

Factors that Contribute to Staff Turnover in Local Authorities in Zambia: A Case Study of Ndola City Council

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Abstract:

Ndola is the third largest city in terms of infrastructure development and second largest in terms of size and population in Zambia. The city has a population of over 475,194 (Central Statistics Office, 2010). The city is one of the most developed commercial and industrial areas in the nation, alongside Kitwe and Lusaka. The city council is a utility institution composed of an elected Mayor and his councilors that are charged with the responsibility of planning and coordinating development in the area in line with the national decentralization policy; and also the administrators who are under the Town clerk and are employed through the local government service commission of Zambia. Employee turnover in the Local Authorities in Zambia in the last ten years has received wide consideration among academicians, professionals and also members of the community that seek services from their Councils. Attention has been on comprehending the sources of employee turnover, while a few organizations have tried to comprehend what makes employees leave their place of work. Only a few Local Authorities in the country have invested in solving the problem of employee turnover.

This study was carried out to assess factors that contribute to staff turnover in local authorities in Zambia, particularly, Ndola City Council. The objectives of the study were ; To find out how remuneration affects employee turnover in local authorities in Ndola city council. To determine the extent to which staff motivation affects turnover at the Ndola city council. To establish the extent to which staff opportunities for career progression affect employee turnover in Local authorities in Ndola city council. The study showed that the factors that contribute to staff turnover have not been fully understood by all stakeholders. Those that attributed staff turnover to salary inconsistencies said that the revenue base of the councils was marred with corruption and abuse of resources by the revenue collectors. Lack of accountability has resulted in the resulted in resources being misused and in the end the average council worker suffers (Magner et al, 1996). The views of those opposed to the inconsistency of salaries as a reason for staff turnover are that what has caused departure of people is owed to the policy of career progression where every employee has to have a minimum qualification of a degree. As a result, after years of study most employees often rush to find greener pastures.

Keywords: Turnover, Staff retention, Local authority.

Literature review

Conceptual framework

The main variables of this research proposal include working conditions, work remuneration, opportunities for career progression motivation and recognition. These variables are considered independent and are to be analyzed in relation to how they affect employee turnover at Ndola city council.

Empirical literature review

In a study conducted by Pillay (2009), public sector employees felt employment security, workplace organization and the working environment were the most important factors, whereas the private sector employee rated workplace organization, employment security and professional practice as being the most important. It should be realized that, working conditions in an organization, have a role to play in deciding whether to stay or leave. These are the gaps that may be explored. Good working conditions may serve as a motivating factor to employees, in order to stay in an organization. This, therefore, means that the impact of service benefits in staff retention cannot be ignored. Remuneration is provided for in exchange for the employee's contributions to the organization.

According to Werner, (2009) Training and Development focus on changing or improving the knowledge, skill and attitudes of individuals. Training typically involves providing employees the knowledge and skills needed to do a particular task or job, though attitude change may also be attempted (in sexual harassment training).

Developmental activities in contrast, have a longer term focus on preparing for future work responsibilities while also increasing the capacities of employees to perform their current jobs (Orion & Nzozzo, 2011). Training and development activities are planned programs of organizational improvement, and it is important that they be planned as thoroughly as possible, for their ultimate objective is to link training content to desired job behaviours.

Reward had been seen to be a vital instrument in employee performance.

A well rewarded employee feels that he/she is being valued by the company that he/she is working for (Markova and Ford 2011).

They are also encouraged to work harder and better if they are aware that their well-being is taken seriously by their employers, and that their career and self-development are also being taken care of by their company. Entwistle (2007) is of the view that if an employee performs successfully, it leads to organizational rewards and as a result motivational factor of employees lies in their performance. The highly motivated employees serve as the competitive advantage for any company because their performance leads an organization to well accomplishment of its goals (Rizwan & Ali, 2010)

Theoretical review

The research focused on theories which explain the various factors which influence employee turnover in work place, namely, Herzberg two factor theories and Maslow's hierarchy of needs theory which explain many of the reasons behind staff turnover at work place. Herzberg sought to determine which factors in an employee's work environment caused satisfaction or dissatisfaction. He found that factors causing job satisfaction (motivator factors) were different from those causing dissatisfaction (hygiene factors). Maslow suggested that employee motivation is guided by fulfilment of hierarchical needs and that lower needs must be satisfied before higher level of needs.

Research methodology

The nature of this research is exploratory and open ended. A small number of people were interviewed in-depth to collect secondary data and a relatively small number of questionnaires were distributed as tools for primary data collection. The questionnaires were given to the population which was picked for the research. Interviews were then conducted with the necessary respondents.

This research also used inductive approach of analyzing and interpreting data which was collected. This was done by creating a clear link between the objectives of the research and the results from the raw data. This study was the qualitative and experimental approach. A case study approach was used to solicit information from respondents pertaining to the factors that contribute to staff turnover in local authorities. The study utilized both secondary and primary data collection methods and tools. The data was collected using interview guides. In depth interviews were also used to collect data from key informants using questionnaires.

Secondary data was reviewed from different literature which explored the existing information that fitted into the objectives of the study. The population of study constituted 35 people who were picked because they are connected to Ndola city council. The sample size of 15 employees was randomly selected from Ndola city council, 8 former employees and 2 key informants were purposively selected to be interviewed. In sampling, proportionate stratified sampling method was used. The method provided an equal opportunity of selection of each element from each segment in this case males and females.

Qualitative data was analyzed using content analysis through coding and categorization of responses. A combination of statistical and non-statistical techniques was used to analyze data. Data obtained from different methods and segments of the sampled population were combined to identify patterns of convergence and divergence. Descriptive statistics (frequency, average and percentage) were calculated.

