



## The effect of a company's innovation orientation culture on employee turnover among selected non-governmental organizations in Samburu, Kenya

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### ABSTRACT

*This paper examines the effect of a company's innovation orientation culture on employee turnover among selected non-governmental organizations in Samburu, Kenya. A stratified random sampling technique was used to select 78 NGOs operating in Samburu County for the analysis, the study population comprised 11 senior management teams, 14 technical teams and 78 junior staff in 24 selected and active NGOs in Samburu. The analysis gathered both qualitative and quantitative data. A structured questionnaire was used to collect quantitative data and an interview guide was used to collect qualitative data. Thematic data analysis was used to interpret qualitative data, which included common terms, phrases, themes, and patterns. Quantitative data were analyzed using descriptive statistics which includes frequencies, means, and standard deviation. Findings Results showed that innovation orientation is positively correlated with employee turnover ( $r=0.375$ ,  $P=0.01$ ). This supports Chow et al's (2001) study which revealed that innovation orientation as part of an organization's culture has a significant effect on employee turnover. This study also discovered that an innovation orientation culture embedded in an NGO's ideology will help to reduce turnover because workers feel valued when their work is recognized for creativity and innovation.*

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## Introduction

The culture of a company is a collection of ideals, beliefs, and attitudes that its members share (Hakim, 2015). As a result, organizational culture is an intangible yet influential force that affects employee behavior and dictates how they dress, act, and carry out their responsibilities. This means that, just like people, every business has its own particular personality, which is cultivated and passed on to new employees in a conscious and deliberate manner. The most critical aspect of culture is that it is an organization's only long-term production factor as well as the glue that holds it together (Oparanma & Obiekwe, 2017). Corporate culture influences employee turnover.

Curtis & Taylor (2018) stated that when employees leave a company and are replaced by new employees, these negatively affect the company and it's too costly. It is vital for companies to control employee turnover so as to achieve growth. Many factors contribute to employee turnover rates. Organizational culture is one of them (Al Mamun & Hasan, 2017). This study explored organizational culture and employee turnover among selected NGOs in Samburu County in Kenya. Most studies in this areas where conducted in the public sector with only a few studies conducted in private or non-profit organisations. This study could be very useful because it will recognize the different explanations for high employee turnover rates in the NGO sector.

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Boella & Goss (2013) revealed that employee turnover is a global phenomenon. Employee turnover exists because workers are a valuable asset to any corporation, sector, or organization. In reality, the effectiveness of a company's or business's employees is entirely dependent on its performance (Samuel & Chipunza, 2009). Much as employee turnover is witnessed by most businesses, its occurrence is more pronounced in some industries than the others. For instance, Chan & Kuok (2011) found out that many employers in the highly competitive technology or hospitality sectors experience high staff turnover as workers are poached by surrounding firms, whereas companies in some global markets experience high turnover due to migration. Ugoani (2016) stressed that employee turnover affects all businesses of all sizes. For example, the 2019 Workforce Turnover around the World publication show that a trillion dollars is what United States of America (USA) lose every year due to voluntary employee turnover (Gully et al., 2013). According to the Bureau of Labor Statistics, the number of Americans who left their jobs in 2018 surpassed 40 million, accounting for 26.9% of the workforce, resulting in low employee productivity (Gully et al., 2013). This has led to operational disturbances due to constantly changing staff compositions (Yurchisin & Park, 2010). Hoffman and Tadelis (2018) stated that in Europe, employee turnover costs a company about 60% of an employee's annual salary. Although all types of turnover have a negative impact on the organization performance and should be avoided, deliberate exit is more damaging to the company than involuntary turnover (Lee, 2018). Thus, a great organizational culture is crucial to achieve employee satisfaction and organizational performance.

