This study was a survey, which was carried out on the existing employees within the micro-finance institutions in Kenya. The general objective of the study was to find out the likely factors influencing labor turnover in the micro finance institutions and the specific objectives was to examine whether pay packages, job prospects, prevailing working conditions, unionization of employees, selection procedures, placement, induction process, and the demographic factors influence labor turnover among MFIs. Both primary and secondary data was used for this research. Primary data was collected using structured and unstructured questionnaires. The questionnaires having both open ended and closed ended questions were administered to the employees within the institutions. The drop and pick method was used to administer the questionnaires. Secondary data included all relevant literature related to labor turnover. The data was analyzed by using frequency tables, percentages and descriptive statistics such as mean and standard deviation. The findings indicated the factors influencing labor turnover in the MFIs sector. Low pay was cited as the most influential factor followed by lack of job security, lack of job prospects, pursuit of further education, and demographic factors among others. The findings further indicated that young employees were more likely to quit than old employees; female employees were more likely to quit than male employees and graduates were more likely to quit than non-graduate. Due to time and resource constraints it was not possible to cover all the MFIs in Kenya, thus it will be of great academic value if future research will be directed towards surveying the entire MF sector in Kenya. Also this research relied on current existing employees and some of them due to fear of intimidation from their superiors, were not free to give information. Thus, future research could target those employees who have already quit their jobs since they are better placed to share information as to what influenced them to quit.