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**THE EFFECT OF EMPLOYEE TURNOVER MANAGEMENT ON  
ORGANIZATIONAL PERFORMANCE AMONG DIGITAL CREDIT  
PROVIDERS IN KENYA**

**EVERLYNE CHEBET ROTICH**

**122220**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER'S OF BUSINESS  
ADMINISTRATION AT STRATHMORE UNIVERSITY**

**STRATHMORE BUSINESS SCHOOL  
STRATHMORE UNIVERSITY  
NAIROBI, KENYA**

**JUNE, 2024**

## DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the dissertation contains no material previously published or written by another person except where due reference is made in the dissertation itself.

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**Everlyne Chebet Rotich**

### Approval

The dissertation of **Everlyne Chebet Rotich** was approved by the following:

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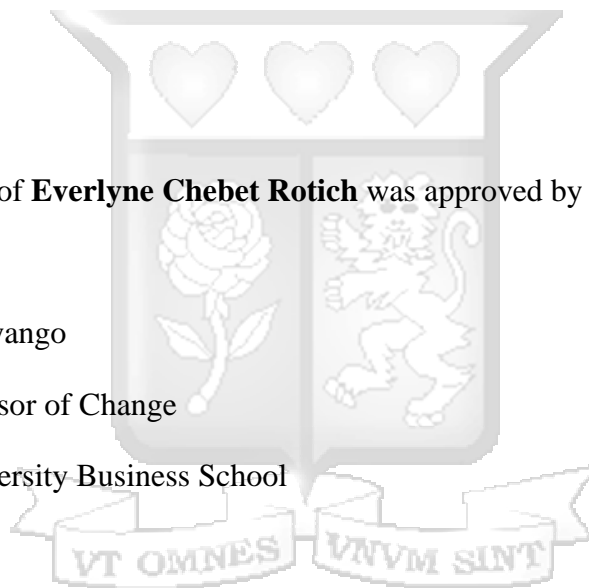
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## ABSTRACT

The turbulent and ever-changing business environment in Kenya has necessitated organizations to start investing in training their workforce. However, digital credit providers in Kenya grapple with a notable level of employee turnover, a concern heightened by the associated costs of losing experienced and skilled employees. The organizations invest significant resources in recruiting and training new employees, making the escalating trend of employee departures, excluding the exceptional years of 2019 and 2020 during the global COVID-19 pandemic, a cause for both management and employee apprehension. Therefore, the study sought to examine the effect of employee turnover management on organizational performance in digital credit providers in Kenya. The specific objectives of the study were to establish the effect of work-life balance, structured reward scheme, employee recognition and career growth on organizational performance in digital credit providers in Kenya. The study was anchored on Herzberg two factor theory and the balanced scorecard. The study adopted a positivism research philosophy and descriptive cross-sectional research design. The target population was therefore all the 946 employees working in the 5 selected digital credit providers in Kenya. The study utilized Slovin's Formula in the determination of the sample size. Simple random sampling was used in the selection of the study's sample size. Primary data was used, which was collected through structured questionnaires. The research instrument generated quantitative data, which underwent editing, coding, and entry into the Statistical Package for Social Sciences (SPSS version 22). Descriptive statistics, including frequency distribution, percentages, mean, and standard deviation, were employed. Subsequently, inferential statistics such as Pearson correlation analysis and regression analysis were conducted. The results were presented through tables and graphical representations like bar charts and pie charts. The study findings indicated that work-life balance has a positive and significant effect on organizational performance in digital credit providers in Kenya. In addition, the study found that structured reward scheme has a positive and significant effect on organizational performance in digital credit providers in Kenya. The study established that employee recognition has a positive and significant effect on organizational performance in digital credit providers in Kenya. The study also revealed that career growth has a positive and significant effect on organizational performance in digital credit providers in Kenya. The study concludes that employee turnover management, in terms of work-life balance, structured reward scheme, employee recognition and career growth, has a significant effect on organizational performance in digital credit providers in Kenya. The findings imply that prioritizing employee turnover management strategies, including work-life balance, structured rewards, recognition, and career growth, would lead to an improvement in organizational performance in digital credit providers in Kenya. Therefore, the study recommends that the management of digital credit providers should develop awareness campaigns within their companies to educate employees about the various flexible work options available to them and how they can utilize them to achieve better work-life balance. They should also review and potentially enhance retirement savings and pension plans offered to ensure they adequately support employees' future financial security.

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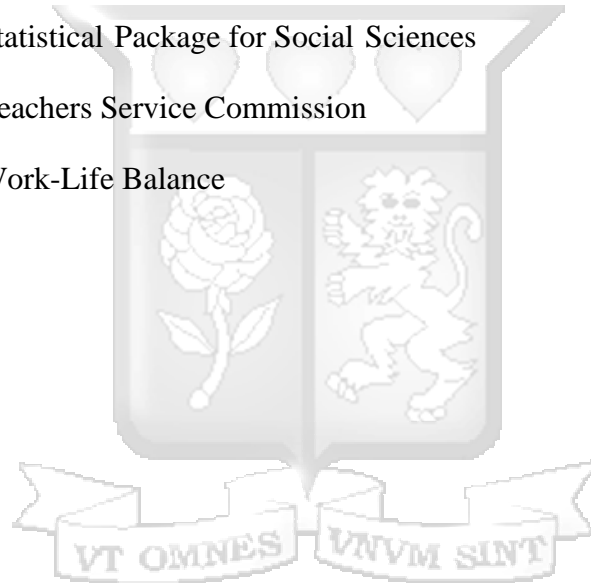
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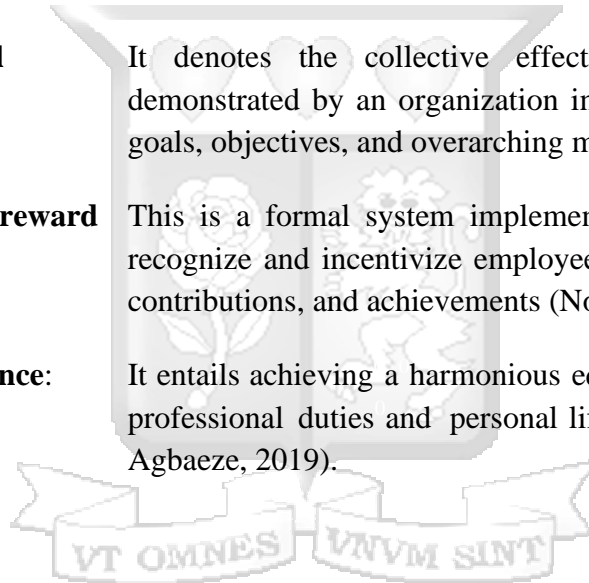
## ABBREVIATIONS AND ACRONYMS

COVID-19:	Coronavirus Disease 2019
HEIs:	Higher Education Institutions
NACOSTI:	National Commission for Science, Technology and Innovation
NHIF:	National Health Insurance Fund
ROA:	Return on Assets
ROTA:	Return on Total Assets
SMEs:	Small and Medium Enterprises
SPSS:	Statistical Package for Social Sciences
TSC:	Teachers Service Commission
WLB:	Work-Life Balance



## DEFINITIONS OF KEY TERMS

- Career growth:** This is the progressive advancement and development of an individual's professional journey over time through career planning, employee mentoring and on-job training (Jain, 2021).
- Employee recognition:** This refers to the acknowledgment, appreciation, and praise given to employees for their contributions, efforts, achievements, or behaviors in the workplace (Komal, 2022).
- Employee turnover management:** It is a strategic process through which organizations aim to reduce or mitigate the rate at which employees leave their positions within the company (Thevanes & Harikaran, 2020).
- Organizational performance:** It denotes the collective effectiveness and efficiency demonstrated by an organization in attaining its predefined goals, objectives, and overarching mission (Sartor, 2019).
- Structured reward scheme:** This is a formal system implemented by organizations to recognize and incentivize employees for their performance, contributions, and achievements (Noorazem & Nazir, 2021).
- Work-life balance:** It entails achieving a harmonious equilibrium between one's professional duties and personal life pursuits (Salolomo & Agbaeze, 2019).



# CHAPTER ONE: INTRODUCTION

## 1.0 Introduction

This chapter provides an overview of the research context, delving into previous global and local studies concerning the influence of employee turnover management on organizational performance. It evaluates the depth of exploration in these studies, identifying gaps that the current research aims to fill. Within this framework, the problem statement is articulated, accompanied by the ensuing research objectives. Additionally, the chapter discusses the significance and scope of the study.

## 1.1 Background of the study

In the past decade, organizations globally have grappled with a turbulent business landscape marked by heightened competition, globalization, and evolving consumer demands (Vejsiu, 2019). Consequently, many firms have faced challenges in maintaining performance levels, both financially and non-financially, leading to the collapse of some and the survival struggle of others (Wadkj & Mendis, 2021). Employee turnover emerges as a critical factor influencing organizational performance in this context. According to Thevanes and Harikaran (2020), high turnover rates can disrupt operations, reduce productivity, and affect morale, while effective management of turnover can enhance stability, continuity, and overall performance within organizations.

Employee turnover is a natural aspect of organizational dynamics, representing the movement of employees leaving their current roles and being replaced by new hires (Konda, 2022). This phenomenon arises from a variety of factors that can influence an employee's decision to depart from their current position. Thevanes and Harikaran (2020) observed that job dissatisfaction, stemming from issues such as inadequate compensation, limited growth opportunities, or poor management practices, often drives employees to seek better prospects elsewhere. According to Victoria (2019), employee turnover can have both positive and negative effects on organizational performance, depending on various factors such as the reasons for turnover, the level of turnover, and how effectively the organization manages turnover.

Employee turnover, often resulting from job dissatisfaction, inadequate compensation, and lack of career growth, poses a significant challenge to organizational stability and performance (Zeeshan, 2019). To overcome this problem, organizations have implemented various employee turnover management practices such as offering competitive compensation packages, providing regular recognition and promotion opportunities, and establishing comprehensive employee training and development programs (Vejsiu, 2019). Additionally, fostering a positive organizational culture and ensuring effective communication channels have proven effective in enhancing employee engagement and retention. These practices not only improve job satisfaction but also build loyalty, thereby reducing turnover rates and contributing to a more stable and productive workforce (Nosike & Okerekeoti, 2022).

In Canada and the United States, Wynen and Deschamps (2019) and Lee (2018) indicate that as the rate of employee turnover increases, there is initially a positive impact on organizational performance, followed by a decline once a certain threshold or optimal point is reached. Initially, moderate levels of turnover can bring in fresh talent, new perspectives, and increased motivation among remaining employees, leading to improved performance. In Pakistan, Maria, Sumra and Ghazala (2020) observed that the increasing rate of employee turnover among manufacturing firms imposes a heavier workload on remaining employees. In addition, high employee turnover adversely affects productivity and diminishes the quality of products manufactured by the organization. In Malawi, Mwakaswaya (2023) observed that normal employee turnover in an organization can have a positive effect on performance as it facilitates the infusion of fresh perspectives, ideas, skills, and attitudes into the workforce. This influx of new talent enables the organization to evolve, innovate, and remain dynamic.

In Kenya, Abubakar and Wainaina (2019) argues that while voluntary and functional turnover are positively associated with the organizational efficiency of an organization, both involuntary turnover and inefficient turnover are negatively related to the organizational performance. In the telecommunication sector in Kenya, Anzazi (2018) observed that employee turnover mitigation in terms of career growth, work-life balance, motivation, competitive pay as healthy work environment led to an improvement in

organizational performance. Similarly, Pattni (2018) observed that employee turnover was managed by use of work environment, reward management and career growth, which subsequently led to an improvement in organizational performance of firms in Kenya.

### **1.1.1 Employee Turnover Management**

Employee turnover management refers to the strategic process through which organizations aim to reduce or mitigate the rate at which employees leave their positions within the company (Kurniawaty, Ramly & Ramlawati, 2019). It encompasses various practices and initiatives designed to attract, retain, and engage employees effectively. This includes implementing policies and procedures to identify and address the root causes of turnover, such as dissatisfaction with work conditions, lack of career development opportunities, or poor management practices (Wube, 2020). Additionally, employee turnover management involves developing strategies to enhance the overall employee experience, foster a positive work environment, and build strong relationships between employees and the organization. Through proactive measures and continuous improvement efforts, organizations can minimize turnover rates and ensure a stable and motivated workforce.

The importance of effective employee turnover management cannot be overstated in today's competitive business landscape. High turnover rates can have significant negative consequences for organizations, including increased costs associated with recruitment, selection, and training of new employees (Vanormelingen, 2019). Moreover, frequent turnover can disrupt workflow, decrease productivity, and negatively impact team morale and cohesion. By proactively managing turnover, organizations can reduce these costs and maintain continuity in operations (Nattress & Dwyer, 2019). Furthermore, retaining talented employees fosters a sense of loyalty and commitment, leading to higher levels of employee engagement, job satisfaction, and overall organizational performance. Ultimately, effective turnover management contributes to a stable and motivated workforce, which is essential for achieving long-term success and sustainability in today's dynamic business environment.

Turnover management strategies are systematic approaches and practices that organizations implement to reduce employee turnover and retain talent (Chantal, Manyange & Asuman, 2022). Komal (2022) According to Komal (2022), these strategies typically include competitive compensation and benefits packages, career development opportunities, effective communication, employee recognition programs, fostering a positive workplace culture, and providing work-life balance initiatives. Kurdi and Alshurideh (2020) indicate that employee turnover management strategies include work-life balance, rewards management, employee recognition and job promotion. According to Lourie, Nekrasov and Shevlin (2022), employee turnover management strategies work environment, employee recognition, job promotion and career growth. Also, Hezron and Evans (2021) observed that employee turnover management strategies include comprehensive onboarding, career development opportunities, work-life balance initiatives, competitive compensation as well as recognition and rewards programs. This study will conceptualize employee turnover management in terms of work-life balance, structured reward scheme, employee recognition and career growth.

Salolomo and Agbaeze (2019) define work-life balance as the state individuals strive for, where they can effectively manage their professional responsibilities and personal endeavors, ensuring neither dominates the other. Achieving WLB involves establishing boundaries to prevent work from encroaching excessively on personal time and vice versa, allowing individuals to dedicate time to their families, hobbies, self-care, and other non-work-related activities. This balance promotes overall well-being, reduces stress and burnout, enhances job satisfaction and productivity, and fosters healthier relationships both at work and at home. Organizations that prioritize WLB often implement policies such as flexible working hours, remote work options, parental leave, and wellness programs to support employees in maintaining this equilibrium, ultimately leading to a more engaged and fulfilled workforce.

Ginbar (2020) indicates that a structured program or system offering incentives to individuals or groups who excel within a company is termed as a Reward system. A deficient rewards and recognition system may lead to discontent among employees as they desire to be valued as valuable contributors rather than expendable assets. Therefore, in

the present scenario, the reward system will be divided into two categories: financial rewards and non-financial rewards (Noorazem & Nazir, 2021). Financial rewards involving continuous revision of reward model and competitive commission structure that supports performance and retention of staff. This is in recognition of staff, managers and branches that have achieved their monthly targets. Non-Financial rewards involve creating programs that enhance team performances and cohesion including team buildings and departmental parties or lunch gatherings.

Employee recognition refers to the acknowledgment and appreciation of employees' contributions, achievements, and efforts within an organization (Chantal, Manyange & Asuman, 2022). It involves both formal and informal methods of acknowledging employees' work, including verbal praise, written commendations, awards, bonuses, promotions, and other forms of acknowledgment (Komal, 2022). Employee recognition plays a crucial role in reducing turnover by enhancing employee engagement, morale, and motivation, leading to higher levels of job satisfaction and retention (Kariuki & Kiiru, 2021). Recognized employees are more likely to be committed, productive, and aligned with organizational goals, ultimately contributing to improved organizational performance through increased productivity, enhanced teamwork, and a positive work culture.

Career growth in addressing employee turnover involves developing and implementing strategies aimed at reducing the rate at which employees leave a company while simultaneously fostering professional advancement opportunities within the organization (Mark & Nzulwa, 2018). This approach entails identifying the root causes of turnover, such as inadequate training, lack of recognition, or limited opportunities for advancement, and implementing measures to address these issues (Malobi, 2022). Additionally, it involves creating pathways for career progression, providing ongoing training and development, offering mentorship programs, and recognizing and rewarding employees for their contributions and achievements.

### **1.1.2 Organizational Performance**

Organizational performance denotes the efficacy and efficiency with which a company accomplishes its aims and objectives (Sartor, 2019). It encompasses diverse facets such as financial prowess, operational effectiveness, customer contentment, employee

involvement, innovation, and societal accountability. Metrics for evaluating organizational performance usually involve financial gauges like profitability, return on investment, and revenue growth. Additionally, operational indicators such as productivity, quality, and cycle time play significant roles in assessing performance (Quesado & Rodrigues, 2018). Additionally, customer-related metrics such as satisfaction, loyalty, and market share, as well as employee-related metrics like turnover rate, engagement, and skill development, contribute to assessing performance. Some organizations also consider innovation metrics such as new product development and process improvement initiatives, as well as social and environmental impact metrics to gauge their overall performance and sustainability.