In Africa, worker turnover frequency is also high just like the rest of the world (Khoele, & Daya, 2014). For example, Acheampong (2019) reported that high staff turnover rates in Ghana's banking and other financial services sector appear to be the most troublesome. While having the best career prospects for young people in 2009, the sector had the highest turnover rate of 27%. Unlike Ghana, Senegal's findings however revealed that the banking and other financial services sector's turnover rate was ranked third, with a score of 15% (Acheampong, 2019). In the East African context, persistent employee turnover problem is found to be perplexing (Wane, 2016). Modern organizations are facing increasing turnover intention among their human capital, which eventually leads to low level of job satisfaction, self-respect and declining job performance is emerged (Rizwan et al., 2014). For instance, most organizations in Rwanda, Uganda, and Tanzania face the problem of high employee turnover, which is expensive, decreases efficiency and morale, and tends to worsen if not addressed quickly and appropriately (Chabaya et al. 2014). The persisting turnover problem makes the employees show dissatisfaction while working. Employee turnover has been the subject of numerous studies. However, such studies were conducted in developed countries context. In the East African countries, inadequate literature exists on the subject matter of employee turnover within the private sector setting. Through reviewing empirical evidence from a sample of NGOs operating in Kenya, the current study approached this awareness gap from a context-specific perspective. Hence, adding more knowledge to the existing literature on employee turnover in non-profits.

According to Kinyanjui (2015), employee turnover in Kenya is pervasive. For instance, Hopkins et al. (2017) investigated the employee turnover determinants among NGOs in Kenya and concluded that there is high prevalence of turnover rates in these NGOs making them less competitive. According to the National Council of Non-Governmental Organizations in 2015, Jhpiego had a turnover rate of 28 percent, which was higher than the national average and many NGOs' managers have been forced to post job vacancies on a regular basis as a result of high employee turnover. Much as maintaining a positive corporate culture is thought to mitigate challenges and minimize high employee turnover rates, such relationship is not well known among Kenyan NGOs. This study therefore investigated the effects of innovation orientation culture on employee turnover within selected NGOs in Samburu County in Kenya.

## Literature Review

Sia and Appu (2015) defines innovation orientation as a set of shared beliefs and understandings shared across an organization that guide and direct all organizational strategies and actions, including those embedded in formal and informal systems, behaviors, competencies, and processes that drive a firm's ability to continuously innovate. Stock and Zacharias (2011) explains that the innovation orientation knowledge structure is composed of a learning philosophy, strategic direction, and trans functional beliefs within an organization that define and direct the organizational strategies and actions toward specific innovation-enabling competencies and processes. According to Norris and Ciesielska (2019), innovative orientation culture is a set of rules, processes, and behaviors that motivate employees to solve problems and make decisions in a more creative and uncommon approach, resulting in a better overall atmosphere in the business and the activation of creative performance. The knowledge derived from these definition leads to the assertion that innovation orientation entails the mobilization of available resources so as to create value for the customers through designing, developing and improving on the new and the existing products and services into the market before competitors do so. Innovation orientation is a sub-construct positioned within the wider field of innovation and relates to an innovation based strategic orientation, where orientation is used to describe the overall dominant approach that represents an organisation's competitive posture and strategic focus (Human & Naude, 2010). Hurley and Hult (1998) state that, innovation orientation refers to an organisation's openness to new ideas and propensity to change through adopting new technologies, resources, skills, and administrative systems. It has been argued that embedding innovation orientation into organisational behaviour is a positive way to enhance business performance (Sia & Appu, 2015).

Multiple studies highlight how innovation orientation is linked with organisational performance. For example, Grundstrom et al (2012) investigated empowered employees from a different perspective and actually considered whether innovation orientation was affected by a change in leadership, where the study found that change in leadership had limited impact, so long as empowered

employees were present, and this cultural factor was maintained. Engelen et al (2014) expanded on the role of the leaders within the organisation in highlighting the role of leadership as providing an appropriate model of behaviour. While many studies have looked into the good and negative effects of an innovation orientation on employee turnover, few have looked into the positive and negative effects of an innovation orientation on employee turnover. Furthermore, much of the innovation orientation research to date focuses on innovation orientation driving business outcomes or other aspects of the business, such as firm efficiency, customer engagement, process performance and job satisfaction and ignores employee turnover (Caerteling et al, 2011; Luo & Wang, 2012). In addition, much of the research within the field has focussed on business-based capability development outcomes, in linking innovation orientation with other aspects of wider management studies such as process improvement (Caertling, 2011), service delivery (Chen et al, 2009) and supply chain management (Teichert and Bouncken, 2011). A minority of research to date on innovation orientation has consisted of developing a framework or model of innovation orientation, with the intention to address employee turnover challenges. This study therefore investigated the impact of a company's innovation orientation culture on employee turnover among Samburu County-based non-governmental organizations to provide a theoretical understanding and application of innovation orientation.

