THE INFLUENCE OF NUMERICAL FLEXIBILITY ON EMPLOYEE TURNOVER IN SMALL MEDIUM ENTERPRISES IN KENYA

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ABSTRACT

Flexibility is seen as a means to improve a firm's competitiveness, by lowering labour costs per

unit produced. There are least two ways to create flexibility. One way is numerical flexibility, that is, the ability to change the amount of labour quickly in response to changes in the market. The main objective of the study was to establish the influence of numerical flexibility on employee turnover in SMEs in Kenya. The study focused on 4,560 SMEs in Nairobi and its selected environs namely Ruiru, Athi River and Limuru. Data were obtained through questionnaires with closed and open-ended questions. Multiple regression model and Statistical Package of Social Science (SPSS) was used to analyze the date. The study found that numerical flexibility influences employee turnover in Small and Medium sized Enterprises in Kenya (SMEs) in Kenya. The study recommended that for an efficient and competitive economy, management needs flexible employees able to "switch gears" and respond to new forms of production.

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