Research findings and discussions

Effect of employee remuneration on employee turnover.

Poor remuneration had an effect on employee turnover. Eight per cent of respondents stated that remuneration plays a big role in staff retention at the council because the economic conditions are not currently favorable. There are a lot of hardships owing to the devaluation of the kwacha and in turn making living standards very expensive.

A larger percentage of the respondents contacted attributed employee turnover to lack of proper remuneration of staff at the council. Male council employees left employment as they could not manage to run homes as well as engage in personal development due to erratic salaries. Livelihood was made unbearable by the accumulation of debt to lending institutions in order to meet necessary basic needs. Females respondents submitted that council conditions were demotivating as such they relied on other means of sourcing income.

Council management attributed the failure to remunerate employees favorably to over staffing. Additionally, ninety percent of employees stated that employees at the council do not get equal pay for equal work performed. This was owing to the misappropriation of the scarce resources at the council. Employees also pointed out that government failure to pay grants affect the local authority's budget. It was learned from human resource management informants that salaries at the council are not regularly revised as a result employees feel that they do not receive equal pay for their work. Salaries at the councils are normally delayed due to inadequate sources of revenue as well as delayed grants from the central government. The council lacks enough revenue base and most of activities and programs that would help generate revenue are run by the central government agencies especially revenue collectors. As a result the

councils does not generate enough resources to manage the wage bill, the spiral effect is employee turnover.

Effect of wage inconsistencies on employee turnover in local in Zambia.

In this study it was learnt that wage inconsistencies are a source of employee turnover. Employees at the council go as far as three months to half a year without pay. Lack of consistency in employees' pay has a damaging impact on staff retention. Data from NCC pay rates analyzed show that inconsistency in adhering to pay principles has a dramatic impact on staff retention risks. Some of the effects outlined include: inconsistencies in salaries bring employee absenteeism because the staff have to look for other alternatives in out sourcing for resources to meet their needs; the other effects include low performance of workers because they feel demotivated; inconsistencies in salaries also affect employee contribution to National Pension Scheme Authority returns. As a result employees feel cheated because the longer the lapse in contributions to NAPSA the more these resources diminish or disappear.

Effect of staff motivation on employee turnover.

According to the respondents from the human resource office, personal factors and employee attitude contribute to employee turnover. Of the possible predictor of employee turnover intention, work related attitudes of employee have received the most attention at the council. According to human resource, one work related attitude receiving the greatest research attention as a predictor of employee turnover tendency is job satisfaction. It is observed that the more satisfied the employees are the more committed they will be to their organizations, and the more they will be productive and effective in their organizations, whereas dissatisfied ones experience more turnover intentions and increase absenteeism.

Effect of career progression on employee turnover.

Employees who are still working at Ndola city council expressed mixed feelings about career progression affecting the rate of employee turnover at the council. Ninety percent of the respondents agreed that the council has a deliberate policy to sponsor employees and also to encourage career progression by providing study leave, sponsorship for the selected few as well as the offer of educational loans. Both in service and former employees cited lack of personal and professional advancement as a contributor to employee turnover. This is one of the prime reasons why employees leave the Council. From the human resource perspective career progression has been a source of employee turnover at NCC because as soon as employee get their qualification by become competitive and more marketable on the labour market.

Conclusion

From the findings of the study, two major types of problems emerged. The first is lack of positive attitude towards the local authority. Employees are working for the supply and satisfaction of basic needs and not for the passion of the job. The second is the lack of adequate remuneration which has brought out the worst in both the employee in terms of motivation and the employer in terms of being perceived negatively. The employee attitude towards the local authority as an employer has been marred with mistrust, inconsistencies, and unreliability and unsustainable among others. This has resulted in employees using the local authority as a spring board to leap for greater heights.

The second is the lack of adequate remuneration. This research found that the only way in which organizations can control better job offers by other organizations is to offer competitive compensation

packages (pay and benefits). Moreover, the provision of rewards for contribution and performance are strongly related to perceptions of organizational support which in turn are related to turnover intentions. It would be difficult to recommend changes to the department's compensation policy. The human resource manager described human resource policies in the department as 'rigid'. Changes to public sector pay policies cannot be affected unilaterally by individual government departments. The department will have to engage in discussions with central government to address this important issue. Strategies to enhance employee engagement and decrease dissatisfaction, for example, by providing positive feedback and recognition for outstanding and value-adding contributions have to be revisited.

Salaries should be able to equal the amount of work done. According to this research, councils are still lagging behind where extrinsic motivation is concerned. Wages and salaries are recognized to be a significant but cognitively complex and multi-dimensional factor in job satisfaction. Money not only helps people attain their basic needs but is also instrumental in providing upper-level need satisfaction.

Employees often see pay as a reflection of how management views their contribution. Fringe benefits are also significant but they are as influential. One reason undoubtedly is that most employees do not even know how much they are receiving in benefits. Moreover, most tend to under value these benefits because they do not realize their significant monetary value.

Recommendations

The council should engage private firms to manage revenue collections so that the necessary precautions will be made to increase the revenue base and increase accountability. This will in turn reduce corruption and misappropriations of revenue as well as help the in attaining financial stability and focus on other innovations. Management should develop deliberate policies of changing the image of the council by bringing job satisfaction and developing loyalty altogether; that is guaranteed endless measures in order to see that employees are catered for adequately, medically, safety and belonging, relationship with supervisors and an enabling environment among others.

The council needs to work on external perceptions and opinion of the public about the local authority. External causes of employee turnover, such as supply and demand in the labor market and job alternatives can be controlled by an organization by changing its image.

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