### **Creating Change**

Within the paradigm of creating change, the results of this study show that the NGO was characterised by flexibility (Mean = 3.53; SD = 1.57), competitive response (Mean = 3.15; SD = 0.93); creating new adaptive ways (Mean = 3.10; SD = 0.90) and employee cooperation (Mean = 4.00; SD = 0.68). This implies that NGOs operating in Samburu County have an organizational culture that assimilates change. Thus, it can be postulated that the dimensions of adaptability orientation according to Denison model accurately reflect the characteristics needed to facilitate employee satisfaction to mitigate turnover. This is in tandem with Savickas and Porfeli (2012) who established that organizations that have a culture of continuously improving the organization's ability to provide value for its customers register minimal employee turnover. Adaptable organizations, according to Savickas and Porfeli (2012), explore alternatives through curiosity and follow aspirations through proven faith. In general, it is predicted that NGOs with better defined adaptability orientation skills will have a higher retention rate.

### **Employee Focus**

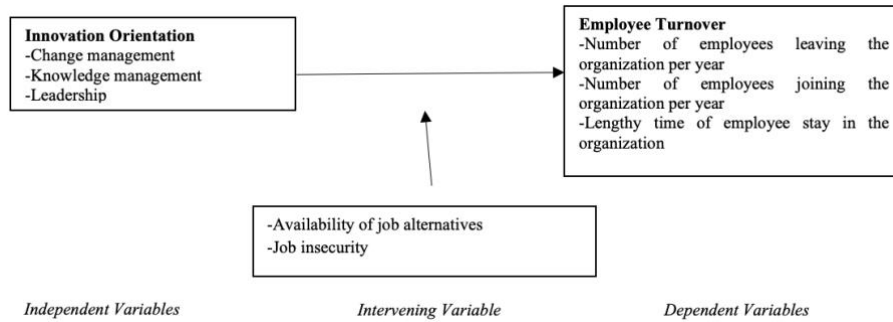
Employee concentration is one of the most important ways for a company to achieve improved and sustainable efficiency, as well as high commitment and lower turnover, in the workplace. Within this context, it can be seen from the study findings that employee evaluation and recommendation are applied for promotion and role changes hence curbing turnover (Mean = 2.90; SD = 1.05). The results further indicate that employees input directly influences management decisions to sack or retain them (Mean = 3.86; SD = 0.77). This means that NGOs in Samburu County are aware of and sensitive to their workers, as well as anticipating their future needs. It represents the extent to which NGOs are motivated by a desire to please their clients. This may be a sign of impending workforce turnover.

### **Organizational Learning**

Organizational learning is a multilevel process that involves intuiting, interpreting, integrating, and institutionalizing through person, community, and organizational levels. These mechanisms are in charge of transforming individual knowledge into organizational knowledge and vice versa. Organizational learning is a purposeful process designed and sustained to generate new changes in organization. It is a concept that was used in this study to describe types of activity that took place in the NGOs that was surveyed. Findings in Table 4.12 show that the prevailing working practices for NGO's in Samburu included constant reflection on achievements and shortcomings in order to have implications that could be applied to all (Mean = 3.62; SD = 0.72), encouraging and rewarding innovations (Mean = 4.08; SD = 0.82), and coordination of employee appraisal action plans (Mean = 3.94; SD = 0.79). These organizational practices can either potentiate or hinder the degree of employee turnover.

The study findings are consistent with the findings of a study conducted by Kuabara and Takahashi (2017) on organizational learning, diversity practices, and ceremonialism, which established that organizations capable of transforming organizational learning into a knowledge creation engine with the goal of gaining a competitive advantage over employee turnover are more likely to succeed. This demonstrates that employees' turnover intentions are influenced by their situated actions and learning experiences over time. The study's results reveal that organizational learning is a strategic tool for not only achieving a competitive advantage and ensuring organizational performance, but also for improving employees' awareness and skills in order to improve retention. As a result, NGOs that have not yet adopted this part of organizational culture should adapt it for employee turnover management.

