

**INFLUENCE OF DEMOGRAPHIC DIVERSITY ON EMPLOYEE TURNOVER IN THE  
INSURANCE INDUSTRY IN KENYA**

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## **ABSTRACT**

The purpose of this paper was to establish the influence of demographic diversity on employee turnover in the Insurance industry in Kenya. The Insurance Industry is a growing industry that contributes a lot to the Gross Domestic Product of Kenya. The objectives of this paper were to establish whether demographic diversity affects employee turnover and the moderating effect of firm characteristics on the relationship between demographic diversity and employee turnover. The theories underpinning the variables in this study were: resource based theory and the Aston group theory. The study adopted the descriptive research design which used both quantitative and qualitative approaches. The units of analysis were the 55 licensed insurance companies in Kenya, which have a total population of 10, 634 employees and the units of observation was top five performing insurance companies with a total population of 2,167 employees. The sample size was 95 employees. Data was collected using a structured questionnaire for employees which had both close-ended and open-ended questions. Data was analyzed using Statistical Packages for Social Sciences (SPSS) and it was presented using graphs, pie charts, and tables. The study established that demographic diversity had a significant and positive influence on employee turnover among insurance companies in Kenya. The study further established that firm characteristics had insignificant and negative moderating effect on the relationship between demographic diversity and employee turnover. The study concluded that as a result of diversified demographics, employee turnover was high in Kenyan insurance industry. The study therefore recommended that that the management of the insurance firms should embrace effective remuneration, well-streamlined demographics so as to minimize employee turnover and enhance employee retention.

**Key Words:** Demographic diversity, Employee turnover, Insurance Industry

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