Various studies have operationalized organizational performance differently. For instance, Anzazi (2018) operationalized organizational performance in terms of service delivery, financial performance and customer satisfaction. In addition, Rajan (2019) looked at organizational performance in terms of customer satisfaction, efficiency in service delivery, profitability as well as learning and growth. According to Malobi (2022), measures of organizational performance include service delivery, customer satisfaction and revenue generation. Langat and Wanderi (2021) looked at organizational performance in terms of service delivery, profitability, learning and growth and customer satisfaction.

In this study, organizational performance was measured using efficiency in service delivery, profitability (return on assets) and customer satisfaction. Efficiency in service delivery refers to the organization's ability to provide products or services in a timely and cost-effective manner while maintaining quality standards (Quesado & Rodrigues, 2018). This involves optimizing processes, minimizing waste, and maximizing resource utilization to ensure that services are delivered promptly and accurately to meet customer needs (Jain, 2021). Key indicators of efficiency in service delivery may include response times, turnaround times, service completion rates, and adherence to service level agreements. Improving efficiency in service delivery not only enhances customer satisfaction but also contributes to cost savings and competitiveness in the market (Fatima & Elbanna, 2020).

Profitability, specifically measured by Return on Assets (ROA), is a critical financial metric that evaluates how effectively a company utilizes its assets to generate earnings (Malobi, 2022). ROA is calculated by dividing net income by total assets, thus offering a clear picture of how well the management is at converting investments into profit (Chantal, Manyange & Asuman, 2022). A higher ROA indicates superior performance, showcasing the company's ability to efficiently use its asset base to produce significant returns. This measure is essential for stakeholders, such as investors and management, as it provides insights into the company's operational efficiency and overall financial health (Sartor, 2019).

Customer satisfaction gauges the degree to which the organization fulfills or surpasses customer expectations regarding its offerings and services (Okosi, 2020). It reflects the overall experience customers have with the organization, including the quality of products/services, the level of customer support, and the ease of doing business (Fatima & Elbanna, 2020). Key indicators of customer satisfaction may include customer feedback scores, ratings, reviews, and loyalty metrics such as repeat purchases or referrals. Achieving high levels of customer satisfaction is essential for building strong customer relationships, fostering loyalty, and gaining a competitive advantage in the market. It requires continuous monitoring of customer feedback and addressing any issues or concerns promptly to ensure a positive customer experience (Quesado & Rodrigues, 2018).

### **1.1.3 Digital Credit Providers in Kenya**

In Kenya, digital credit providers have emerged as key players in the financial sector, leveraging technological advancements to offer accessible and convenient credit solutions to a wide range of individuals (Ndungu & Moturi, 2020). Digital credit providers in Kenya have democratized access to financial services, particularly for individuals who were previously underserved or excluded by traditional banking systems. In the year 2016, the Central Bank of Kenya (CBK) issued guidelines for regulating digital credit providers, requiring them to register with the CBK and comply with consumer protection principles (Central Bank of Kenya, 2023). In the year 2019, the CBK introduced the National Digital

Credit Service Regulations, establishing stricter regulations on interest rate caps, transparency in fees and charges, and responsible lending practices.

Digital credit providers can be broadly categorized into two types: those with physical premises and employees, and mobile digital lenders that operate entirely online (Gitonga, Kariuki & Kariuki, 2021). Providers with physical premises typically maintain brick-and-mortar locations, staffed with employees who handle customer interactions, loan processing, and support services. These establishments offer a more traditional, face-to-face approach to lending, combining digital processes with personal interaction (Central Bank of Kenya, 2023). In contrast, mobile digital lenders operate exclusively through online platforms, leveraging technology to provide seamless and instant access to credit services via mobile apps or websites. These lenders utilize algorithms and digital verification methods to assess creditworthiness and disburse loans, often without the need for physical documentation or in-person visits (Makina, 2019). The key distinction lies in their operational models: the former blends digital and physical elements, while the latter relies solely on digital infrastructure to deliver financial services.

The performance of digital credit providers in Kenya has been characterized by both significant growth and certain challenges. Digital credit providers have experienced rapid growth in Kenya, driven by factors such as innovative technology, and increasing demand for financial services among underserved populations (Ndungu & Moturi, 2020). Digital credit providers have played a pivotal role in promoting financial inclusion in Kenya by reaching segments of the population that were previously excluded from the formal banking sector (Popescu, 2019). Despite their positive impact on financial inclusion, digital credit providers in Kenya have faced criticism for their high-interest rates and aggressive lending practices. Some borrowers have found themselves trapped in cycles of debt, unable to repay multiple loans taken from different providers.

The digital credit industry in Kenya is highly competitive, with numerous players vying for market share. As a result, employees may be attracted to opportunities at rival companies, leading to higher turnover rates as individuals seek career advancement or better compensation packages (Kamau, 2021). In addition, rapid expansion and growth within the digital credit industry has led to increased demand for talent, resulting in higher

turnover rates as employees seek new opportunities or roles within expanding organizations. However, companies that prioritize employee well-being, offer opportunities for career growth, and foster a positive work culture are likely to experience lower turnover rates as employees are more satisfied and engaged in their roles (Popescu, 2019).

## **1.2 Statement of the problem**

Digital credit lenders, among other financial institutions, play a vital role in economies by extending financial services to low-income individuals, micro-entrepreneurs, and small businesses, often underserved by traditional banking channels (Wube, 2020). According to Tetteh (2023), digital credit lenders industry is experiencing rapid growth and expansion, leading to intense competition for talent. As observed by Johnen and Parlasca (2021), to remain competitive in the turbulent and the ever-changing business environment, digital credit lenders have been investing on training their workforce (Njenga & Kavindah, 2021). However, digital credit lenders grapple with a notable level of employee turnover, a concern heightened by the associated costs of losing experienced and skilled employees (Kamau, 2021). The organizations invest significant resources in recruiting and training new employee, making the escalating trend of employee departures, excluding the exceptional years of 2019 and 2020 during the global COVID-19 pandemic, a cause for both management and employee apprehension (Wube, 2020).

Digital credit lenders in Kenya have been experiencing challenges in their performance. For instance, the Central Bank of Kenya (2022) observed that most of the digital credit lenders had low customer satisfaction and complaints related to unfair lending practices, hidden fees, and aggressive debt collection tactics. In addition, many digital credit providers in Kenya are relatively young and operate as startups characterized by low profitability (Kamau, 2021). In addition, Wamuyu, Jagongo and Musau (2022) observed that the average employee performance among digital credit lenders in Kenya was 52%. Referring to a Central Bank of Kenya report of 2020, Akumu and Omondi (2023) observed that the average staff turnover rate among financial institutions in Kenya 14.6%. This implies that digital credit lenders have a higher employee turnover than the average employee turnover in the financial sector in Kenya.

Various studies have been conducted on the relationship between employee turnover management and organizational performance. For instance, Kurdi and Alshurideh (2020) conducted a study on employee turnover management on organizational performance among commercial banks in Jordan; Lourie, Nekrasov and Shevlin (2022) conducted a study on the effect of employee turnover on firm performance in Thailand; and Rajan (2019) examined the relationship between employee turnover and organization performance in India. However, the findings of these studies cannot be generalized to Kenya due to differences in regulatory framework governing firms such as labour policies.

Regionally, Hezron and Evans (2021) examined employee turnover factors and organizational performance in Ndala Mission Hospital in Tanzania, Taye and Getnet (2020) conducted a study on the effect of employee turnover on organizational performance in Mada Walabu University in Ethiopia; and Pross (2022) examined the relationship between staff turnover management and organizational performance in Kabale District Local Government. However, these studies were limited to Ndala Mission Hospital, Mada Walabu University and Kabale District Local Government and hence the findings cannot be generalized to the digital credit lenders in Kenya.

In Kenya, Anzazi (2018) conducted a study on the relationship between employee turnover management and performance of firms in the telecommunication industry in Kenya; Pattni (2018) assessed the relationship between employee turnover and organisational performance of Airtel Kenya Limited, as well as Abubakar and Wainaina (2019) examined the influence of staff turnover and organizational performance of selected private hospitals in Kilifi County. However, studies by Anzazi (2018) and Pattni (2018) were limited to the telecommunication sector while the study by Abubakar and Wainaina (2019) was conducted among private hospitals in Kilifi County. Employee turnover, as well as its determinants varies from one institution to another and hence the findings of these studies cannot be generalized to digital credit providers. Therefore, the study seeks to examine the effect of employee turnover management on organizational performance in digital credit providers in Kenya.

### **1.3 Research Objectives**

#### **1.3.1 General Objective**

The main objective of this study was to examine the effect of employee turnover management on organizational performance in digital credit providers in Kenya.

#### **1.3.2 Specific Objectives**

The specific objectives of the study were to;

- i. Establish the effect of work-life balance on the performance of digital credit providers in Kenya.
- ii. Determine the effect of structured reward system on the performance of digital credit providers in Kenya.
- iii. Evaluate the effect of employee recognition on the performance of digital credit providers in Kenya.
- iv. Investigate the effect of career growth on the performance of digital credit providers in Kenya.

### **1.4 Research Questions**

- i. What is the effect of work-life balance on the performance of digital credit providers in Kenya?
- ii. What is the effect of structured reward scheme on the performance of digital credit providers in Kenya?
- iii. What is the effect of employee recognition on the performance of digital credit providers in Kenya?
- iv. What is the effect of career growth on the performance of digital credit providers in Kenya?

### **1.5 Significance of the Study**

The study will be of great benefit to the management of digital credit providers, policy makers and regulatory institutions as well as other researchers and academicians. To the **policymakers**, the the findings of the study provides insight that can lead to the formulation of targeted policies aimed at mitigating the negative effects of turnover, such

as implementing retention strategies or improving working conditions. In addition, policymakers can use the insights from the study to develop or revise regulatory frameworks that encourage digital credit providers to invest in employee retention and talent management practices. This could include guidelines on employee benefits, training programs, and career development opportunities to reduce turnover rates.

To the **management of digital credit providers in Kenya**, the study provides insight on how employee turnover management affects organizational performance. Armed with the empirical evidence, the management can make more informed strategic decisions regarding human resource management practices. For example, they may choose to invest in employee retention strategies, enhance training and development programs, or revise compensation structures to address the underlying causes of turnover. In addition, the findings of the study can serve as a benchmark for digital credit providers to compare their turnover rates and organizational performance against industry averages. This comparative analysis can help management identify areas where they may be underperforming and implement targeted interventions to improve their competitive position.

The study contributes to the **development of theories** related to employee turnover management and its effect on organizational performance. By identifying key mechanisms and causal relationships, the study can inform theoretical frameworks that explain how turnover management practices influence organizational outcomes. Other researchers and academicians can use this knowledge to develop guidelines and recommendations for organizations seeking to improve their turnover management strategies and enhance organizational performance. Further, researchers can use the findings of the study as a basis for replicating the research in different contexts or extending the study to explore additional variables or outcomes.

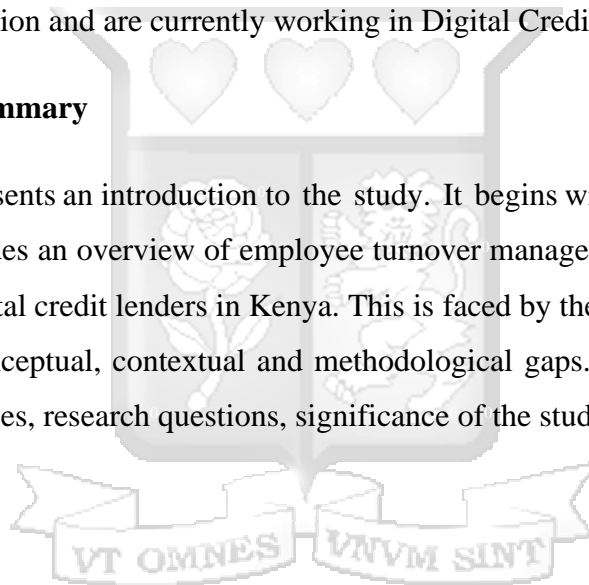
## **1.6 Scope of the Study**

This study focused on four components of employee turnover management, which include work-life balance, structured reward scheme, employee recognition and career growth. The study was conducted among digital credit providers in Kenya. According to the

Central Bank of Kenya (2023), there are 32 registered digital credit providers in Kenya. However, the study will focus on digital credit providers in Kenya that do conventional means of lending and have physical premises and employees offering services to their customers (Central Bank of Kenya, 2023). These organizations were used because they have employees who run their day to day operations unlike mobile based digital credit providers that do not require employees. The unit of observation was all the employees working in the 5 selected digital credit providers. The target population was therefore all the 946 employees working in the 5 selected digital credit providers in Kenya. The study was limited to the years 2017-2022 which are inclusive of the exceptional years that were affected by the global crisis: Covid-19. Data was gathered from people who have recently left the organization and are currently working in Digital Credit Providers in Kenya.

### **1.7 Chapter Summary**

The chapter presents an introduction to the study. It begins with the background of the study that provides an overview of employee turnover management, performance and an overview of digital credit lenders in Kenya. This is faced by the statement of the problem that outlines conceptual, contextual and methodological gaps. This is then followed by research objectives, research questions, significance of the study and scope of the study.



## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents theoretical and empirical literature in which the current is anchored on. Theoretical review presents theoretical arguments, assumptions, and relevance in the current study. Empirical literature depicts the linkages between employee turnover variables and employee performance. From past studies existing research gaps will be identified. Further, Conceptual framework depicting the link between employee turnover and performance will be presented.

### **2.2 Theoretical Foundation of Study**

Different theories have been developed to help explain the concept of Employee turnover. The different theories have been studied over time based on the different definitions of the term. In earlier days, the theories were developed based on viewing employee turnover as a way through which it affects organizational performance (Maria, Sumra & Ghazala, 2020). The study was anchored on Herzberg two factor theory and stakeholder theory.

#### **2.2.1 Herzberg Two Factor Theory**

The Herzberg Two-Factor Theory was developed by Herzberg, Mausner and Snyderman (1959). It proposes that there are two distinct sets of factors that influence employee satisfaction and motivation in the workplace. The theory posits that hygiene factors, which include elements such as working conditions, salary, company policies, and interpersonal relationships, are essential for preventing dissatisfaction among employees when present (Prasad & Karumuri, 2018). However, the presence of these hygiene factors alone does not lead to satisfaction or motivation. Instead, true satisfaction and motivation stem from motivators, which encompass factors such as recognition, responsibility, opportunities for advancement, and the intrinsic nature of the work itself. According to Herzberg, these motivators are associated with the job content and provide individuals with a sense of achievement, growth, and personal development (Holmberg, Caro & Sobis, 2018).

The Herzberg Two-Factor Theory posits the presence of two separate categories of factors impacting employee motivation and satisfaction: hygiene factors and motivators. Hygiene factors and motivators are considered to be independent constructs, meaning that improvements in hygiene factors do not necessarily lead to increased motivation or satisfaction, and vice versa (Hur, 2018). Motivators are assumed to have an intrinsic nature, meaning that they are related to the inherent characteristics of the job itself, rather than external factors. The theory also assumes that improvements in motivators can lead to increased employee performance and job satisfaction, as employees are more likely to be motivated to excel in their roles when their intrinsic needs are met.

This study used Herzberg two-factor theory to explain employee turnover management among digital credit providers in Kenya. According to the theory, work-life balance acts as a hygiene factor, preventing employee dissatisfaction when adequately addressed (Prasad & Karumuri, 2018). Anzazi (2018) indicates that by promoting flexible work arrangements and supportive organizational culture, digital credit providers in Kenya can reduce turnover and enhance job satisfaction among employees. Additionally, a structured reward scheme, including competitive salaries and performance-based bonuses, can address dissatisfaction related to compensation issues. However, Abubakar and Wainaina (2019) observed that to drive motivation and job satisfaction, Digital credit providers in Kenya must complement its reward scheme with motivators such as opportunities for career growth and development.

Furthermore, employee recognition is closely linked to motivators such as responsibility, and opportunities for advancement (Holmberg, Caro & Sobis, 2018). According to Pross (2022), digital credit providers in Kenya can enhance recognition by providing verbal appreciations, bonuses and promotions. Investing in employee development programs and mentoring initiatives can help retain top talent and improve organizational performance. Hezron and Evans (2021) observed that addressing hygiene factors to prevent dissatisfaction and enhancing motivators to promote satisfaction and motivation, digital credit providers in Kenya can effectively manage turnover and drive performance improvement in the microfinance sector.

### 2.2.2 Stakeholder Theory

Stakeholder theory was developed by R. Edward Freeman in 1984. In his seminal work, "Strategic Management: A Stakeholder Approach," Freeman posits that the success of an organization is largely determined by its ability to manage and balance the interests of various stakeholders (Schaltegger, Hörisch & Freeman, 2019). Stakeholders include any group or individual who can affect or is affected by the achievement of the organization's objectives. This broader perspective goes beyond the traditional focus on shareholders, advocating for the consideration of all parties involved, such as employees, customers, suppliers, communities, and the environment (Barney & Freeman, 2019).

The core assumptions of stakeholder theory revolve around the idea that businesses are not isolated entities but are embedded in a network of relationships that require careful and ethical management (Freeman, 2023). It assumes that the interests of all stakeholders are intrinsically valuable and that an organization's long-term success depends on its ability to address and harmonize these diverse interests. Additionally, it challenges the traditional economic view that the sole purpose of a business is to maximize shareholder value, instead promoting the idea that businesses should create value for all stakeholders to ensure sustainable and ethical growth (Barney & Freeman, 2019).

