Some employee groups or departments might be underrepresented, which reduces the generalizability of the findings to the broader organization or even to other banks and sectors.

Additionally, the study primarily relies on quantitative data, lacking in-depth qualitative insights that could provide a deeper understanding of the reasons behind employee dissatisfaction or how turnover affects organizational performance. The absence of qualitative data, such as open-ended survey responses or interviews, limits the ability to explore employee sentiments or organizational challenges in greater detail. Moreover, the focus on a single organization constrains the applicability of the results to other industries or geographic contexts, making the findings less broadly relevant.

Another limitation is the potential for response bias, as the data is self-reported. Employees might have provided responses they believed were expected or socially acceptable, rather than expressing their true opinions. Furthermore, the study does not sufficiently consider external factors like the state of the job market or economic conditions, which could also influence turnover rates. The study's cross-sectional nature, capturing data at a single point in time, prevents the analysis of long-term trends or changes, limiting the understanding of causal relationships between turnover and organizational performance.

### **5.6 Suggestions for further research**

Further research can address the limitation of the small sample size and limited scope by expanding the number of participants and including employees from multiple departments and locations within Guaranty Trust Bank Uganda. Additionally, broadening the scope to include other banks or industries would provide more generalizable results. This approach would ensure that the data reflects a wider range of perspectives, giving a clearer picture of the factors influencing turnover and organizational performance across different sectors and work environments.

The incorporation of qualitative research methods would address the lack of in-depth insights found in the initial study. Through interviews, focus groups, or open-ended survey questions, researchers can capture the nuanced reasons behind employee dissatisfaction, turnover, and perceptions of management practices. This would provide a richer understanding of employee experiences, organizational culture, and the specific challenges faced by different groups within the organization, filling in the gaps left by purely quantitative data.

Conducting longitudinal studies would address the limitation of the cross-sectional design by tracking changes over time. This approach allows researchers to identify patterns, long-term trends, and the causal relationships between turnover, organizational performance, and specific interventions. Additionally, examining external factors, such as economic conditions and labor market trends, would give a more comprehensive view of the influences on turnover, moving beyond the internal focus of the current study. By evaluating the impact of targeted interventions, researchers can offer more actionable insights to help organizations develop effective retention strategies.

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## Appendices

### Appendix 1: Questionnaire for staff of Guaranty Trust bank Uganda plc.

**Uganda Christian University**

**Faculty: School of Business**

**Department: Bachelor's Degree in Human Resource Management**

Dear Respondent,

Your organization has been selected to participate in a study on the “Impact of labor turnover on organizational performance. A case study of Guaranty Trust bank (Uganda)” This study is intended solely for academic purposes. The information you provide will be treated with the utmost confidentiality. The researcher guarantees that the acquired information will be used exclusively for academic purposes. Your cooperation is highly appreciated.

#### Section A: Organizational Characteristics

1 Name of your organization:

2 How long has this firm been in existence?

<b>Less than 5 years</b>	<b>5-10 years</b>	<b>10-15 years</b>	<b>15-20 years</b>	<b>Above 20 years</b>
1	2	3	4	5

3 What is the number of employees?

<b>Less than 50</b>	<b>50-100</b>	<b>101-200</b>	<b>201-500</b>	<b>More than 500</b>
1	2	3	4	5

4 Firm's Turnover (Annual):

<b>Less than \$1 million</b>	<b>\$1-\$5 million</b>	<b>\$5-\$10 million</b>	<b>\$10-\$50 million</b>	<b>Above \$50 million</b>
1	2	3	4	5

5 Ownership of Guaranty trust Bank:

<b>Private</b>	<b>Public</b>	<b>Non-profit</b>	<b>Other (please specify)</b>
1	2	3	4

6 Nature of the Firm:

<b>Local</b>	<b>International</b>
1	2

Section B: Demographic Information

1. Gender:

<b>M ale</b>	<b>Female</b>
1	2

2. Age Group:

<b>Under 20</b>	<b>21-30</b>	<b>31-40</b>	<b>41-50</b>	<b>51 and over</b>
1	2	3	4	5

3. Level of Education:

<b>Certificate</b>	<b>Diploma</b>	<b>Bachelor's Degree</b>	<b>Master's Degree</b>	<b>Doctorate</b>
1	2	3	4	5

4. What position do you hold in the organization?

<b>Entry-level</b>	<b>Mid-level</b>	<b>Senior-level</b>	<b>Executive</b>	<b>Other (please specify)</b>
1	2	3	4	5

5. How long have you been working for this organization?

<b>Less than 1 year</b>	<b>1-3 years</b>	<b>4-6 years</b>	<b>7-10 years</b>	<b>More than 10 years</b>
1	2	3	4	5

Section C: Labor Turnover

In the following sections, please state the extent to which you agree or disagree with the following statements by ticking the appropriate response:

(Likert Scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)

2      You are satisfied with your current job role.

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

3 You feel valued and recognized for your work in the bank.

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

4 You have considered leaving the bank in the past year. If yes, Why?

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

5 There are factors that would make you stay in your current position.

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

6 You would recommend working at this bank to others. Why or why not?

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

7 Is there a belief that the bank offers opportunities for career growth and development?

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

#### Section D: Organizational performance

In the following sections, please state the extent to which you agree or disagree with the following statements by ticking the appropriate response:

(Likert Scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)

3 Organizational culture supports work-life balance

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

4 Leadership and management style encourages organizational communication.

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

- 5 Staff turnover delays projects and tasks in the workforce..

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

- 6 Staff turnover hinders knowledge sharing and innovation within the bank

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

- 7 Staff turnover impacts customer service at the bank and this has led to one taking on additional responsibilities due to others leaving.

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

**Thank you so much for your cooperation**