



**EMPLOYEE TURNOVER AND ORGANIZATIONAL PERFORMANCE IN LOCAL  
GOVERNMENTS, A CASE OF PALLISA DISTRICT LOCAL GOVERNMENT**

**BY**

**ALUKA LOY**

**BU/UP/2022/1276**

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**DECLARATION**

I, Aluka Loy do declare to the best of my knowledge that this is my original work and it has never been presented for a degree in this or any other university. To the best of my knowledge and belief, the research report contains no material previously published or written by another person except where due reference is made.

**ALUKA LOY**

**BU/UP/2022/1276**

Signature..... 

Date..... 11/08/2025

**APPROVAL**

This research report is submitted to Busitema University Faculty of Management Sciences for a partial fulfillment for the award of a Bachelors Degree of Business Administration (Accounting and Finance option) with my approval as the supervisor.

**Mr. EMOJONG RONALD**

**SUPERVISOR**

Signature:  .....

Date: ..... 12 August / 2025 .....

## **DEDICATION**

This research report is dedicated to my parents my siblings as well friends and my supervisor Mr. Emojong Ronald for giving me the invaluable support to concentrate on my research. May the Lord bless you all and lastly, I thank the Almighty God who is my source of all inspiration in allowing me to undertake this research that is too involving in terms of time and resources.

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## **LIST OF ABBREVIATIONS**

F/Y	:	Financial Year
LG	:	Local Government
LGPA	:	Local Government Performance Assessment
MOLG	:	Ministry of Local Government
OAG	:	Office of Auditor General
SPSS	:	Statistical Package for the Social Sciences

## **ABSTRACT**

Within the community, employee turnover is widely assumed to affect organizational performance. Different variations of this relationship have been proposed over the years. This study pursued to establish the effect of employee turnover on the organizational performance in Local governments. Specifically, to determine the effect of employee reward management on organizational performance, to establish the effect of employee career growth management on organizational performance and to establish the effect of employee motivation on organizational performance. To this purpose, a cross-sectional study that collected quantitative data through the use of a self-administered questionnaire was employed. This study has sampled 44 employees. Through multiple linear regression done using the SPSS, the results indicate that employee reward management, employee career growth management and employee motivation have a positive significant effect on organizational performance. The study recommends Local Governments to enhance employee remuneration by increasing basic salaries and providing competitive bonuses, offering comprehensive pension schemes for retired employees. Local Government, should invest in robust training and development programs is crucial for skill enhancement and professional growth and create clear pathways for job promotion and offering monetary incentives linked to performance as this motivates staff and reinforce a results-driven culture. The study concluded that employee turnover has a positive and significant effect on the organisational performance.

# CHAPTER ONE

## INTRODUCTION

### **1.0 Introduction.**

This chapter contains the foundation of the research starting with the background and the issue at hand. It explains why the study was carried out, what it aims to achieve, and the specific goals it sets out to meet. It also details about the study's boundaries, why it matters, the key ideas guiding it, and clear definitions of important terms used throughout.

### **1.1 Background of the Study**

Organizational performance refers to the degree to which the organization, with some informational, financial, and human resources, positions itself effectively to achieve its goals, objectives and strategies (John Shields 2021). Individual performance can influence the performance of the entire organization. (Mishra and Mohanty, 2022). Organizational performance refers to how well an organization delivers on what it set out to achieve. It's essentially a comparison between the results it actually produces and the goals or objectives it originally planned for. According to Richard et al. (2019), organizational performance encompasses three specific areas of organization outcomes: efficiency, effectiveness, productivity, and timeliness etc.). Local governments are crucial players in economic growth as they perform a part in the execution of state economic development programs and follow local development guidelines (Dijkstra et al., 2019). This has been so because governments are the only structures with a framework within which these services can be provided (Boris, 2015). However, despite efforts to improve the organisational performance in local governments, such as implementing strategic governance and financing systems, there are still low levels of organisational performance in these entities.

Globally, there has been rising anxieties concerning the value of organisational performance; In China, evidence submits that the government's revenue and expenditure balance has been deteriorating, leading to a gradual increase in the fiscal deficit. This deficit reached 3.76 trillion Yuan in the general public budget, resulting in a gross domestic product undergrowth of roughly 4.17%. The combined debt of central and local governments also rose to 30 trillion Yuan. These concerns about declining performance are largely due to a lack of proper accountability, as cited by (Naito, 2020) in the China Financial Report Survey. In India, the end-of-year budget report for the Republic of Punjab in FY 2020-21, as cited by (Brier & liadwi jayanti, 2020), indicates a shortfall of Rs. 75.0 billion in general revenue receipts. This shortfall was attributed to a decrease in the federal divisible pool and poor budgeting.

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