## Conceptual Framework



**Figure 1:** Impact of innovation Orientation on Employee Turnover

The conceptual framework shows that innovation orientation whose antecedent included change and knowledge management and leadership formed the independent variable. This study was premised on the proposition that innovation orientation management of NGOs has a major impact on employee turnover which formed the dependent variable.

## Research and Methodology

The study adopted A descriptive research design using survey and in depths interviews. A descriptive research design describes characteristics of the population or phenomena under investigation (Nardi, 2015). This design has the advantage of allowing for the simultaneous analysis of multiple variables as well as fast data collection. Since little was known about the study variables, descriptive research design methods were an acceptable choice for this study. The study's aim was to see how organizational culture affected employee turnover in non-profit organizations. This research was based on an interpretive model employing both quantitative and qualitative methods.

The study was conducted in Samburu County. Samburu County was selected for this study is based on two factors: First, the region sees a large influx of non-governmental organizations (NGOs) that involve locals in various climate change and livelihood interventions. Second, despite the fact that the Samburu NGO sector contributes significantly to the government's development efforts, the sector faces some challenges, one of which is jobs. Employee turnover is detrimental to the smooth operation of businesses because it has an impact on productivity, profitability, and customer satisfaction. Employee turnover is reportedly high among NGOs operating in Samburu County, according to studies by Kitur (2015) and Alshabri, Khalfan, Noor, Dutta, Zhang, and Maqsood (2015).

The study employed a stratified sampling technique. Since the target group was heterogeneous and could be divided into strata such as senior management, technical, and junior workers, this methodology was deemed suitable for the analysis. Due to variability in levels of job descriptions within the population, a stratified random sampling technique was preferred because it ensured that each stratum of the population was adequately represented and each member of the population accorded a chance to participate in the study (Rahi, 2017). Thus, 11 senior management staff, 14 technical staff, and 78 junior staff accounting for 30% representation of target population were randomly selected. Overall, 103 respondents constituted the sample. Self-administered questionnaires were used to collect numerical data, which was then fed into computer systems and analysed using inferential statistics such as correlation analysis and regression analysis.

The supervisors of this study and other experts in the Faculty of social sciences at St. Pauls University evaluated the items in the questionnaires to find out if they would truly measure what they were intended to measure and whether the questionnaire items included all the content of a particular construct and advised accordingly. Reliability of the research instruments was assessed using the Cronbach's Alpha Coefficient. The results found that the range of Cronbach's Alpha Coefficient was a value of 0.74 for the technical staff and 0.76 for the junior staff and 0.73 for senior staff questionnaires was arrived at and showed acceptance reliability. This resulted in a mean of 0.743 on the reliability test. Fraenkel and Wallen (2009) recommend a reliability coefficient of 0.70 and above. Therefore, a reliability coefficient of 0.743 was considered adequate for the study.

## Results and Discussions

### Impact of Innovation Orientation on Employee Turnover

The study determined how innovation orientation affected staff turnover among NGOs in Samburu County, Kenya. Presented are the results of the analysis.