Stakeholder theory provides a comprehensive framework for evaluating the performance of digital credit providers in Kenya by considering the perspectives of various stakeholders, including investors, customers, and employees (Freeman, 2023). From the investors' perspective, Sartor (2019) observed that performance can be measured by profitability, specifically return on assets (ROA). Investors are concerned with how effectively the company utilizes its assets to generate earnings. Stakeholder theory suggests that when digital credit providers align their strategies to balance the interests of investors with those of other stakeholders, they create a stable and sustainable business environment, leading to higher profitability (Schaltegger et al., 2019). By ensuring efficient use of resources and focusing on long-term value creation, digital credit providers can achieve better financial performance, thereby satisfying investor expectations.

For customers, efficiency in service delivery and customer satisfaction are key performance indicators. According to stakeholder theory, businesses that prioritize customer needs and streamline their services to be more efficient tend to build stronger relationships with their clients (Langat & Wanderi, 2021). In the context of digital credit providers, this means offering quick, reliable, and user-friendly services that meet customer expectations. High levels of customer satisfaction lead to increased customer loyalty and positive word-of-mouth, which in turn drive business growth and profitability (Barney & Freeman, 2019). For employees, the theory posits that fair treatment, adequate compensation, and opportunities for professional growth contribute to higher job satisfaction and productivity (Barney & Freeman, 2019). According to Malobi (2022), engaged and motivated employees are more likely to deliver high-quality services, thus enhancing overall efficiency and customer satisfaction. In sum, stakeholder theory underscores the importance of balancing and integrating the interests of investors, customers, and employees to enhance the performance and sustainability of digital credit providers in Kenya.

### **2.3 Empirical Review**

This section presents empirical review of literature on the effect of employee turnover management, which include work-life balance, structured reward scheme, employee recognition and career growth on organizational performance.

#### **2.3.1 Work-Life Balance and Organization Performance**

Work-life balance refers to the equilibrium or harmony individuals strive to achieve between their professional responsibilities and personal pursuits, ensuring that neither aspect dominates or detracts from the other (Irfan, Maqsoom & Sherani, 2023). It entails managing one's time and energy effectively to fulfil commitments and obligations in both work and personal life, allowing for adequate attention to career development, family, health, leisure activities, and social relationships (Thevanes & Harikaran, 2020). Achieving work-life balance involves setting boundaries, prioritizing tasks, and adopting strategies to prevent burnout and maintain overall well-being. This balance enables individuals to lead fulfilling and satisfying lives, enhancing their productivity, creativity, and satisfaction in both professional and personal domains.

In a systematic review of literature, Wong, Chan and The (2020) investigated the relationship between work–life balance arrangements and organizational performance among firms in Malaysia. This study conducted a meta-analysis synthesizing data from 58 published papers. The study uncovered a favorable association between work-life balance components and performance of firms. However, it was observed that factors such as career motivation, attendance of employees, recruitment, and retention exhibited significant correlations with work-life balance components, whereas organizational commitment and productivity did not demonstrate any discernible relationship.

In Pakistan, Irfan, Maqsoom, and Sherani (2023) explored the correlation between work-life balance and project performance, employing a descriptive research design for their study. Data collection was conducted using the questionnaire technique, with questions derived from established literature. Subsequently, a statistical model was developed, and regression analysis was utilized to identify the most significant variables impacting project performance. The findings indicated that work–life balance has a negative impact on project performance, with organizational support emerging as the primary driver of project performance.

In Sri Lanka, Thevanes and Harikaran (2020) conducted a study on the influence of Work-life balance on organizational performance using a survey research design. Data were collected through surveys administered to 166 employees across various positions within the selected private banks. The results indicate noteworthy positive associations between work-life balance components and performance of firms. Notably, organizational citizenship behavior was identified as a mediator in the connection between work-life balance and organizational performance, emphasizing the necessity of cultivating a supportive work atmosphere beneficial for both employee welfare and organizational achievement. These findings underscore the importance of advocating for work-life balance initiatives to bolster employee engagement and organizational effectiveness.

In South-South Nigeria, Salolomo and Agbaeze (2019) conducted research on the impact of work-life balance components on money deposit banks' performance. Their study utilized a survey research design, with a study population consisting of 2562 staff from 12 money deposit banks across six states in the region. Data collection was conducted through

questionnaires. The findings revealed a significant influence of work-life balance components on money deposit banks' performance in South-South Nigeria. Additionally, alternative work arrangements such as compressed work weeks, telecommuting, flexitime, and job sharing, coupled with managerial support, were identified as predictors of employee goal achievement.

In Kenya, Kibande and Kyul (2022) examined the effect of various components of work life balance on Embu Level Five Hospital's performance. A case study design was employed to gather comprehensive data from the target population of 480 employees at Embu Level Five Hospital. Data were collected through questionnaires and content analysis and analyzed using descriptive and inferential statistics. The findings indicate significant influence of work-life balance components on Embu Level Five Hospital's performance. However, compressed work schedules were associated with heightened employee stress. Recommendations include implementing professional development programs to enhance employees' ability to manage job-related challenges and improve performance.

At the Kenya ports authority in Mombasa County, Munyiva and Wainaina (2018) examined the influence of work life balance on employee performance. The study employed a descriptive research design and targeted the entire employee population of KPA, amounting to 6474 employees across four distinct categories. The study revealed that work life balance including flexible work programs showed a significant positive correlation with employee performance, indicating their importance in fostering a conducive work-life balance environment.

The existing studies are geographically and sectorally diverse but also limited. Most research has focused on specific regions like Malaysia, Pakistan, Sri Lanka, Nigeria, and Kenya, often within certain sectors such as banking and healthcare. There is a gap in understanding how work-life balance impacts organizational performance among digital credit lenders in Kenya. Although several studies have used different methodologies,, there is a lack of comprehensive models that integrate various factors influencing both work-life balance and organizational performance. Also, Specific work-life balance practices such as compressed work schedules, telecommuting, and flexitime have been

identified as significant predictors of performance. However, the differential impacts of these practices on various dimensions of performance, such as stress levels and employee goal achievement, require further investigation. This highlights the need for more nuanced research into how different work-life balance strategies can be tailored to enhance organizational performance effectively.

### **2.3.2 Structured Reward Scheme and Organization Performance**

A structured reward scheme is a systematic approach implemented by organizations to recognize and incentivize employees' performance, contributions, and achievements within the workplace (Noorazem & Nazir, 2021). This scheme typically involves a predetermined framework or set of guidelines that outline the criteria, processes, and rewards associated with various levels of performance or accomplishment. Structured reward schemes may include elements such as salary increases, bonuses, promotions, recognition awards, or other tangible and intangible incentives designed to motivate employees and align their efforts with organizational goals (Noorazem & Nazir, 2021). By providing a clear and transparent structure for rewarding performance, structured reward schemes help foster a culture of fairness, transparency, and meritocracy within the organization, driving employee engagement, satisfaction, and retention.

Verma (2018) investigated the impact of compensation and reward systems on organizational performance in India. Employing a case study methodology, the study explored this relationship within Punjab National Bank located in Varanasi, Uttar Pradesh. Data collection involved interviews, surveys, and analysis of pertinent documents. The findings underscored a substantial positive influence of compensation and reward strategies on Punjab National Bank's performance. It was revealed that both extrinsic and intrinsic rewards play pivotal roles in motivating employees and enhancing overall organizational performance.

In Bangladesh, Noorazem and Nazir (2021) investigated the effect of reward system on firms' employee performance. Employing a quantitative method, 132 questionnaires were sent out to the participants. Data analysis was conducted using SPSS software, including correlation and regression analyses to evaluate the influence of reward system variables

on employee performance. The findings revealed a significant impact of all reward system variables on employee performance. Both financial rewards, such as salary and bonuses, and non-financial rewards, such as recognition and medical benefits, were identified as crucial factors in motivating employees and improving their performance.

In Pakistan, Umar and Saeed (2019) explored the correlation between career growth opportunities and turnover intention within pharmaceutical firms. The study employed a descriptive research design, collecting primary data through survey forms distributed among professionals and management personnel employed in the pharmaceutical industry. The findings showed that career growth opportunities have a significant effect on turnover intention. This suggests that the level of supervisor support influences how significantly career growth opportunities impact turnover intention.

In Ethiopia, Ginbar (2020) scrutinized the distinct association between reward management systems and employee performance within the context of IE Network Solution PLC. Employing a mixed research approach integrating descriptive and explanatory designs, 80 self-administered questionnaires were disseminated to all staff members of IE Network Solution PLC in Addis Ababa. The results indicate a noteworthy and positive correlation between reward management systems and employee performance at IE Network Solution PLC in Addis Ababa. Correlation analysis revealed that employee recognition and promotion are positively and moderately linked to employee performance, whereas work conditions and salary demonstrate a weaker association.

Okosi (2020) examined the impact of reward systems on employee performance within sachet water companies in Anambra State, Nigeria. Utilizing a cross-sectional survey research design, data were gathered from 139 employees through a structured questionnaire employing a five-point Likert scale. The results indicate substantial positive effects of wages and salaries, recognition, and staff training and development on employee performance in sachet water companies in Anambra State. Particularly, wages and salaries, staff recognition, and staff training and development were identified as significant influencers of employee performance.

In Kenya, Muchai, Makokha, and Namusonge (2018) explored the impacts of remuneration systems on organizational performance, with a specific focus on the Teachers Service Commission (TSC). Employing a descriptive research design, data were gathered from 316 respondents based at the TSC headquarters in Nairobi through the administration of questionnaires. The findings indicate that employee turnover significantly affects organizational performance at TSC. Additionally, factors such as employee satisfaction, motivation, regular review of reward systems, employee commitment, and conducive working conditions were found to influence organizational performance positively. The study concluded that improving remuneration systems is critical for enhancing organizational performance in public organizations like TSC.

Among commercial state corporations in Kenya, Mutiria, Ngugi and Senaji (2022) examined the relationship between reward system and performance. Employing a positivist research philosophy and adopting a descriptive research design, the study conducted surveys with three managers from each of the 55 commercial state corporations in Kenya. Data collection encompassed both primary and secondary sources. The findings indicated a strong positive correlation between reward systems and performance. This implies that reward systems have a substantial impact on the performance of commercial state corporations in Kenya, influencing entrepreneurial behavior among employees.

Research on structured reward schemes and organizational performance among digital credit lenders in Kenya reveals several gaps that need addressing. First, while studies like Verma (2018) and Noorazem and Nazir (2021) have established a positive correlation between reward systems and organizational performance in different contexts, there is a lack of specific focus on digital credit lenders in Kenya. This sector has unique challenges and operational dynamics that may affect how reward schemes influence performance, necessitating targeted research. Second, existing studies often focus on general organizational settings or specific industries like banking or pharmaceuticals, as seen in the research by Umar and Saeed (2019) and Ginbar (2020). These contexts may not fully capture the intricacies of digital credit lenders, particularly in a rapidly evolving market like Kenya's. Understanding how structured reward schemes affect performance in this specific sector could provide more relevant insights for stakeholders and policymakers.

### **2.3.3 Employee Recognition and Organization Performance**

Employee recognition is the acknowledgment and appreciation of employees' efforts, achievements, and contributions within the workplace. It involves formally or informally recognizing and praising employees for their hard work, dedication, and positive behaviors, whether through verbal commendations, written appreciation, awards, or other forms of acknowledgment (Chantal, Manyange & Asuman, 2022). Employee recognition aims to reinforce desired behaviors, motivate employees to continue performing at a high level, and foster a culture of appreciation and engagement within the organization (Kariuki & Kiiru, 2021). By recognizing employees for their contributions, organizations can boost morale, enhance job satisfaction, and cultivate a positive work environment conducive to productivity, creativity, and employee retention.

In India, Komal (2022) examined the effects of employee recognition and rewards programs on organizational performance among firms. The study adopted systematic review of literature. The findings of the study suggest that recognition programs have positive outcomes for organizations, including improved employee morale, increased job satisfaction, higher levels of employee engagement, and enhanced overall organizational productivity. The study concluded that recognition programs are important in driving organizational performance. However, having been limited to firms in India, the findings of this study cannot be generalized to digital credit providers in Kenya.

Chantal, Manyange and Asuman (2022) conducted a study on the effect of employee recognition programs on employee performance of Shyo-gwe diocese in Uganda. Data was collected through a questionnaire survey and an interview guide. Descriptive data indicated that employee recognition programs in Shyogwe Diocese are perceived as fair. However, inferential analysis revealed that while employee recognition has a small effect on employee performance, it is overall insignificant. This suggests that there may be opportunities to improve the effectiveness of recognition programs in motivating performance.

Kariuki and Kiiru (2021) investigated the impact of employee recognition on employee performance in public health facilities in Nyeri County. The study utilized a descriptive

survey research design, targeting a population of 1005 staff working in five public health facilities in Nyeri County. Primary data was collected through questionnaires administered using the drop and pick method. The results indicated a positive and statistically significant effect of employee recognition on employee performance. Similarly, Pearson correlation analysis revealed a strong positive and statistically significant relationship between employee recognition and employee performance.

Waititu and Miringu (2019) investigated the impact of employee recognition on employee retention within the hotel industry in Kenya. The study utilized a survey research design, targeting a population of 213 hotels registered under the Kenya Association of Hotelkeepers and Caterers. Data were collected using structured questionnaires administered by the researcher to the sample population. The study found that employee recognition has a positive and significant influence on employee retention within the hotel industry in Kenya.

Kathina and Bula (2021) examined the influence of employee recognition on employee performance within commercial banks in Kenya. The study utilized a descriptive research design and collected primary data through semi-structured questionnaires administered to employees within commercial banks in Kenya. The study concluded that both employee recognition and job promotion have a positive and significant influence on employee performance within commercial banks in Kenya. The findings suggest that recognizing employees and providing opportunities for job promotion are important factors in enhancing employee performance within the commercial banking sector in Kenya.

The research on employee recognition and organization performance among digital credit lenders in Kenya reveals several notable gaps. First, while studies like Komal (2022) and Kariuki and Kiiru (2021) have explored the positive effects of employee recognition on organizational performance in different contexts, there is a lack of specific focus on digital credit lenders in Kenya. Understanding how employee recognition programs operate within this sector and their impact on performance metrics such as efficiency, profitability, and customer satisfaction is crucial for optimizing organizational outcomes. Second, existing studies often focus on specific industries or geographical regions, limiting their

generalizability to the digital credit lending sector in Kenya. For instance, Chantal, Manyange, and Asuman (2022) examined employee recognition programs in Uganda's Shyogwe Diocese, while Kathina and Bula (2021) investigated commercial banks in Kenya. While these studies provide valuable insights, there is a need for research that directly addresses the unique challenges and dynamics faced by digital credit lenders in Kenya.

### **2.3.4 Career Growth and Organization Performance**

Career growth refers to the process of advancing and developing one's professional career over time, encompassing the acquisition of new skills, experiences, responsibilities, and opportunities for progression within an individual's chosen field or industry. It involves setting and pursuing career goals, seeking out learning and development opportunities, and actively engaging in activities that contribute to personal and professional growth (Jain, 2021). Career growth may include vertical advancement within an organization, such as promotions to higher-level positions, as well as horizontal movement to different roles or departments that offer new challenges and experiences (Malobi, 2022). Additionally, career growth involves continuous self-assessment, reflection, and adaptation to changes in the workplace and industry, with the ultimate goal of achieving fulfillment, success, and satisfaction in one's chosen career path.

Among small scale IT Companies in Turkey, Jain (2021) explored the impact of employee career growth on organizational success. Utilizing a mixed-method approach integrating qualitative and quantitative methodologies, data collection will involve surveys and interviews with programmer-level employees in the IT sector. The research findings demonstrate a notable positive correlation between employee career development and various crucial aspects such as organization productivity, employee satisfaction, and other associated factors within the realm of Small Scale Industries (SSIs) in the IT sector.

In South East Nigeria, Malobi (2022) examined the effect of career management on teaching hospitals' organizational performance. The research utilized a survey research design, with a questionnaire as the primary instrument for data collection. The population consisted of 19,176 teaching hospital staff across the five South East States of Nigeria,

from which a sample size of 3,346 respondents was drawn using Borg and Gall's formula. The findings of the study revealed that career planning, training, organizational commitment, and motivation all had significant positive effects on organizational performance within teaching hospitals in South East Nigeria. Based on these findings, the study concluded that effective career management positively influences the organizational performance of teaching hospitals in the region.

In Tanzania, Konda (2022) explored the correlation between career development and employee performance in security companies. The study employed a deductive design with a quantitative methodology. A sample of 378 employees was chosen from a population of 7,000 employees. Data collection was conducted through structured questionnaires. The study findings revealed that career planning, training, and mentoring significantly and positively impacted employees' performance at GardaWorld Security Company. Specifically, career planning, training, and mentoring were all positively linked to employees' performance.

Mark and Nzulwa (2018) examined the relationship between career development programs and employee performance in the National Hospital Insurance Fund. The study used a case study design and focused on NHIF headquarters in Nairobi. Primary data were collected through a carefully designed questionnaire, which underwent pilot testing to ensure reliability. The study revealed statistically significant positive relationships were observed between employee training, career counseling, employee mentoring, career advancement, and employee performance. The study concluded that career development programs play a crucial role in influencing employee performance at NHIF and recommended a greater emphasis on such programs to enhance organizational effectiveness.

