

**ANALYSIS OF THE EFFECTS OF EMPLOYEE TURNOVER ON ADMINISTRATIVE
COSTS IN AN ORGANIZATION.
A CASE STUDY OF PETROCOM LTD**

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ABSTRACT

This study aims at exploring and understanding the effects of employee turnover on the administrative costs in PETROCOM Ltd. in identifying the causes and consequences of employee turnover, analyzing the influence of employee turnover costs on administrative costs and finding out some measures that can help the company retain more employees. Being one of the largest costs in all different types of organizations and one of the most unknown costs, employee turnover must be well analyzed and its prevention is a priority for all organizations. The importance of examining the effects of employee turnover in PETROCOM Ltd. Could be helpful not only to this company but also to its various stakeholders in reducing employee turnover effects in their respective workplaces. A survey method was utilized to collect data for answering research questions and the data was collected using survey instruments that were analyzed using statistical methods. Data collection has been done through a questionnaire and an interview guide. The data collected was mainly focusing on the causes of employee turnover and its consequences. The research findings reported five factors that have pushed employees to leave the company. Those were: poor performance, misconduct, failure on probation, low salary and wages and better job opportunities. Employee turnover impacted on the company through reduced production, increased cost of recruitment, increased cost of staff training, reduced unproductive employees and reduced misconduct employees. The variables that were tested as the causes of turnover have significant impacted on the administrative costs of the company under study.