**Table 1:** Results on Innovation Orientation on Employee Turnover

| Parameters of measurement   | Responses n = 103 |      |    |      |    |      |    |      |    |      | Mean        |
|---|-------------------|------|----|------|----|------|----|------|----|------|-------------|
|   | SA                |      | A  |      | NS |      | D  |      | SD |      |             |
|   | F                 | %    | F  | %    | F  | %    | F  | %    | F  | %    |             |
| Focused and visionary leadership minimizes turnover                     | 3                 | 3.0  | 7  | 5.0  | 45 | 44.0 | 34 | 33.0 | 14 | 14.0 | 2.52        |
| Changing needs of employees robustly handled thereby curbing turnover   | 13                | 13.0 | 9  | 9.0  | 11 | 11.0 | 60 | 58.0 | 10 | 10.0 | 2.56        |
| Flexibility and adaptability to change curtails turnover                | 9                 | 9.0  | 28 | 27.0 | 34 | 33.0 | 9  | 9.0  | 23 | 22.0 | 2.91        |
| Innovation embedded in the NGOs philosophy prevents turnover            | 0                 | 0    | 6  | 6.0  | 67 | 65.0 | 21 | 20.0 | 9  | 9.0  | 2.68        |
| Development of new programmes mitigates turnover                        | 56                | 54.0 | 16 | 16.0 | 13 | 13.0 | 7  | 5.0  | 11 | 11.0 | 3.96        |
| Opportunity for employees to show case their talents minimizes turnover | 17                | 17.0 | 5  | 5.0  | 39 | 38.0 | 23 | 22.0 | 19 | 18.0 | 2.78        |
| Recognition of employee creativity and innovation reduces turnover      | 15                | 15.0 | 12 | 12.0 | 27 | 26.0 | 8  | 8.0  | 41 | 40.0 | 2.53        |
| <b>Overall Mean</b>   |                   |      |    |      |    |      |    |      |    |      | <b>2.85</b> |

rom the results shown in Table 4.10, it can be seen that development of new programmes had the greatest effect on employee turnover scored a mean grade of 3.96. The study respondents revealed that the NGO leadership was visionary and focused in preventing employees from leaving the organization as shown by a mean of 2.52. Respondents also reported that the changing needs of employees were robustly handled with an intention of curbing turnover as shown by a mean of 2.56. The majority of respondents also said that NGO management was versatile and adaptable to change, with a mean score of 2.91. This study found that innovation orientation culture embedded in the NGOs philosophy could mitigate turnover because when the NGO recognizes employee creativity and innovation. The results suggest that NGOs in Samburu County have adopted an innovative culture, which has resulted in an improved overall environment in the organisation. An organization's environment, ethics, and culture must be tailored toward openness and employee incentive in order for it to achieve creativity. When a corporation engages in innovation activities such as introducing new goods, processes, or administrative procedures, according to Chen and Huang (2007), it requires innovative and creative people who are agile, risk-takers, and tolerant of ambiguity. The level of association between the independent and independent variable was tested using the Pearson bivariate correlation coefficient.

**Table 2:** Correlation between Innovation Orientation and Employee Turnover

|                        | Innovation Orientation | Employee Turnover |
|------------------------|------------------------|-------------------|
| Innovation Orientation | 1                      | .375*             |
| Pearson Correlation    |                        |                   |
| Sig. (2-tailed)        |                        | .006              |
| N                      | 103                    |                   |
| Employee Turnover      | .375*                  | 1                 |
| Pearson Correlation    |                        |                   |
| Sig. (2-tailed)        | .006                   |                   |
| N                      |                        | 103               |

At a 1% level of significance, the findings of the study show that creativity orientation has a favorable and highly important relationship with employee turnover ( $r = 0.375, P0.01$ ). This supports Chow et al's (2001) study which revealed that innovation orientation as part of an organization's culture has a significant effect on employee turnover.

## Conclusions

Based on the findings of this study, it was concluded that innovation orientation and employee turnover had a positive and highly important relationship. This study also discovered that an innovation orientation culture embedded in an NGO's ideology will help

to reduce turnover because workers feel valued when their work is recognized for creativity and innovation. Therefore, this study offers a holistic view on innovation orientation and its broader conceptualisation with respect to mitigating turnover among employees working in NGO settings. In order to meet the pressure of employee turnover, NGOs must adapt innovative strategies that focus more on employees and consumers, allow for creative autonomy, foster entrepreneurial culture, and encourage adaptive performance among employees. Non-governmental organizations present a profile that seeks to adopt and experiment with innovative ways of thinking and acting. They are formed by autonomous organizations or institutions whose main purpose is to volunteer in civil society to counter the failures of the state. Therefore, to remain relevant NGOs need to learn to use innovative strategies, new knowledge and apply it widely and rapidly to new solutions to improve service delivery, respond timely to societal demands, and to contribute to people's satisfaction.

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