In savings and credit cooperative societies in Kericho County, Langat and Wanderi (2021) investigated the correlation between career development and organizational productivity. Employing a descriptive research design, the researchers utilized stratified and simple random sampling techniques to select a sample of 180 employees from a target population of 600. Primary data collection involved self-administered closed and open-ended questionnaires, while secondary data was gathered from various publications.

The study findings unveiled a positive and significant relationship between career development and organizational productivity, indicating that investing in career development initiatives can enhance productivity within the organization. The conclusion drawn from the study emphasized the importance for organizations to establish reviewable compensation packages, rewards systems, and career development opportunities such as promotions, seminars, and capacity-building initiatives.

Research on career growth and organizational performance among digital credit lenders in Kenya reveals several notable gaps. First, while studies like Jain (2021) and Malobi (2022) have explored the positive impact of career growth on organizational success in different contexts, there is a scarcity of research focusing specifically on digital credit lenders in Kenya. Understanding how career growth opportunities influence key performance indicators such as efficiency, profitability, and customer satisfaction within this sector is crucial for informing strategic human resource management practices and fostering organizational success. Second, existing studies often focus on specific industries or geographical regions, limiting their generalizability to digital credit lenders in Kenya. For instance, Konda (2022) examined career development in security companies in Tanzania, while Mark and Nzulwa (2018) investigated career development programs in the National Hospital Insurance Fund in Kenya. While these studies provide valuable insights, there is a need for research that directly addresses the unique challenges and dynamics faced by digital credit lenders in Kenya, considering factors such as regulatory frameworks, technological advancements, and market competition.

#### **2.4 Summary of Knowledge Gaps**

While numerous studies have explored the impact of employee turnover management on organizational performance, these investigations has often been constrained to particular countries, industries and institutions. In addition, studies conducted in Kenya are limited to specific institutions, industries and sectors while others use different methodologies in the collection and analysis of data. Table 2.1 presented the summary of the literature as per the objectives of the study.

**Table 2. 1: Summary of the Literature**

<b>Authors</b>	<b>Jurisdiction</b>	<b>Focus of the Study</b>	<b>Methodology</b>	<b>Findings</b>	<b>Gap in Knowledge</b>
Wong, Chan and The (2020)	Malaysia	Correlation between work-life balance initiatives and organizational performance	Systematic review of literature	Strong association between work-life balance arrangements and organizational performance	Since this study was confined to Malaysia, its findings cannot be extrapolated to firms in Kenya owing to disparities in macroeconomic and legal contexts.
Thevanes and Harikaran (2020)	Sri Lanka	Impact of Work-Life Balance on Organizational Performance	Survey research design	Significant positive relationships between work-life balance and organizational performance	As the study was restricted to firms in Sri Lanka, its findings cannot be broadly applied to firms in Kenya.
Munyiva and Wainaina (2018)	Kenya	Influence of work life balance on employee performance	Descriptive research design	Work life balance including flexible work programs showed a significant positive correlation with employee performance	This study was conducted in Kenya ports authority in Mombasa County, which is a public institution unlike digital credit lenders
Verma (2018)	India	Impact of compensation and reward systems on organizational performance	Case study approach	Compensation and reward strategies exert a notable positive influence on performance.	However, the study was conducted in Punjab National Bank in India, whose regulatory framework differs from that of microfinance institutions in Kenya.

Ginbar (2020)	Ethiopia	Correlation between reward management systems and employee performance	Mixed research approach	A strong and noteworthy correlation exists between reward management systems and employee performance.	The study was conducted in IE Network Solution PLC, which is an information technology company
Okosi (2020)	Nigeria	Impact of reward systems on employee performance within sachet water companies	Cross-sectional survey research design	There were notable positive impacts of wages and salaries, recognition, and staff training and development on employee performance in sachet water companies in Anambra State.	In addition to being confined to Nigeria, the dependent variable in this study focused on employee performance.
Chantal, Manyange and Asuman (2022)	Uganda	effect of employee recognition programs on employee performance	Descriptive research design	Employee recognition has a small effect on employee performance, which was insignificant	The study was limited to Uganda and used employee performance as the dependent variable
Kariuki and Kiiru (2021)	Kenya	Impact of employee recognition on employee performance in public health facilities in Nyeri County	Descriptive survey research design	Positive and statistically significant effect of employee recognition on employee performance	The dependent variable in this study was employee performance and was limited to public health facilities in Nyeri County
Waititu and Miringu (2019)	Kenya	impact of employee recognition on employee retention	Survey research design	Employee recognition has a positive and significant influence on employee retention	This study was conducted in the hotel industry in Kenya, which are different from digital credit lenders in Kenya

Jain (2021)	Turkey	Impact of employee career growth on organizational success	Mixed-method approach	Positive correlation between employee career development and organizational success	The study was limited to small scale IT Companies in Turkey, which are different from digital credit lenders in Kenya
Malobi (2022)	Nigeria	Career management on organizational performance of teaching hospitals	Survey research design	Career management had significant positive effects on organizational performance within teaching hospitals	However, the study was limited to teaching hospitals in Nigeria
Mark and Nzulwa (2018)	Kenya	Relationship between career development programs and employee performance	A case study design	Career development programs play a crucial role in influencing employee performance	However, this study was limited to National Hospital Insurance Fund

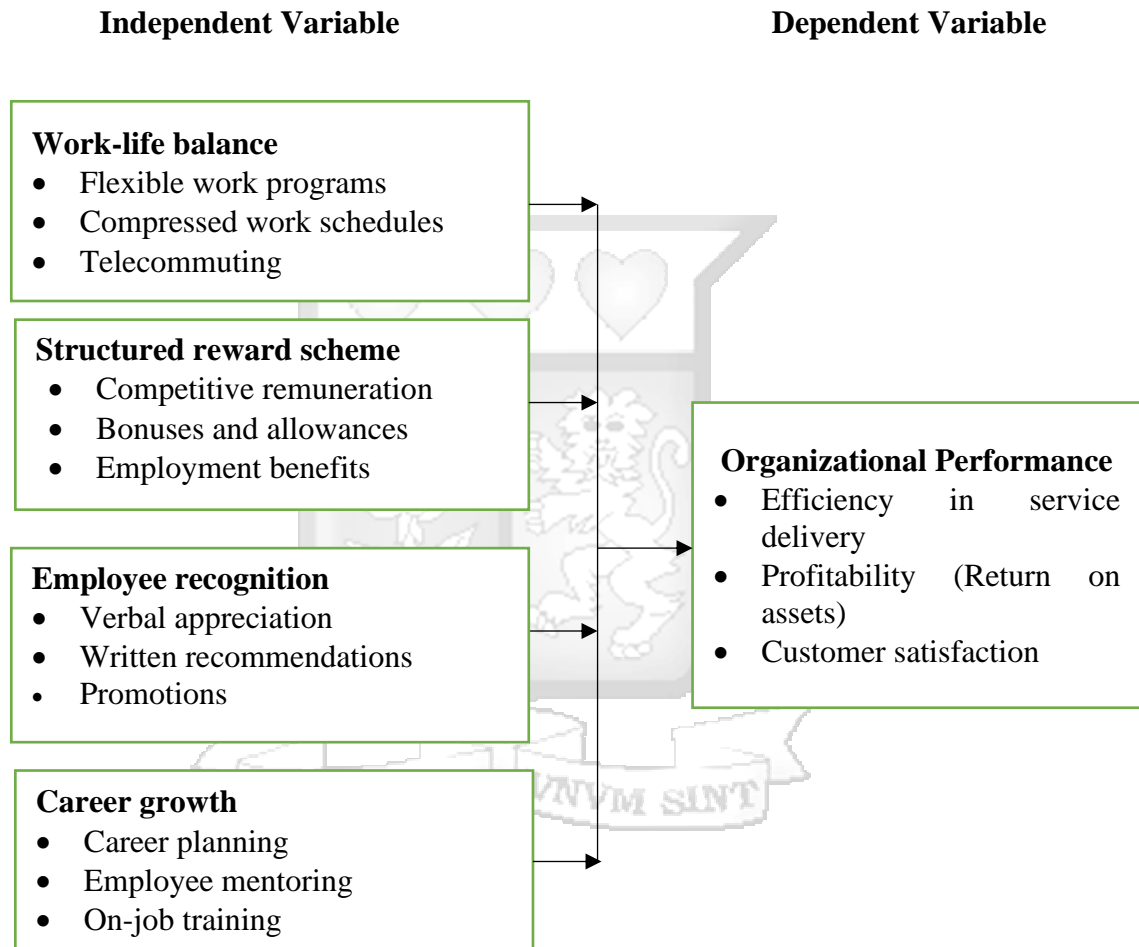
**Source: Researcher (2024)**



## 2.5 Conceptual Framework

A conceptual framework is a visual representation depicting the relationship between the independent and dependent variables of a study. In this case, the dependent variable is organizational performance while the independent variables are work-life balance, reward scheme, employee productivity and career growth.

**Figure 2. 1: Conceptual Framework**



Source: Researcher (2024)

Figure 2.1 illustrates the relationship between variables in the study. It is evident from the conceptual framework that the employee turnover management and organizational performance are related. The type of organizational culture being implemented at the organization is a major driver of the relationship between variables in this study and how effective they are to performance. With an appropriate culture which includes better work-life balance, proper reward model and employee recognition can be supported.

Organizational performance is a multifaceted concept encompassing various dimensions such as profitability, efficiency, and customer satisfaction (Quesado & Rodrigues, 2018). In the context of digital credit providers, organizational performance is crucial as it determines the sustainability and growth potential of these companies. Performance metrics like return on assets (ROA) highlight how effectively a company uses its assets to generate earnings, reflecting overall financial health (Anzazi, 2018). Efficiency in service delivery is another critical aspect, especially for digital credit providers, where swift and reliable service is paramount. Customer satisfaction, influenced by service quality and customer experience, also plays a vital role (Rajan, 2019). High performance in these areas can lead to a competitive edge in the rapidly evolving digital credit market, fostering long-term success and stability (Langat & Wanderi, 2021).

Employee turnover is a significant factor affecting organizational performance. High turnover rates can lead to increased costs related to recruiting, training, and loss of organizational knowledge (Kurniawaty et al., 2019). For digital credit providers, where specialized skills and expertise are required, retaining skilled employees is particularly important. Employee turnover can disrupt operations, reduce morale, and impact service quality, ultimately affecting customer satisfaction and organizational efficiency (Wube, 2020). Implementing effective turnover management practices, such as competitive compensation, career development opportunities, and a supportive work environment, can help mitigate these issues (Vanormelingen, 2019). By reducing turnover, digital credit providers can maintain a stable and skilled workforce, which is essential for sustaining high performance and achieving business objectives (Nattress & Dwyer, 2019).

Digital credit providers operate in a dynamic and highly competitive environment, requiring a focus on both organizational performance and employee retention (Ndungu & Moturi, 2020). These companies leverage digital platforms to offer credit services, necessitating robust technological infrastructure and skilled personnel. The integration of advanced technologies enhances service delivery efficiency, but also requires continuous innovation and adaptation (Central Bank of Kenya, 2023). Digital credit providers must balance profitability with customer satisfaction, ensuring that their services are accessible, reliable, and tailored to customer needs. Moreover, managing employee turnover is critical in maintaining operational continuity and expertise

(Gitonga et al., 2021). By focusing on comprehensive performance metrics and effective employee turnover strategies, digital credit providers can navigate the complexities of the market and achieve sustained success.

## 2.6 Operationalization of Variables

The study sought to examine the effect of employee turnover on organizational performance in Digital Credit Providers in Kenya. Table 2.2 outlined general variables, specific variable types, variable indicators, measurement of variables and supporting literature.

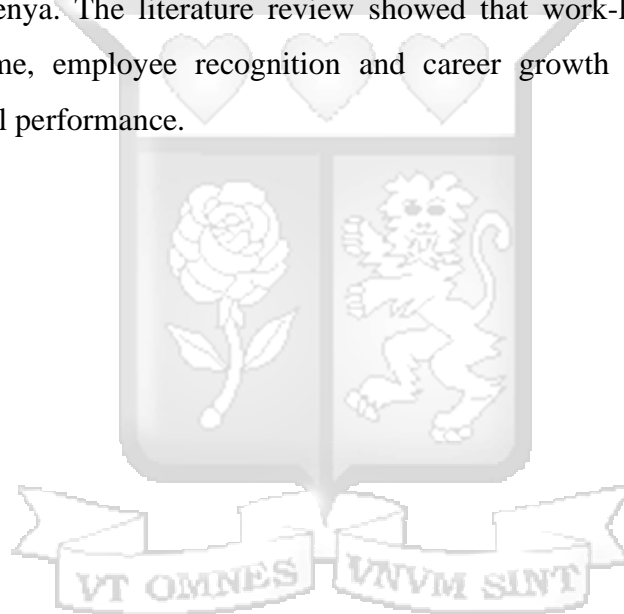
**Table 2. 2: Operationalization of Research Variables**

<b>General Variable</b>	<b>Specific Variable Type</b>	<b>Variable Indicators</b>	<b>Measurement of the variables</b>	<b>Supporting Literature</b>
Dependent Variable	Organizational Performance	<ul style="list-style-type: none"> <li>● Efficiency in service delivery</li> <li>● Profitability</li> <li>● Customer satisfaction</li> </ul>	Ordinal scale (Likert Scale)	Mwakaswaya (2023); Wube (2020); Abubakar and Wainaina (2019)
Independent Variables	Work-life balance	<ul style="list-style-type: none"> <li>● Flexible work programs</li> <li>● Compressed work schedules</li> <li>● Telecommuting</li> </ul>	Ordinal scale (Likert Scale)	Thevanes and Harikaran (2020); Salolomo and Agbaeze (2019); Kibande and Kyul (2022)
Independent Variables	Structured reward scheme	<ul style="list-style-type: none"> <li>● Recognition and Promotion</li> <li>● Competitive remuneration</li> <li>● Bonuses and allowances</li> </ul>	Ordinal scale (Likert Scale)	Verma (2018); Noorazem and Nazir (2021); Ginbar (2020)
Independent Variables	Employee recognition	<ul style="list-style-type: none"> <li>● Verbal appreciation</li> <li>● Written recommendations</li> <li>● Promotions</li> </ul>	Ordinal scale (Likert Scale)	Komal (2022); Chantal, Manyange and Asuman (2022); Kariuki and Kiiru (2021)

Independent Variables	Career growth	<ul style="list-style-type: none"> <li>● Career planning</li> <li>● Employee mentoring</li> <li>● On-job training</li> </ul>	Ordinal scale (Likert Scale)	Malobi (2022); Jain (2021); Konda (2022)
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## 2.7 Chapter Summary

The study was anchored on Herzberg two factor theory and stakeholder theory. Herzberg two factor theory was used to explain the employee turnover management, in terms of work-life balance, structured reward scheme, employee recognition and career growth among digital credit lenders in Kenya. On the other hand, the stakeholder theory was used to explain organizational performance of digital credit lenders in Kenya. The literature review showed that work-life balance, structured reward scheme, employee recognition and career growth have an influence on organizational performance.



## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

A research methodology refers to a systematic and structured framework that researchers employ to plan, execute, and assess their research endeavors (Krishna, 2020). This chapter delineates the research design, target population, sampling frame, sample and sampling technique, data collection instrument, data collection procedures, research quality, data analysis, and ethical considerations pertinent to the study.

### **3.2 Research Philosophy**

The study adopted a positivism research philosophy. Positivist researchers aim to establish causal relationships and general laws that govern the behavior of social phenomena, often utilizing quantitative methods to test hypotheses and verify theories (Hall, 2020). This approach prioritizes objectivity, rigor, and replicability, aiming to produce reliable and generalizable knowledge that can contribute to the advancement of scientific understanding and societal progress. This study used positivism research philosophy to examine the effect of employee turnover management on organizational performance in digital credit providers in Kenya. According to Kumar (2019), positivism research philosophy enables systematic data collection and analysis, allowing for the identification of causal relationships between turnover management strategies and performance outcomes. Additionally, its emphasis on generalizability ensures that findings can be applied beyond the specific context, benefiting similar organizations facing similar challenges.

### **3.3 The Research Design**

This study adopted a descriptive cross-sectional research design. A descriptive cross-sectional research design is a type of observational study that aims to describe the characteristics of a population or phenomenon at a single point in time. In this research design, data is collected from a sample of individuals or entities from the population of interest, and no attempt is made to manipulate variables (Devi, 2019). The study used a descriptive cross-sectional research design to examine the effect of employee turnover on organizational performance in digital credit providers in Kenya. A descriptive cross-sectional design allows researchers to capture a snapshot of the

current status of employee turnover and organizational performance within digital credit providers. By collecting data at a single point in time, researchers can obtain a comprehensive overview of the existing situation without the need for longitudinal data collection, which can be resource-intensive and time-consuming.

### 3.4 Population

The study was conducted among digital credit providers in Kenya. According to the Central Bank of Kenya (2023), there are 32 registered digital credit providers in Kenya. However, the study focused on digital credit providers in Kenya that conventional means of lending (Central Bank of Kenya, 2023). These organizations were used because they have employees who run their day to day operations unlike mobile based digital credit providers that do not require employees. The unit of observation was all the employees working in the 5 selected digital credit providers. The target population was therefore all the 946 employees working in the 5 selected digital credit providers in Kenya as reported by the Central Bank of Kenya (2023).

**Table 3. 1: Target Population**

<b>Organization</b>	<b>Target Population</b>
Fourth Generation Capital	435
Mycredit Limited	207
Ngao Credit	140
Letshego	110
Jijenge Credit	54
<b>Total</b>	<b>946</b>

### 3.5 Sampling Design

The study utilized Slovin's Formula in the determination of the sample size. Slovin's Formula is a statistical method used for determining the sample size for a research study, when dealing with a large population (Kumar, 2019). The research employed 95% level of confidence and a margin error of 0.05.

$$n = \frac{N}{1 + NE^2}$$

Where by: n = no. of samples; N = total population; E = error margin / margin of error (0.05)

$$n = \frac{946}{1 + (946 * 0.05^2)} = 281$$

The study used simple random sampling in the selection of the study's sample size. Simple random sampling is a method used in statistics and research to select a sample from a larger population in such a way that each member of the population has an equal chance of being chosen (Hair, Page & Brunsveld, 2020). This means that the sample is likely to be representative of the population, making it easier to generalize the findings from the sample to the entire population with confidence. In addition, since each member of the population has an equal probability of being included in the sample, simple random sampling eliminates bias in the selection process. This helps to ensure the fairness and integrity of the sampling method, leading to more accurate and reliable results.

**Table 3. 2: Sample Size**

<b>Organization</b>	<b>Target Population</b>	<b>Sample Size</b>
Fourth Generation Capital	435	129
Mycredit Limited	207	61
Ngao Credit	140	42
Letshego	110	33
Jijenge Credit	54	16
<b>Total</b>	<b>946</b>	<b>281</b>

### **3.6 Data Collection Methods**

#### **3.6.1 Data Collection Instruments**

The study utilized primary data collected through structured questionnaires (see Appendix II) A structured questionnaire is a standardized research instrument consisting of a set of predetermined questions designed to collect data from respondents in a systematic and consistent manner (Latwal, 2020). Structured questions encompassed predefined response options, including multiple-choice questions or Likert scale items (ranging from "strongly agree" to "strongly disagree").

The questionnaire consisted of six questions. The initial section gathered demographic data from the participants. Subsequent sections, numbered two through five, addressed inquiries regarding the independent variables: work-life balance, reward scheme, employee productivity, and career growth. The sixth section collected data on the dependent variable (organizational performance).

### **3.6.2 Data Collection Procedures**

The data collection process commenced with obtaining consent from the Strathmore Business School ethics committee, followed by the application for a research permit from the National Commission for Science, Technology and Innovation (NACOSTI). Data collection from the staff of digital credit providers were conducted using drop-off and pick-up later method. The questionnaires were distributed to staff in the 5 digital credit providers in Kenya. Daily follow-ups were conducted to track the progress of respondents in completing the questionnaires. The data collection phase is anticipated to span approximately one month.

### **3.7 Research Quality**

The quality of research is essential for ensuring that the findings are credible, valid, and contribute meaningfully to the existing body of knowledge (Latwal, 2020). This section covers pilot testing, validity of the research instruments and reliability of the research instruments.

#### **3.7.1 Pilot Testing**

A pilot test serves as a preliminary study aimed at assessing feasibility, duration, cost, adverse events, and refining the study design before embarking on a full-scale research project (Waddell, 2020). A pre-test was conducted to identify and revise any ambiguous, misinterpreted or misunderstood questions. Moreover, the pre-test helped eliminate typographical errors and assess the relevance and appropriateness of the questions asked. The research instruments underwent pre-testing at Mwanzo Credit Limited, given its similarities to the 5 conventional digital credit providers. The pre-test group was randomly sampled and consisted of 10% of the total sample size. According to Kumar (2019), employing 10% of the sample size required for the full study is appropriate for pre-testing purposes.

#### **3.7.2 Validity of Research Instruments**

This study specifically addressed two types of validity: content validity and face validity. Face validity is a type of content validity that refers to the extent to which an assessment or measurement instrument appears, on the surface, to be a valid and appropriate tool for measuring a specific construct or concept (Sileyew, 2019). It is a subjective and qualitative judgment made by experts or individuals who are not

necessarily experts in the field, based on the instrument's face value or external appearance. In this study, face validity was strengthened by incorporating feedback from experts in the field of human resource management, including the supervisor (Mukherjee, 2020). Content validity evaluates if the instrument thoroughly and effectively encompasses all pertinent aspects of the concept or construct under investigation (Latwal, 2020). It gauges whether the questions, items, or tasks are fitting and representative of the construct. Content validity was improved by organizing the questionnaire questions according to the indicators and objectives of the study.

### **3.7.3 Reliability of Research Instruments**

In this study, reliability will be assessed using internal consistency. Cronbach's alpha is the most commonly utilized method for measuring internal consistency (Bhattacharjee, 2018). Reliability in this context is considered stronger when Cronbach's alpha values fall between 0 and 1. An alpha coefficient ranging from 0.7 to 0.8 signifies acceptable reliability, while a coefficient of 0.8 or higher indicates good reliability (Stokes & Wall, 2017). In this study a Cronbach's alpha of 0.7 was considered acceptable and Cronbach's alpha coefficient of below 0.7 necessitated the revision of the statements under a construct until a Cronbach's alpha of above 0.7 is attained.

### **3.8 Data Analysis**

The quantitative data obtained from the questionnaires will undergo editing, coding, and entry into the Statistical Package for Social Sciences (SPSS version 22), a statistical software program. Both descriptive and inferential analysis were employed for data analysis. Descriptive statistics encompassed frequency distribution, percentages, and mean and standard deviation. Subsequently, inferential statistics including Pearson correlation analysis and regression analysis were conducted. The findings were presented through tables and graphical representations such as bar charts and pie charts.

Given that there are four independent variables in this research, the multivariate regression model was structured as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Whereby:

$Y$  = Organizational Performance;  
 $\beta_0$  = Constant;  
 $\beta_1, \beta_2, \beta_3, \beta_4$  = Coefficients of determination;  
 $X_1$  = Work-life balance;  
 $X_2$  = Structured reward scheme;  
 $X_3$  = Employee recognition;  
 $X_4$  = Career growth; and  
 $\varepsilon$  = Error term

Diagnostic tests included heteroscedasticity test, normality test and auto-correlation test. In linear regression analysis, having data that shows heteroscedasticity can ruin the results (at the very least it will give biased coefficients) (Latwal, 2020). The study will use the Breusch-Pagan/Cook-Weisberg test for heteroscedasticity. Heteroscedasticity exists if the variance of the error term varies across observations. According to the null hypothesis, a constant variance exists while the alternative hypothesis purports that heteroscedasticity does exist. The violation of homoscedasticity causes an increase as heteroscedasticity increases.

To fulfill the requirement of normal distribution, the Shapiro Wilk test will be used to investigate whether the variables are normally distributed or not (Kumar, 2019). The null-hypothesis of this test is that the population is normally distributed; thus, if the p-value is less than the chosen alpha level, then the null hypothesis is rejected and there is evidence that the data tested is not from a normally distributed population; in other words, the data is not normal (Bhattacharjee, 2018).

The Durbin-Watson test is a statistical test used to detect the presence of autocorrelation in the residuals of a regression analysis. Autocorrelation occurs when there is a correlation between the error terms in a regression model, indicating that the observations are not independent (Latwal, 2020). The Durbin-Watson test statistic ranges from 0 to 4, with a value close to 2 indicating no autocorrelation. If the test statistic is significantly less than 2, it suggests positive autocorrelation, while a value significantly greater than 2 indicates negative autocorrelation.

### **3.9 Ethical Considerations**

In conducting the study, ethical considerations were paramount, guided by established codes of conduct and principles such as respect for human dignity, beneficence, and justice. Obtaining a data collection permit from the National Commission for Science, Technology and Innovation (NACOSTI) and seeking consent from the Strathmore University ethical committee was integral to the process. Informed consent was sought from potential participants, ensuring their understanding and voluntary agreement to take part in the research. To maintain confidentiality, participants were assured that their information was treated with utmost confidentiality and used solely for learning purposes, with data documents stored securely and access restricted. Anonymity was also upheld, with measures in place to prevent the collection of identifying information unless necessary for the study protocol, and participants were requested not to disclose personal details when completing questionnaires. The researcher strived for transparency and honesty in their methods and reporting, avoiding bias or manipulation of results.

### **3.10 Chapter Summary**

The study adopted a positivism research philosophy and the research design was descriptive cross-sectional research design. The target population comprised of employees from five digital credit providers in Kenya, with a total of 946 employees. Using Slovin's Formula, a sample size of 281 employees was determined, with simple random sampling employed for selection to ensure representation and eliminate bias. Data collection utilized structured questionnaires. The study's research quality was ensured through pilot testing, validity, and reliability assessments of research instruments. Data analysis involved descriptive and inferential statistics. Descriptive statistics encompassed frequency distribution, percentages, and mean and standard deviation. Subsequently, inferential statistics including Pearson correlation analysis and regression analysis were conducted. Ethical considerations were paramount throughout the study, ensuring compliance with established codes of conduct and principles to safeguard participant confidentiality, privacy, and informed consent.

## CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS

### 4.1 Introduction

This chapter comprises of data analysis, interpretation of results and presentation of study's findings in relation with the general and the specific objectives of the study. The main objective of this study was to examine the effect of employee turnover management on organizational performance in digital credit providers in Kenya. The study also sought to establish the effect of work-life balance, structured reward scheme, employee recognition and career growth on organizational performance in digital credit providers in Kenya.

### 4.2 Response Rate

The sample size of this study was 2181 employees working in the 5 selected digital credit providers in Kenya. The responses rate was as shown in Table 4.1.

**Table 4. 1: Questionnaires' Response Rate**

<b>Organization</b>	<b>Sample Size</b>	<b>Responses</b>	<b>Response Rate</b>
Fourth Generation Capital	129	108	83.72
Mycredit Limited	61	54	88.52
Ngao Credit	42	35	83.33
Letshego	33	28	84.85
Jijenge Credit	16	14	87.50
<b>Total</b>	<b>281</b>	<b>239</b>	<b>85.05</b>

From a total sample size of 281, 239 responses were collected, resulting in an 85.05% response rate. As per Latwal (2020), a response rate of 50% is deemed adequate for analysis and reporting, 60% is considered good, and 70% is regarded as excellent. Therefore, the obtained response rate of 85.05% in this study falls within acceptable limits, facilitating reliable conclusions and recommendations.

### 4.4 General Information

General information in this study covered the respondents' gender, age bracket, education level and how long they had been working in their organization.

#### 4.4.1 Gender of the Respondents

The participants were asked to indicate their gender. From the results, as shown in Table 4.2, 49.8% of the employees were male, while slightly more, at 50.2%, were female. This suggests a relatively balanced representation of both genders within the workforce of digital credit providers in Kenya. This balance in gender representation within the industry's workforce is a positive indication of diversity and inclusion efforts. It reflects a workplace environment where both men and women have opportunities for employment and advancement within digital credit companies in Kenya.

**Table 4. 2: Gender of the Respondents**

	<b>Frequency</b>	<b>Percent</b>
Male	119	49.8
Female	120	50.2
<b>Total</b>	<b>239</b>	<b>100.0</b>

#### 4.4.2 Age Bracket of the Respondents

The participants were asked to indicate their age bracket. From the results, as shown in Table 4.3, the highest proportion of respondents falls within the age bracket of 26 to 30 years, comprising 27.2% of the total. Following closely, another 27.2% fall within the age bracket of 31 to 35 years. The next significant group consists of individuals aged 20 to 25 years, making up 23.0% of the respondents. There is a notable decrease in representation as age increases beyond 35 years, with only 13.4% falling in the bracket of 36 to 40 years, 6.7% in the bracket of 41 to 45 years, and 2.5% above 46 years. These results suggest that the majority of employees in digital credit providers in Kenya are relatively young, with a significant portion falling within the mid to late twenties and early thirties.

**Table 4. 3: Age Bracket of the Respondents**

<b>Age Brackets</b>	<b>Frequency</b>	<b>Percent</b>
20 to 25 years	55	23.0
26 to 30 years	65	27.2
31 to 35 years	65	27.2
36 to 40 years	32	13.4
41 to 45 years	16	6.7
Above 46 years	6	2.5
<b>Total</b>	<b>239</b>	<b>100.0</b>

#### 4.4.3 Respondents' Education Level

The participants were asked to indicate their highest level of education. As shown in Figure 4.3, the highest proportion of respondents hold an undergraduate degree, representing 46.0% of the total. Following undergraduate degrees, diplomas are the next most common qualification among employees, with 29.3%. A notable portion of employees have completed secondary school education, constituting 11.3%. Master's degrees are held by 11.7% of the respondents. The smallest percentage of employees have attained a PhD, comprising 1.7% of the workforce. These findings suggest that a significant portion of employees in digital credit providers in Kenya have completed higher education, with nearly half holding undergraduate degrees. This indicates a workforce with a strong educational foundation, likely equipped with specialized knowledge and skills relevant to the industry.

**Table 4. 4: Respondents Education Level**

<b>Level of Education</b>	<b>Frequency</b>	<b>Percent</b>
Secondary School	27	11.3
Diploma	70	29.3
Undergraduate degree	110	46.0
Master's Degree	28	11.7
PhD	4	1.7
<b>Total</b>	<b>239</b>	<b>100.0</b>

#### 4.4.4 Duration of Working in their Organizations

The participants were requested to indicate the duration of time they had been working in their organizations. As shown in Figure 4.4, 31.8% of the respondents had been working in their organization for 3 to 4 years. Following closely, 31.4% have a tenure of 1 to 2 years. A significant portion of respondents, 16.3%, have been with their organization for less than 1 year. There is a gradual decrease in the percentage of employees as the tenure increases beyond 4 years, with 12.1% having worked for 5 to 6 years, 5.9% for 7 to 8 years, and 2.5% for 9 to 10 years. These findings suggest a relatively dynamic workforce within digital credit providers in Kenya, with a significant proportion of employees having relatively short tenures.

**Table 4. 5: Duration of Working in their Organizations**

<b>Duration</b>	<b>Frequency</b>	<b>Percent</b>
Less than 1 year	39	16.3
1 to 2 years	75	31.4
3 to 4 years	76	31.8
5 to 6 years	29	12.1
7 to 8 years	14	5.9
9 to 10 years	6	2.5
<b>Total</b>	<b>239.0</b>	<b>100.0</b>

#### **4.5 Work-Life Balance**

The first objective of the study was to establish the effect of work-life balance on organizational performance in digital credit providers in Kenya. The respondents were asked to indicate their level of agreement with various statements regarding work-life balance in their organizations where 1 depicts strongly disagree, 2 depicts disagree, 3 depicts moderately agree, 4 depicts agree and 5 depicts strongly agree. As shown in Table 4.6, the respondents agreed with a mean of 3.749 (Std. Deviation = 1.094) that flexible work programs provided by the company positively impact their work-life balance. The findings agree with Irfan et al. (2023) findings that flexible work programs provide work-life balance in an organization. Similarly, they agreed with a mean of 3.736 (Std. Deviation = 1.046) that they are able to adjust their work schedule to better balance their personal and professional life. The respondents also agreed with a mean of 3.678 (Std. Deviation = 1.119) with the statement indicating that the company offers sufficient options for flexible work arrangements to accommodate their personal needs.

The respondents generally found compressed work schedules helpful in managing their time more efficiently, as indicated by a mean of 3.519 (Std. Deviation = 1.064). The findings are in line with Thevanes and Harikaran (2020) findings that compressed work schedules can be advantageous for individuals, aiding them in effectively managing their time. The mean for the statement "compressed work schedules allow me to achieve a better balance between my work and personal life" was slightly lower at 3.389 (Std. Deviation = 1.066), suggesting a relatively lower level of agreement compared to the statements related to work life balance. In addition, the implementation of compressed work schedules was perceived to have improved work-life balance, with a mean of 3.628 (Std. Deviation = 1.099). Moreover, telecommuting options provided by the company were viewed positively, with means ranging from

3.640 to 3.762 and standard deviations ranging from 1.044 to 1.109, indicating that they enable respondents to better manage their work-life balance and juggle personal and professional responsibilities effectively. The findings agree with Salolomo and Agbaeze (2019) findings that telecommuting options offered by the company garnered favourable feedback, as employees appreciated the flexibility and reduced commuting stress.

**Table 4. 6: Aspects of Work-Life Balance**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
The company offers sufficient options for flexible work arrangements to accommodate my personal needs	3.678	1.119
I am able to adjust my work schedule to better balance my personal and professional life.	3.736	1.046
Flexible work programs provided by the company positively impact my work-life balance	3.749	1.094
Compressed work schedules allow me to achieve a better balance between my work and personal life	3.389	1.066
I find compressed work schedules helpful in managing my time more efficiently.	3.519	1.064
The implementation of compressed work schedules has improved my work-life balance.	3.628	1.099
Telecommuting options provided by the company enable me to better manage my work-life balance	3.640	1.090
Working remotely enhances my ability to juggle personal and professional responsibilities.	3.611	1.109
Telecommuting opportunities contribute significantly to my overall work-life balance.	3.762	1.044

#### **4.6 Structured Reward Scheme**

The second objective of the study was to determine the effect of a structured reward scheme on organizational performance in digital credit providers in Kenya. The respondents were asked to indicate their level of agreement with various statements regarding the structured reward scheme in their organizations. With a mean of 3.895 (Std. Deviation = 1.041), as shown in Table 4.7, the respondents agreed that the range of healthcare benefits provided by the company is comprehensive and valuable. With

a mean of 3.741 (Std. Deviation = 1.028), the respondents agreed that the retirement savings and pension plans offered by the organization are adequate for their future financial security. Also, with a mean of 3.573 (Std. Deviation = 0.992), the respondents indicated satisfaction with the vacation and paid time-off policies provided by the company. The findings are in agreement with Verma (2018) findings that employees' satisfaction with the company's vacation and paid time-off policies reflects contentment with the balance between work and personal life.

The respondents agreed with a mean of 3.649 (Std. Deviation = 1.097), the respondents agreed that the company's remuneration package motivates them to perform at their best. The findings are in line with Noorazem and Nazir (2021) findings that the comprehensive remuneration package offered a company serves as a powerful motivator, inspiring employees to strive for excellence in their performance by recognizing their contributions and providing competitive rewards. In addition, with a mean of 3.527 (Std. Deviation = 1.015), the respondents agreed that the salary and benefits offered by the company are competitive compared to other organizations in the industry. However, with a mean of 3.473 (Std. Deviation = 1.044), the respondents indicated some low level of satisfaction with the level of compensation they receive for their work.

With a mean of 3.891 (Std. Deviation = 1.043), the respondents strongly agreed that the company's bonus and allowance system contributes positively to their overall job satisfaction. Likewise, with a mean of 3.803 (Std. Deviation = 0.978), the respondents felt motivated to work harder knowing that they may receive bonuses or additional allowances. Moreover, with a mean of 3.674 (Std. Deviation = 1.030), the respondents indicated that the bonuses and allowances provided by the company serve as effective incentives for achieving goals. The findings agree with Umar and Saeed (2019) argument that bonuses and allowances offered by the company serve as potent motivators, incentivizing goal achievement and driving performance excellence among employees.

**Table 4. 7: Aspects of Structured Reward Scheme**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
The retirement savings and pension plans offered by the organization are adequate for my future financial security	3.741	1.028
I feel satisfied with the vacation and paid time-off policies provided by the company.	3.573	.992
I believe that the range of healthcare benefits provided by the company is comprehensive and valuable.	3.895	1.041
The salary and benefits offered by the company are competitive compared to other organizations in the industry.	3.527	1.015
I am satisfied with the level of compensation I receive for my work.	3.473	1.044
The company's remuneration package motivates me to perform at my best.	3.649	1.097
The bonuses and allowances provided by the company serve as effective incentives for achieving goals.	3.674	1.030
I feel motivated to work harder knowing that I may receive bonuses or additional allowances.	3.803	.978
The company's bonus and allowance system contributes positively to my overall job satisfaction.	3.891	1.043

#### **4.7 Employee Recognition**

The third objective of the study was to assess the effect of employee recognition on organizational performance in digital credit providers in Kenya. The respondents were asked to indicate their level of agreement with various statements regarding the employee recognition in their organizations. With a mean of 3.937 (Std. Deviation=.983), the respondents agreed that they feel valued and appreciated when they receive verbal appreciation from their supervisors or colleagues. Verbal appreciation from management was perceived to boost morale and enhance the sense of belonging within the organization, with a mean of 3.904 (Std. Deviation=.945). In addition, verbal recognition from peers was seen to reinforce the positive impact of work and encourage collaboration and teamwork, as indicated by a mean of 3.858 (Std. Deviation=.955). The findings agree with Komal (2022) findings that verbal

acknowledgment strengthens the positive influence of work and promote collaboration and teamwork.

Written recommendations were also seen as valuable endorsements of skills and capabilities, both internally and externally, with a mean of 3.987 (Std. Deviation= .941). Furthermore, written recommendations were viewed as providing tangible evidence of achievements and encouraging further success, with a mean of 3.950 (Std. Deviation= .929). Written recommendations for work performance were reported to make respondents feel recognized and motivated to continue excelling, with a mean of 3.887 (Std. Deviation= .965). The findings agree with Chantal, Manyange and Asuman (2022) argument that receiving written recommendations for work performance makes employees feel recognized and motivated to maintain their high standards of excellence.

Promotions were seen to provide opportunities for career advancement and growth, signalling the organization's investment in development, with a mean of 4.092 (Std. Deviation= .974). In addition, promotions within the organization were perceived as significant forms of recognition for contributions and accomplishments, with a mean of 4.050 (Std. Deviation= 1.052). Further, the respondents believed that receiving a promotion is a clear indication that their efforts and dedication to the organization are recognized and rewarded, with a mean of 4.021 (Std. Deviation= 1.006). The findings agree with Komal (2022) findings that promotions clearly indicate commitment of an organization to improving employee job satisfaction.

**Table 4. 8: Aspects of Employee Recognition**

Statements	Mean	Std. Deviation
I feel valued and appreciated when I receive verbal appreciation from my supervisors or colleagues	3.937	.983
Verbal appreciation from management boosts my morale and enhances my sense of belonging within the organization.	3.904	.945
Verbal recognition from peers reinforces the positive impact of my work and encourages collaboration and teamwork.	3.858	.955
Written recommendations for my work performance make me feel recognized and motivated to continue excelling.	3.887	.965

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Written recommendations provide tangible evidence of my 3.950 .929 achievements and encourage me to strive for further success.

Written recommendations serve as valuable endorsements of my 3.987 .941 skills and capabilities, both internally and externally.

Promotions within the organization serve as a significant form 4.050 1.052 of recognition for my contributions and accomplishments.

Receiving a promotion is a clear indication that my efforts and 4.021 1.006 dedication to the organization are recognized and rewarded.

Promotions provide opportunities for career advancement and 4.092 .974 growth, signaling the organization's investment in my development

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#### **4.8 Career Growth**

The fourth objective of the study was to examine the effect of career growth on organizational performance in digital credit providers in Kenya. The respondents were asked to indicate their level of agreement with various statements regarding career growth in their organizations. With a mean of 3.828 (Std. Deviation= 1.008), as shown in Table 4.9 the respondents agreed that the company offers opportunities for them to plan and develop their career path. Moreover, respondents expressed satisfaction with the level of guidance and resources available for career planning, with a mean of 3.795 (Std. Deviation= 1.070). The findings agree with Kariuki and Kiiru (2021) argument that employee satisfaction with level of guidance influence employee performance. They also indicated feeling supported in setting and achieving their career goals within the organization, with a mean of 3.715 (Std. Deviation= 1.116).

Mentoring relationships within the company were seen to positively impact career trajectories, with a mean of 3.862 (Std. Deviation= 1.038). Additionally, respondents reported having access to mentors who provide guidance and support in their career growth, with a mean of 3.736 (Std. Deviation= 1.073). The mentoring programs offered by the company were perceived as valuable in professional development, as evidenced by a mean of 3.728 (Std. Deviation= 1.031). The findings agree with Jain (2021) argument that mentoring programs provided are highly regarded as a significant contribution to professional growth and development.

The respondents felt empowered to grow and develop through on-job training experiences, with a mean of 3.849 (Std. Deviation= 1.050). Also, on-job training

programs were believed to contribute significantly to professional development and career advancement, with a mean of 3.820 (Std. Deviation= .994). Furthermore, the company was perceived to provide relevant and effective training opportunities to enhance skills and knowledge, with a mean of 3.766 (Std. Deviation= .980). The findings are in line with Malobi (2022) observation that companies are recognized for offering pertinent and impactful training opportunities aimed at augmenting skills and knowledge.

**Table 4. 9: Aspects of Career Growth**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
The company offers opportunities for me to plan and develop my career path.	3.828	1.008
I feel supported in setting and achieving my career goals within the organization.	3.715	1.116
I am satisfied with the level of guidance and resources available for career planning.	3.795	1.070
The mentoring programs offered by the company have been valuable in my professional development.	3.728	1.031
I have access to mentors who provide guidance and support in my career growth.	3.736	1.073
Mentoring relationships within the company have positively impacted my career trajectory.	3.862	1.038
The company provides relevant and effective training opportunities to enhance my skills and knowledge.	3.766	.980
I feel empowered to grow and develop through on-job training experiences.	3.849	1.050
On-job training programs contribute significantly to my professional development and career advancement.	3.820	.994

#### **4.9 Organizational Performance**

The respondents were asked to indicate their level of agreement with various statements regarding their organizations performance. With a mean of 4.092 (Std. Deviation= .939), as shown in Table 4.10, the respondents agreed that the company efficiently delivers its services to clients or customers. Processes and procedures are in place to ensure timely and effective service delivery, as indicated by a mean of 3.933

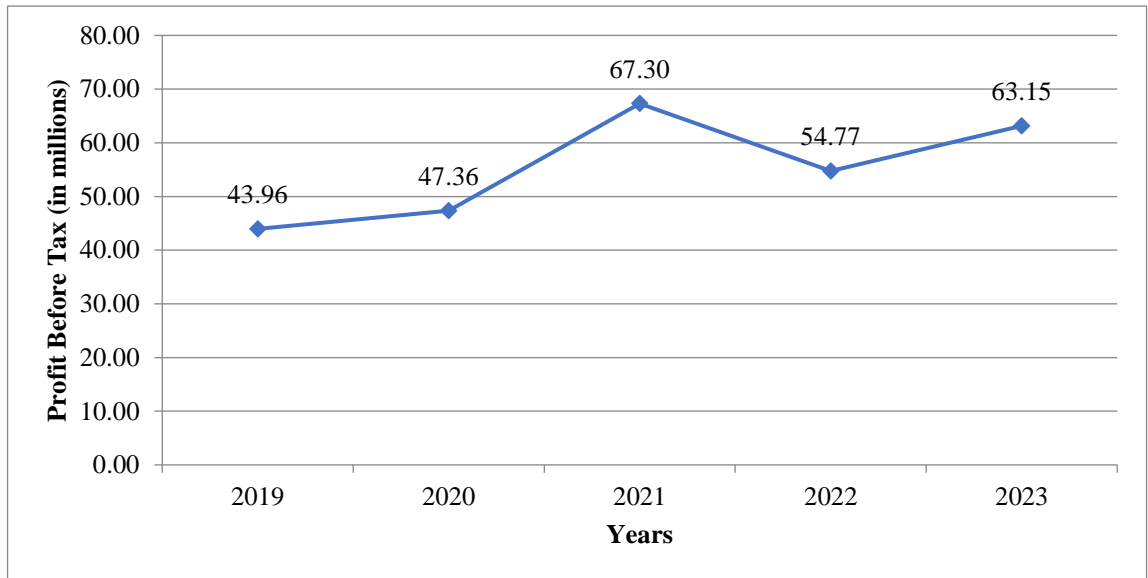
(Std. Deviation= .936). Additionally, respondents expressed satisfaction with the level of efficiency in service delivery within the organization, with a mean of 3.908 (Std. Deviation= .970). These findings disagree with Quesado and Rodrigues, (2018) observation that satisfaction with the level of efficiency in service delivery has been declining. Positive feedback and repeat business were perceived as indicative of high levels of customer satisfaction with products or services, with a mean of 4.021 (Std. Deviation= 1.014). Furthermore, respondents indicated belief in the organization's focus on customer satisfaction, with a mean of 3.954 (Std. Deviation= 1.062). The company's emphasis on meeting customer needs and exceeding expectations was acknowledged, with a mean of 3.879 (Std. Deviation= 1.044). The findings are in line with Abubakar and Wainaina (2019) emphasis on meeting customers' expectations.

**Table 4. 10: Measures of Organizational Performance**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
The company efficiently delivers its services to clients or customers.	4.092	.939
Processes and procedures are in place to ensure timely and effective service delivery.	3.933	.936
I am satisfied with the level of efficiency in service delivery within the organization.	3.908	.970
The company places a strong emphasis on meeting customer needs and exceeding expectations.	3.879	1.044
I believe that customer satisfaction is a key focus for the organization.	3.954	1.062
Positive feedback and repeat business indicate high levels of customer satisfaction with our products or services.	4.021	1.014

The respondents were asked to indicate profitability (profit before tax) of their organizations for the last five years. The mean profit before tax for digital credit providers in Kenya experienced a positive trajectory from 2019 to 2023, showcasing steady growth and financial resilience within the industry. Starting at approximately Ksh. 4.396 billion in 2019, profitability increased to Ksh. 6.73 billion in 2021, marking a significant upswing. Although there was a slight decrease to about Ksh. 5.477 billion in 2022, profitability remained notably higher than earlier years. The subsequent rise to approximately Ksh. 6.315 billion in 2023 underscores the industry's ability to

rebound and sustain strong financial performance. These results highlight the robustness of digital credit providers in Kenya, reflecting favorable market conditions, strategic management practices, and adaptation to changing dynamics, thereby contributing to a thriving financial landscape.



**Figure 4. 1: Trend of Profit before Tax**

#### **4.10 Inferential Statistics**

Inferential statistics were used to examine effect of employee turnover management, which include work-life balance, structured reward scheme, employee recognition and career growth on organizational performance in digital credit providers in Kenya. Inferential statistics in this study included correlation analysis and regression analysis.

##### **4.10.1 Diagnostic Tests**

In linear regression analysis, several diagnostic tests are commonly used to assess the validity of the assumptions underlying the regression model. Diagnostic tests in this study included heteroskedasticity test, test for normality and autocorrelation test. Heteroskedasticity refers to the situation where the variance of the error term in a regression model is not constant across all levels of the independent variables. Breusch-Pagan test is a statistical test used to detect heteroskedasticity in regression models. It involves regressing the squared residuals from the original regression model on the independent variables, and then performing a hypothesis test on the coefficients of these variables. The null hypothesis of the Breusch-Pagan test is that there is homoscedasticity, meaning that the variance of the error term is constant across all

levels of the independent variables. The results were as presented in Table 4.11.

**Table 4. 11: Breusch-Pagan test for Heteroscedasticity**

Ho: Constant variance	
Variables: Fitted with values of Organizational performance	
Chi2 (1)	0.96
Prob>chi2	0.4156

Since the p-value (0.4156) is greater than the chosen significance level (e.g., 0.05), as shown in Table 4.11, we fail to reject the null hypothesis. Therefore, based on the Breusch-Pagan test results, there is no statistically significant evidence to suggest that there is heteroskedasticity in the regression model.

A Test for Normality assesses whether the residuals (the differences between observed and predicted values) from a regression model are normally distributed. Shapiro-Wilk test is one of the most commonly used tests for normality. It evaluates the null hypothesis that a sample comes from a normally distributed population. In other words, it tests whether the data follow a normal distribution. The null hypothesis of the Shapiro-Wilk test is that the data are normally distributed. The results were presented in Table 4.12.

**Table 4. 12: Test for Normality of Data**

	Shapiro-Wilk		
	Statistic	df	Sig.
Work-Life Balance	.989	312	.188
Structured Reward Scheme	.991	312	.201
Employee Recognition	.977	312	.132
Career Growth	.981	312	.156
Work-Life Balance	.985	312	.171
Organizational performance	.967	312	.106

a. Lilliefors Significance Correction

As show in Table 4.12, for the variables of work-life balance, structured reward scheme, employee recognition, career growth, and organizational performance, the Shapiro-Wilk statistic ranges from 0.967 to 0.991, and the corresponding p-values range from 0.106 to 0.201. These p-values are greater than the typical threshold of 0.05, indicating that there is no significant departure from normality for these variables. Therefore, based on the Shapiro-Wilk test results, we can assume that the data for these variables are normally distributed.

The Durbin-Watson statistic was used to test autocorrelation. The Durbin-Watson statistic is a statistical technique used in determining the level of autocorrelation among residuals of a given regression analysis. The general principle in the Durbin–Watson statistic is that values that range from 1.5 to 2.5 tend to indicate that there is no autocorrelation in a particular dataset. The results were as shown in Table 4.13.

**Table 4. 13: Autocorrelation Test**

<b>Model</b>	<b>Durbin-Watson</b>
1	1.889

As shown in Table 4.13, the Durbin-Watson statistic for the model was 1.889. This statistic measures the presence of autocorrelation in the residuals of a regression model. The Durbin-Watson statistic ranges from 0 to 4, with a value between 1.5 to 2.5 indicating no significant autocorrelation. In this case, the value of 1.889 suggests that there may be a slight positive autocorrelation in the residuals, but it is not severe. Therefore, there is no autocorrelation among the study variables.

#### **4.10.1 Correlation Analysis**

Correlation analysis is a statistical technique used to measure the strength and direction of the relationship between two or more variables. Pearson correlation coefficient ( $r$ ) ranges from -1 to 1. The results of correlation analysis were as presented in Table 4.14.



**Table 4. 14: Correlation Results**

		<b>Organizational Performance</b>	<b>Work- Life Balance</b>	<b>Structured Reward Scheme</b>	<b>Employee Recognition</b>	<b>Career Growth</b>
Organizational Performance	Pearson Correlation Sig. (2- tailed) N	1 239				
Work-Life Balance	Pearson Correlation Sig. (2- tailed) N	.605** .000 239	1 239			
Structured Reward Scheme	Pearson Correlation Sig. (2- tailed) N	.657** .000 239	.023 .853 239	1 239		
Employee Recognition	Pearson Correlation Sig. (2- tailed) N	.700** .000 239	.131 .295 239	-.026 .838 239	1 239	
Career Growth	Pearson Correlation Sig. (2- tailed) N	.722** .000 239	.023 .853 239	.075 .551 239	-.010 .937 239	1 239

\*\* . Correlation is significant at the 0.01 level (2-tailed).

There is a moderately strong positive correlation between work-life balance and organizational performance in digital credit providers in Kenya ( $r=0.605$ ,  $p$ -value= $0.000$ ). This indicates that as work-life balance improves, organizational performance tends to improve as well. The findings align with Irfan, Maqsoom, and Sherani (2023) argument that there is a positive correlation between work-life balance and performance.

There is a strong positive correlation between having a structured reward scheme and organizational performance in digital credit providers in Kenya ( $r=0.657$ ,  $p$ -value= $0.000$ ). This suggests that when organizations have well-defined and structured reward systems in place, it positively impacts their overall performance. The findings are in line with Ginbar (2020) observation that there is an association between reward management systems and performance.

A strong positive correlation exists between employee recognition and organizational performance in digital credit providers in Kenya ( $r=0.700$ ,  $p$ -value= $0.000$ ). This indicates that organizations that effectively recognize their employees' contributions

tend to perform better. The findings agree with Chantal, Manyange and Asuman (2022) argument that employee recognition programs have a relationship with organizational performance.

The strongest positive correlation is observed between career growth opportunities and organizational performance in digital credit providers in Kenya ( $r=0.722$ ,  $p\text{-value}=0.000$ ). This implies that organizations that provide opportunities for career advancement and growth tend to have higher levels of performance. The findings agree with Malobi (2022) argument that career management has a positive relationship with organizational performance.

#### 4.10.2 Regression Analysis

Linear regression analysis was used to assess the weight of the effect of work-life balance, structured reward scheme, employee recognition and career growth on organizational performance in digital credit providers in Kenya. The r squared ( $R^2$ ) represents the proportion of variance in the outcome variable (organizational performance in digital credit providers in Kenya) that can be explained by the predictors included in the model. In this case, as shown in Table 4.15, the R-Squared value (0.613) represents the proportion of variance in the organizational performance that can be explained by the predictors. In this case, approximately 61.3% of the variance in organizational performance can be accounted for by the predictors (career growth, work-life balance, employee recognition, structured reward scheme) included in the model.

**Table 4. 15: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783 <sup>a</sup>	.613	.606	.53360

a. Predictors: (Constant), Career Growth, Work-Life Balance, Employee Recognition , Structured Reward Scheme

The results of the analysis of variance (ANOVA) table for the regression model provide insights into the overall fit and significance of the model in predicting organizational performance. The F-calculated (92.672) was higher than the F-critical (2.372) from f-distribution table. In addition, the p-value (0.000) was less than a significance level (commonly 0.05) indicates that the regression model is statistically

significant. This indicates that the regression model as a whole is statistically significant in predicting the dependent variable.

**Table 4. 16: Analysis of Variance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	105.544	4	26.386	92.672	.000 <sup>b</sup>
	Residual	66.626	234	.285		
	Total	172.170	238			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Career Growth, Work-Life Balance, Employee Recognition , Structured Reward Scheme

Using the unstandardized coefficients, the regression equation was as follows;

$$Y=0.748 + 0.473X_1 + 0.323X_2 + 0.261X_3 + 0.389X_4 + \varepsilon$$

The results show that work-life balance has a positive and significant effect on organizational performance in digital credit providers in Kenya ( $\beta_1=0.473$ , p-value-0.004). This shows that for every one unit increase in work-life balance, the organizational performance is expected to increase by 0.473 units. Since the coefficient is positive and statistically significant (p-value = 0.004), it suggests that a better work-life balance is associated with higher organizational performance. The findings agree with Salolomo and Agbaeze (2019) observation that work-life balance components have an effect on money deposit banks' performance. The findings also concur with Wong, Chan and The (2020) observation that work-life balance has an influence on organizational performance.

The findings show that structured reward scheme has a positive and significant effect on organizational performance in digital credit providers in Kenya ( $\beta_2=0.323$ , p-value-0.024). This shows that for every one unit increase in the presence of a structured reward scheme, the organizational performance is expected to increase by 0.323 units. This variable also has a positive and statistically significant impact (p-value = 0.024) on organizational performance. The findings are in agreement with Noorazem and Nazir (2021) findings that reward system has a positive effect on firms' performance. The findings are also in line with Umar and Saeed (2019) argument that there is a relationship between career growth opportunities and performance of pharmaceutical firms.

The findings also show that employee recognition has a positive and significant effect on organizational performance in digital credit providers in Kenya ( $\beta_2=0.261$ , p-value-0.032). This implies that for every one unit increase in Employee Recognition, the organizational performance is expected to increase by 0.261 units. This variable also shows a positive and statistically significant impact (p-value = 0.032) on organizational performance. The findings agree with Mutiria et al. (2022) observation that there is a positive relationship between reward system and performance. The findings also concur with with Okosi (2020) findings that reward systems have a positive effect on performance.

The results show that career growth has a positive and significant effect on organizational performance in digital credit providers in Kenya ( $\beta_4=0.389$ , p-value-0.018). This shows that for every one unit increase in Career Growth opportunities, the organizational performance is expected to increase by 0.389 units. Like the others, this variable has a positive and statistically significant impact (p-value = 0.018) on organizational performance. The findings agree with Kariuki and Kiiru (2021) findings that employee recognition has an effect on organizational performance. The findings are also in line with Jain (2021) argument that employee career growth has a positive relationship with organizational success.

**Table 4. 17: Regression Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.748	0.159		4.704	0.000
	Work-Life Balance	0.473	0.126	0.413	3.754	0.004
	Structured Reward Scheme	0.323	0.127	0.310	2.543	0.024
	Employee Recognition	0.261	0.123	0.233	2.122	0.032
	Career Growth	0.389	0.117	0.354	3.325	0.018

a. Dependent Variable: Organizational Performance

#### 4.11 Chapter Summary

Firstly, it was observed that a balanced work-life environment positively influences organizational performance, with flexible work arrangements and compressed work schedules being particularly beneficial. Secondly, the presence of a structured reward scheme, including comprehensive healthcare benefits and competitive remuneration

packages, significantly contributes to employee motivation and, subsequently, organizational success. Thirdly, effective employee recognition programs, encompassing verbal appreciation, written recommendations, and opportunities for promotion, play a crucial role in enhancing morale, fostering teamwork, and driving performance excellence. Moreover, career growth opportunities, facilitated through mentoring programs and on-job training experiences, were found to positively impact employees' professional development and, consequently, organizational performance. The study's regression analysis further confirmed these relationships, emphasizing the substantial influence of work-life balance, structured reward schemes, employee recognition, and career growth on organizational performance. These findings underscore the importance of prioritizing employee well-being, recognition, and growth opportunities to achieve sustained organizational success in the dynamic digital credit industry in Kenya.



## **CHAPTER FIVE: DISCUSSION, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter begins with discussion of the findings as per the specific objectives of the study covering the effect of work-life balance, structured reward scheme, employee recognition and career growth on organizational performance in digital credit providers in Kenya. This is followed by limitations of the study, conclusions, recommendations for policy and practice as well as recommendations for further studies.

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

The study found that work-life balance has a positive and significant effect on organizational performance in digital credit providers in Kenya. The study found that flexible work programs provided by the companies positively impact their work-life balance. Similarly, employees are able to adjust their work schedule to better balance their personal and professional life. The study established that compressed work schedules helpful in managing their time more efficiently. In addition, the implementation of compressed work schedules was perceived to have improved work-life balance. Moreover, telecommuting options provided by the companies were viewed positively, indicating that they enable employees to better manage their work-life balance and juggle personal and professional responsibilities effectively.

The study established that structured reward scheme has a positive and significant effect on organizational performance in digital credit providers in Kenya. The study established that the range of healthcare benefits provided by the companies is comprehensive and valuable. In addition, the retirement savings and pension plans offered by the organizations are adequate for their future financial security. Also, the study found that employees had satisfaction with the vacation and paid time-off policies provided by the companies. The study established that the companies' remuneration packages motivate employees to perform at their best. The study findings revealed that bonuses and allowances provided by the companies serve as effective incentives for achieving goals.

The study established that employee recognition has a positive and significant effect on organizational performance in digital credit providers in Kenya. The study established that employees felt valued and appreciated when they received verbal appreciation from their supervisors or colleagues. Verbal appreciation from management was perceived to boost morale and enhance the sense of belonging within the organization. In addition, verbal recognition from peers was seen to reinforce the positive impact of work and encourage collaboration and teamwork. The study established that written recommendations were seen as valuable endorsements of skills and capabilities, both internally and externally. Furthermore, written recommendations were viewed as providing tangible evidence of achievements and encouraging further success.

The study revealed that career growth has a positive and significant effect on organizational performance in digital credit providers in Kenya. The study found that companies offer opportunities for them to plan and develop their career path. Moreover, employees expressed satisfaction with the level of guidance and resources available for career planning. Mentoring relationships within the company were seen to positively impact career trajectories. Additionally, employees reported having access to mentors who provide guidance and support in their career growth. The mentoring programs offered by the company were perceived as valuable in professional development. Also, on-job training programs were believed to contribute significantly to professional development and career advancement. Furthermore, the companies were perceived to provide relevant and effective training opportunities to enhance skills and knowledge.

### **5.3 Discussion of the Findings**

#### **5.3.1 Work-Life Balance**

The study found that work-life balance has a positive and significant effect on organizational performance in digital credit providers in Kenya. The findings agree with Wong, Chan and The (2020) observation that work-life balance has an influence on organizational performance. The findings are in concurrence with Thevanes and Harikaran (2020) argument that Work-life balance has an influence on organizational performance. The findings also agree with Salolomo and Agbaeze

(2019) observation that work-life balance components have an effect on money deposit banks' performance.

The study found that flexible work programs provided by the companies positively impact their work-life balance. The findings agree with Irfan et al. (2023) findings that flexible work programs provide work-life balance in an organization. Similarly, employees are able to adjust their work schedule to better balance their personal and professional life. The study established that compressed work schedules helpful in managing their time more efficiently. The findings are in line with Thevanes and Harikaran (2020) findings that compressed work schedules can be advantageous for individuals, aiding them in effectively managing their time.

In addition, the implementation of compressed work schedules was perceived to have improved work-life balance. Moreover, telecommuting options provided by the companies were viewed positively, indicating that they enable employees to better manage their work-life balance and juggle personal and professional responsibilities effectively. The findings agree with Salolomo and Agbaeze (2019) findings that telecommuting options offered by the company garnered favorable feedback, as employees appreciated the flexibility and reduced commuting stress. This initiative not only boosted morale but also increased productivity by accommodating diverse work styles.

### **5.3.2 Structured Reward Scheme**

The study established that structured reward scheme has a positive and significant effect on organizational performance in digital credit providers in Kenya. The findings are in line with Umar and Saeed (2019) argument that there is a relationship between career growth opportunities and performance of pharmaceutical firms. The findings agree with Verma (2018) argument that compensation and reward systems have a positive effect on organizational performance in India. In addition, the findings are in agreement with Noorazem and Nazir (2021) findings that reward system has a positive effect on firms' performance.

The study established that the range of healthcare benefits provided by the companies is comprehensive and valuable. In addition, the retirement savings and pension plans offered by the organizations are adequate for their future financial security. Also, the study found that employees had satisfaction with the vacation and paid time-off

policies provided by the companies. The findings are in agreement with Verma (2018) findings that employees' satisfaction with the company's vacation and paid time-off policies reflects contentment with the balance between work and personal life.

The study established that the companies' remuneration packages motivate employees to perform at their best. The findings are in line with Noorazem and Nazir (2021) findings that the comprehensive remuneration package offered a company serves as a powerful motivator, inspiring employees to strive for excellence in their performance by recognizing their contributions and providing competitive rewards. In addition, the study found that the salary and benefits offered by the company are competitive compared to other organizations in the industry. The study findings revealed that bonuses and allowances provided by the companies serve as effective incentives for achieving goals. The findings agree with Umar and Saeed (2019) argument that bonuses and allowances offered by the company serve as potent motivators, incentivizing goal achievement and driving performance excellence among employees.

### **5.3.3 Employee Recognition**

The study established that employee recognition has a positive and significant effect on organizational performance in digital credit providers in Kenya. The findings are in agreement with Komal (2022) observation that employee recognition has an influence on organizational performance among firms. The findings agree with Mutiria et al. (2022) observation that there is a positive relationship between reward system and performance. The findings are also in agreement with Muchai et al. (2018) that remuneration systems have an effect on organizational performance. The findings also agree with Okosi (2020) findings that reward systems have a positive effect on performance.

The study established that employees felt valued and appreciated when they received verbal appreciation from their supervisors or colleagues. Verbal appreciation from management was perceived to boost morale and enhance the sense of belonging within the organization. In addition, verbal recognition from peers was seen to reinforce the positive impact of work and encourage collaboration and teamwork. The findings agree with Komal (2022) findings that verbal acknowledgment strengthens the positive influence of work and promote collaboration and teamwork.

The study established that written recommendations were seen as valuable endorsements of skills and capabilities, both internally and externally. Furthermore, written recommendations were viewed as providing tangible evidence of achievements and encouraging further success. Written recommendations for work performance were reported to make respondents feel recognized and motivated to continue excelling. The findings agree with Chantal, Manyange and Asuman (2022) argument that receiving written recommendations for work performance makes employees feel recognized and motivated to maintain their high standards of excellence. Also, promotions were seen to provide opportunities for career advancement and growth, signaling the organization's investment in development.

#### **5.3.4 Career Growth**

The study revealed that career growth has a positive and significant effect on organizational performance in digital credit providers in Kenya. The findings agree with Jain (2021) argument that employee career growth has a positive relationship with organizational success. The findings agree with Kariuki and Kiiru (2021) findings that employee recognition has an effect on organizational performance. Also, the findings are contrary to Chantal, Manyange and Asuman (2022) findings that employee recognition programs have insignificant effect on organizational performance.

The study found that companies offer opportunities for them to plan and develop their career path. Moreover, employees expressed satisfaction with the level of guidance and resources available for career planning. Mentoring relationships within the company were seen to positively impact career trajectories. Additionally, employees reported having access to mentors who provide guidance and support in their career growth. The mentoring programs offered by the company were perceived as valuable in professional development. The findings agree with Jain (2021) argument that mentoring programs provided are highly regarded as a significant contribution to professional growth and development.

The respondents felt empowered to grow and develop through on-job training experiences. Also, on-job training programs were believed to contribute significantly to professional development and career advancement. Furthermore, the companies were perceived to provide relevant and effective training opportunities to enhance skills and knowledge. The findings are in line with Malobi (2022) observation that

companies are recognized for offering pertinent and impactful training opportunities aimed at augmenting skills and knowledge.

### **5.3.5 Theoretical Implications**

The study's findings support Herzberg's Two-Factor Theory, which suggests that certain factors, known as motivators or satisfiers (such as recognition and career growth opportunities), contribute to job satisfaction and motivation. These factors are related to the content of the job and can lead to increased employee engagement and performance. Chantal, Manyange, and Asuman (2022) observed that the presence of structured reward schemes, employee recognition, and career growth opportunities likely contribute to higher levels of job satisfaction and motivation among employees in digital credit providers, ultimately enhancing organizational performance.

Stakeholder theory posits that organizations should consider the interests of all stakeholders, including employees, in their decision-making processes and operations (Jain, 2021). In this context, the positive effects observed suggest that investing in employees' career growth, ensuring a healthy work-life balance, recognizing their contributions, and implementing structured reward schemes not only benefit employees but also contribute to overall organizational success. From a stakeholder perspective, prioritizing these aspects demonstrates a commitment to meeting the needs and expectations of employees, who are critical stakeholders in the organization. Malobi (2022) observed that by fostering a supportive work environment and providing opportunities for growth and recognition, organizations can enhance employee satisfaction, engagement, and commitment, ultimately leading to improved organizational performance.

### **5.4 Limitations of the Study**

Limitations in research pertain to methodological drawbacks that may impede the interpretation of findings. While this study focused on digital credit providers in Kenya, generalizing findings to other micro-credit providers may be restricted due to differences in organizational structure, customer-employee interactions, and organizational culture. Additionally, the use of questionnaires for data collection may introduce limitations, as indicated by Latwal (2020) regarding low validity and recall bias in responses. To mitigate these challenges, the researcher ensured validity and reliability of the questionnaire items and emphasized confidentiality to encourage

honest responses. Furthermore, obtaining permits from the university administration and NACOSTI addressed ethical considerations and enhanced the credibility of the research.

## **5.5 Conclusions**

The study concludes that work-life balance has a positive and significant effect on organizational performance in digital credit providers in Kenya. From the finding, it was established that work-life balance, measured in terms of flexible work programs, compressed work schedules and telecommuting, has an effect on organizational performance in digital credit providers in Kenya. This implies that an improvement in work-life balance would lead to an improvement in organizational performance in digital credit providers in Kenya.

The study also concludes that structured reward scheme has a positive and significant effect on organizational performance in digital credit providers in Kenya. The findings show that structured reward scheme, in terms of competitive remuneration, bonuses and allowances and employment benefits, has an effect on organizational performance in digital credit providers in Kenya. This implies that an improvement in structured reward scheme would lead to an improvement in organizational performance in digital credit providers in Kenya.

Further, the study concludes that employee recognition has a positive and significant effect on organizational performance in digital credit providers in Kenya. The findings showed that employee recognition, in terms of verbal appreciation, written recommendations and promotions, has an effect on organizational performance in digital credit providers in Kenya. This shows that an improvement in employee recognition would lead to an improvement in organizational performance in digital credit providers in Kenya.

Moreover, the study concludes that career growth has a positive and significant effect on organizational performance in digital credit providers in Kenya. The findings showed that career growth, measured in terms of career planning, employee mentoring and on-job training, has an effect on organizational performance in digital credit providers in Kenya. This implies that an improvement in career growth would lead to

a subsequently improvement in organizational performance in digital credit providers in Kenya.

## **5.6 Recommendations**

### **5.6.1 Recommendations for Management**

The study found that work-life balance has a positive and significant effect on organizational performance in digital credit providers in Kenya. Therefore, the study recommends that the management of digital credit providers should develop awareness campaigns within their companies to educate employees about the various flexible work options available to them and how they can utilize them to achieve better work-life balance. The firms should develop formal policies and guidelines around flexible work arrangements to ensure consistency and fairness in their implementation across the organization, while also considering any legal or regulatory requirements.

The study established that structured reward scheme has a positive and significant effect on organizational performance in digital credit providers in Kenya. The study recommends that the management of digital credit providers should review and potentially enhance retirement savings and pension plans offered by the organization to ensure they adequately support employees' future financial security, considering factors such as contribution matching, investment options, and educational resources. The firms should regularly review and update vacation and paid time-off policies to ensure they remain competitive and aligned with industry standards, while also considering the needs and preferences of employees.

The study revealed that employee recognition has a positive and significant effect on organizational performance in digital credit providers in Kenya. As such, the study recommends that the firms should develop clear and transparent promotion policies that outline criteria for advancement within the organization, ensuring fairness and consistency in the promotion process. The firms should also implement regular performance reviews and feedback sessions to assess employee contributions and accomplishments, identify potential candidates for promotion, and provide guidance for career development. The firms should also celebrate promotions and career milestones within the organization to publicly acknowledge employees' contributions and accomplishments, reinforcing a culture of recognition and appreciation.

The study findings indicated that career growth has a positive and significant effect on organizational performance in digital credit providers in Kenya. Therefore, the management of the firms should enhance career path planning opportunities by offering structured programs and resources that assist employees in identifying and pursuing their career goals within the organization. They should also promote on-the-job training experiences as an integral part of professional development, providing employees with opportunities to learn and grow through hands-on experiences and real-world challenges. The firms should also empower employees to take ownership of their growth and development by providing them with autonomy and resources to pursue learning opportunities that align with their career aspirations.

### **5.6.2 Policy Recommendations**

The study found that employee turnover management has an effect on organizational performance in digital credit providers in Kenya. The study recommends the industry regulators such as Central Bank of Kenya should enact regulations requiring digital credit providers to establish and maintain work-life balance policies that offer flexible scheduling, remote work options, and measures to prevent employee burnout. There should also be formulation of policies mandating digital credit providers to implement structured reward schemes that align with employee performance and contributions, ensuring fair and transparent compensation practices. Related authorities should also ensure that digital credit providers comply with all relevant labor laws and regulations regarding employee turnover management, including fair treatment of employees, non-discrimination policies, and adherence to contractual obligations.

### **5.7 Recommendation for Further Studies**

The main objective of this study was to examine the effect of employee turnover management on organizational performance in digital credit providers in Kenya. However, the study was limited to digital credit providers in Kenya and hence the findings cannot be generalized to all micro-credit providers in Kenya. The study therefore recommends that further studies should be conducted to focus on all micro-credit providers in Kenya. In addition, the study was limited to four components of employee turnover management (work-life balance, structured reward scheme, employee recognition and career growth). The study also found that the four

components of employee turnover management could only explain 61.3% variation in organizational performance in digital credit providers in Kenya. Therefore, further studies should be conducted to assess other factors affecting organizational performance in digital credit providers in Kenya.



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## APPENDICES

### APPENDIX I: INTRODUCTION LETTER

Everlyne Chebet Rotich  
Strathmore University  
13<sup>th</sup> February 2024

Dear Participant,

#### **Subject: Invitation to Participate in a Research Study**

My name is Everlyne Chebet Rotich, and I am a student at Strathmore University pursuing Master of Business Administration. I am currently undertaking a research study on the the effect of employee turnover management on organizational performance of digital credit providers in Kenya. As part of this study, I am reaching out to employees of Digital credit providers in Kenya to gather valuable insights and perspectives on the relationship between employee turnover and organizational performance within digital credit providers.

Participation in this study is voluntary, and all information shared will be handled with the highest level of confidentiality. Your responses will be anonymized, and no personally identifiable information will be revealed in any reports or publications resulting from this research. Moreover, your cooperation will significantly contribute to advancing knowledge in this field and ultimately benefit our organization and its employees.

Thank you in advance for your time and cooperation. Your contribution to this research is greatly appreciated.

Sincerely,

Everlyne Chebet Rotich

## APPENDIX II: QUESTIONNAIRE

This questionnaire aims to collect information on the effect of employee turnover management on organizational performance in Digital Credit Providers in Kenya. Confidentiality will be upheld on any information provided. Kindly fill the questionnaire appropriately.

### A. General Information

1. Gender

Male  Female

2. Age Bracket:

20 to 25 years  26 to 30 years

31 to 35 years  36 to 40 years

41 to 45 years  Above 46 years

3. Education level

Primary education  Secondary School

Diploma  Undergraduate degree

Master's Degree  PhD

4. For how long have you been working in your organization? .....

### B. Work-Life Balance

5. Please indicate the extent of your agreement with the following statements regarding work-life balance in your organization using the following scale: 1 - Strongly Disagree; 2 – Disagree; 3 – Neutral; 4 – Agree; 5 - Strongly Agree

STATEMENT	1	2	3	4	5
<b>Flexible work programs</b>					
The company offers sufficient options for flexible work arrangements to accommodate my personal needs.					
I am able to adjust my work schedule to better balance my personal and professional life.					

Flexible work programs provided by the company positively impact my work-life balance.					
<b>Compressed work schedules</b>					
Compressed work schedules allow me to achieve a better balance between my work and personal life.					
I find compressed work schedules helpful in managing my time more efficiently.					
The implementation of compressed work schedules has improved my work-life balance.					
<b>Telecommuting</b>					
Telecommuting options provided by the company enable me to better manage my work-life balance.					
Working remotely enhances my ability to juggle personal and professional responsibilities.					
Telecommuting opportunities contribute significantly to my overall work-life balance.					

### C. Structured Reward Scheme

6. Please indicate your level of agreement with various statements regarding the structured reward scheme in your organization, using the following scale: 1 - Strongly Disagree; 2 – Disagree; 3 – Neutral; 4 – Agree; 5 - Strongly Agree

STATEMENT	1	2	3	4	5
<b>Employment benefits</b>					
The retirement savings and pension plans offered by the organization are adequate for my future financial security					
I feel satisfied with the vacation and paid time-off policies provided by the company.					
I believe that the range of healthcare benefits provided by the company is comprehensive and valuable.					
<b>Competitive remuneration</b>					

The salary and benefits offered by the company are competitive compared to other organizations in the industry.					
I am satisfied with the level of compensation I receive for my work.					
The company's remuneration package motivates me to perform at my best.					
<b>Bonuses and allowances</b>					
The bonuses and allowances provided by the company serve as effective incentives for achieving goals.					
I feel motivated to work harder knowing that I may receive bonuses or additional allowances.					
The company's bonus and allowance system contributes positively to my overall job satisfaction.					

#### D. Employee Recognition

7. Please indicate your level of agreement with various statements regarding employee recognition in your organization, using the following scale: 1 - Strongly Disagree; 2 – Disagree; 3 – Neutral; 4 – Agree; 5 - Strongly Agree

STATEMENT	1	2	3	4	5
<b>Verbal appreciation</b>					
I feel valued and appreciated when I receive verbal appreciation from my supervisors or colleagues					
Verbal appreciation from management boosts my morale and enhances my sense of belonging within the organization.					
Verbal recognition from peers reinforces the positive impact of my work and encourages collaboration and teamwork.					
<b>Written recommendations</b>					

Written recommendations for my work performance make me feel recognized and motivated to continue excelling.					
Written recommendations provide tangible evidence of my achievements and encourage me to strive for further success.					
Written recommendations serve as valuable endorsements of my skills and capabilities, both internally and externally.					
<b>Promotions</b>					
Promotions within the organization serve as a significant form of recognition for my contributions and accomplishments.					
Receiving a promotion is a clear indication that my efforts and dedication to the organization are recognized and rewarded.					
Promotions provide opportunities for career advancement and growth, signaling the organization's investment in my development					

### E. Career Growth

8. Please indicate your level of agreement with various statements regarding career growth in your organization, using the following scale: 1 - Strongly Disagree; 2 – Disagree; 3 – Neutral; 4 – Agree; 5 - Strongly Agree

STATEMENT	1	2	3	4	5
<b>Career planning</b>					
The company offers opportunities for me to plan and develop my career path.					
I feel supported in setting and achieving my career goals within the organization.					
I am satisfied with the level of guidance and resources available for career planning.					

<b>Employee mentoring</b>					
The mentoring programs offered by the company have been valuable in my professional development.					
I have access to mentors who provide guidance and support in my career growth.					
Mentoring relationships within the company have positively impacted my career trajectory.					
<b>On-job training</b>					
The company provides relevant and effective training opportunities to enhance my skills and knowledge.					
I feel empowered to grow and develop through on-job training experiences.					
On-job training programs contribute significantly to my professional development and career advancement.					

### **E Organizational Performance**

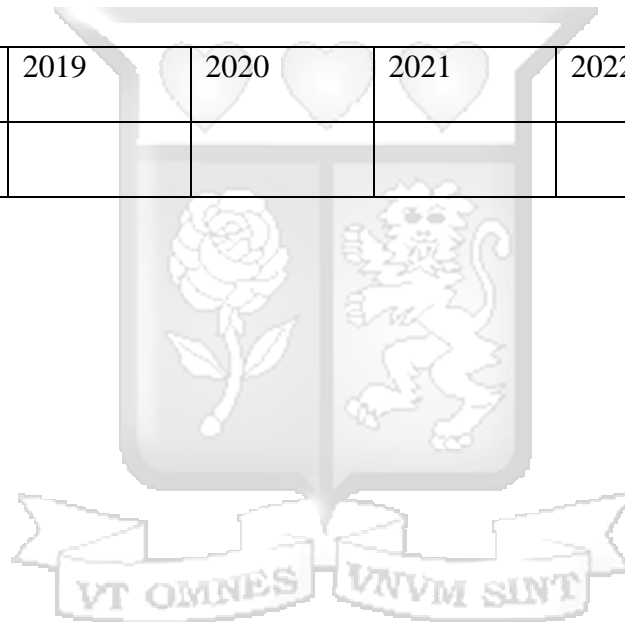
9. Please provide your ratings on various aspects of organizational performance in your organization using the following scale: 1 - Strongly Disagree; 2 – Disagree; 3 – Neutral; 4 – Agree; 5 - Strongly Agree

<b>STATEMENT</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Efficiency in service delivery</b>					
The company efficiently delivers its services to clients or customers.					
Processes and procedures are in place to ensure timely and effective service delivery.					
I am satisfied with the level of efficiency in service delivery within the organization.					

<b>Customer Satisfaction</b>					
The company places a strong emphasis on meeting customer needs and exceeding expectations.					
I believe that customer satisfaction is a key focus for the organization.					
Positive feedback and repeat business indicate high levels of customer satisfaction with our products or services.					

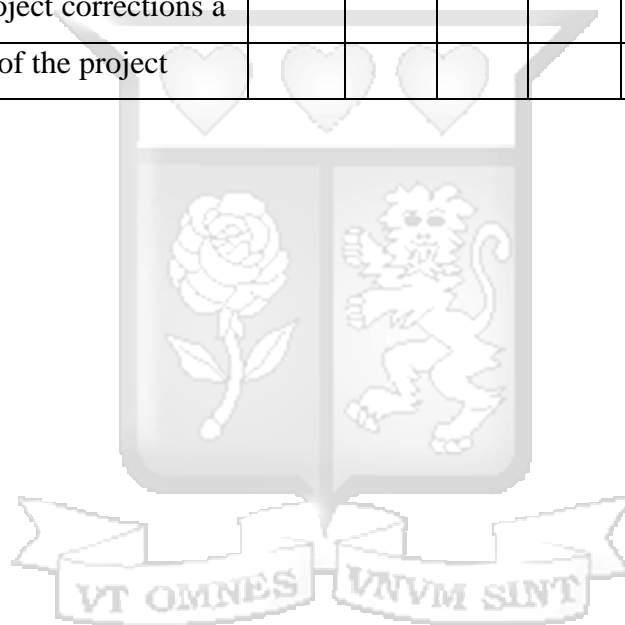
10. Kindly indicate the profitability (Return on assets) of your organization for the last five years

Years	2019	2020	2021	2022	2023
ROA (%)					



**APPENDIX III: TIMELINE OF ACTIVITIES**

Activities	2023		2024				
	Nov	Dec	Jan	Feb	Mar	Apr	May
Concept development							
Proposal development							
Research Proposal Defense							
Pilot Testing							
Data collection							
Data analysis							
Research project Defense							
Research project corrections a							
Submission of the project							



#### APPENDIX IV: LIST OF DIGITAL CREDIT LENDERS IN KENYA

<b>Institution</b>	<b>Means of Operation</b>
Fourth Generation Capital Limited	Conventional Lending - Physical Office
Jijenge Credit Limited	Conventional Lending - Physical Office
Letshego Kenya Ltd	Conventional Lending - Physical Office
Mycredit Limited	Conventional Lending - Physical Office
Ngao Credit Limited	Conventional Lending - Physical Office
Umoja Fanisi Limited	Mobile App - Lending to Women
Jumo Kenya Limited	Mobile App - Loans
MyWagepay Limited	Mobile App - Loans
Okolea International Limited	Mobile App - Loans
Rewot Ciro Limited	Mobile App Company - Enable buying goods on Credit
Anjoy Credit Limited	Mobile App - Loans
Asante FS East Africa Limited	Mobile App - Loans
Ceres Tech Limited	Mobile App - Loans
Colkos Enterprises Limited	Mobile App - Loans
EDOMX Limited	Mobile App - Faraja Kenya
Extend Money Service Limited	Mobile App - Loans
Giando Africa Limited (Trading as Flash Credit Africa)	Mobile App - Salary Advance Loans
Inventure Mobile Limited (Trading as Tala)	Mobile App - Loans
Kweli Smart Solutions Limited	Mobile App - Small Business Loans
Little Pesa Limited	Mobile Loans Mpesa
MFS Technologies Limited	Mobile App - Loans
M-Kopa Loan Kenya Limited	Mobile App - Loans
Mwanzo Credit Limited	Mobile App - Loans
Natal Tech Limited	Mobile App - Loans
Pezesha Africa Limited	Mobile App - SME Loans
Risine Credit Limited	Mobile App - Personal Loans
Sevi Innovation Limited	Mobile App - buying & selling
Sokohela Limited	Mobile App - Agriculture
Tenakata Enterprises Limited	Mobile App - Loans
Zanifu Limited	Mobile App - Loans
Zenka Digital Limited	Mobile App - Loans
Getcash Capital Limited	Mobile App - Loans

Source: Central Bank of Kenya (2023)

## APPENDIX V: DATA COLLECTION LETTER



5<sup>th</sup> April 2024

Everlyne Chebet Rotich  
122220  
everlyne.rotich@strathmore.edu

Dear Everlyne,

**RE: The Effect of Employee Turnover Management on Organizational Performance in Digital Credit Providers in Kenya**

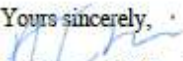
This is to inform you that the Office of Graduate Studies on 18<sup>th</sup> April 2024 received your request for intervention/assistance following your referral by the Strathmore University Institutional Scientific and Ethics Review Committee (SU-ISERC) to our Office due to the fact that you stated that you had already collected and/or analysed its data prior to seeking Ethical clearance. The ethics approval process is ONLY done before any collection of primary or secondary data.

We have taken note of your response that the information that you provided was misleading.

This is a letter for you to proceed with the next steps of your academic requirements.


Please be advised, that in future, all research proposals should be submitted to the SU-ISERC through the RHinnO Ethics platform: <https://strathmoreuniversity.rhinno.net/login>


*Disclaimer: 1) This is not in any way an ethical approval letter. 2) Should there be any legal implications/actions emanating from the research in terms of any ethical violations, you will be personally liable.*

Yours sincerely,  
  
Dr. Bernard Shibwabo  
Director of Graduate Studies


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**APPENDIX VI: NACOSTI PERMIT**

  
**REPUBLIC OF KENYA**  
National Commission for Science, Technology and Innovation  
Ref No: **185862**

  
**NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY & INNOVATION**  
Date of Issue: **14/May/2024**


**RESEARCH LICENSE**




**This is to Certify that Ms. Everlyne Chebet Rotich of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: The Effect of Employee Turnover Management on Organizational Performance in Digital Credit Providers in Kenya for the period ending : 14/May/2025.**

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