

**HUMAN RESOURCE MANAGEMENT PRACTICES  
AND EMPLOYEE RETENTION IN BEVERAGE  
PROCESSING FIRMS IN KENYA**

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**Human Resource Management Practices and Employee Retention In  
Beverage Processing Firms in Kenya**

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Agriculture and Technology**

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## DECLARATION

This Thesis is my original work and has not been presented for a degree in any other university

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This Thesis has been submitted for examination with our approval as the University Supervisors

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## **DEDICATION**

I sincerely appreciate my mother Hellen Chumo whose undying strength, love and support has empowered me to undertake the entire research.

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## **ACRONYMS AND ABBREVIATIONS**

<b>APE</b>	Avoidance of pain from the environment
<b>EVP</b>	Employee Value Proposition
<b>GSS</b>	Ghana Statistical Service
<b>HR</b>	Human Resource
<b>HRP</b>	Human Resource Practices
<b>OJT</b>	On the job training
<b>PA</b>	Performance Appraisal
<b>TAT</b>	Thematic Apperception Test



## DEFINITION OF TERMS

- Employee** Employee includes a person, including an officer of a corporation, who performs work for an employer for wages (or) a person who supplies services to an employer for wages (Armstrong, 2010)
- Employee retention** A process in which employees are encouraged to stay with the organization for a long period of time or until the completion of the project (Armstrong, 2010).
- Employee retention practice** Customer liking, identification, commitment, trust, readiness to recommend, and repurchase intentions, with the first four being emotional cognitive retention constructs, and the last two being behavioural intentions (Stauss et.al, 2001)
- Human resource management** Activities designed to provide for and coordinate the human resources of an organization. (Byars & Rue 2004)
- Human Resource Management Practices** System that attracts, develops, motivates and retains employees to ensure the effective implementation and survival of organization and its members (Armstrong, 2010)
- Job satisfaction** Attitudes and feelings people have about their work (Armstong, 2014)
- On-the-job (internal) training** Mentoring, self-learning and attaching an employee to learn a new skill under a colleague or a superior (Armstong, 2010)

- Off - the job (external) training** Seminars, workshops, lectures and case studies that are conducted outside the premises of the organization (Armstrong, 2010).
- Performance Appraisal practice** Performance appraisal process, which studies and evaluates the job performance of personnel formally (Mondy, 2008)
- Promotion practice** The advancement of an employee from one job position to another job position that has a higher salary range, a higher level job title.(Heathfield, 2015).
- Reward** An incentive plan to reinforce the desirable behaviour of workers or employers and in return for their service to the organization. (Armstrong, 2010)
- Training** The acquisition of knowledge, skills and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies (Armstrong, 2010)
- Training Practice** Process of changing in thought, behaviour, and action as a result of changes in knowledge, skills and competences (Bernard 2012)

## **ABSTRACT**

Employee retention is a key factor in an organizations' success. It is one of the challenges facing many organizations both public and private occasioned by globalization that has intensified competition and increased mobility of highly skilled employees. Thus, aim of this study was to investigate the influence of human resource management practices on employee retention in beverage processing firms in Kenya. The objectives of the study were: To assess the influence of training on employee retention in beverage processing firms in Kenya; to examine the influence of promotion on employee retention in beverage processing firms in Kenya; to evaluate the influence of performance appraisal on employee retention in beverage processing firms in Kenya and to establish the influence of Reward on employee retention in beverage processing firms in Kenya. The study was conducted using cross-sectional research design to establish the relationship between variables. The target population was 2940 employees of beverage firms in Kenya and simple random technique was used to collect the sample. The sample size was 352 employees who were calculated using Taro Yamane's formula. The study adopted structured questionnaires to get answers of the research questions. Questionnaires were used to collect data and later on analysed using descriptive statistics and presented in frequency tables. The pilot study was carried out at Kipchabo tea factory in Nandi County in order to validate the study instrument. It was established that training, promotion, performance appraisal and reward practices showed a positive correlation with retention of employees in beverage processing firms. The study concludes that beverage processing firms train their employees based on the existing policy guidelines. The study also, concludes that beverage processing firms promote their employees based on merits and this promotion offered an opportunity to employees for advancement. The study recommended that beverage processing firms should involve employees in decision making in order to allow them identify areas that they need to be trained. The study recommended that beverage processing firms should make aware of promotion policy to its employees through proper communication channel from the top management. Also, the study recommended to the management of organizations to put in place performance appraisal policy, give performance appraisal feedback timely and should be conducted on regular bases to enable management and employees to plan for better execution. The study recommended that issues should be addressed so that to prevent employees from perceiving performance appraisal systems as discriminatory, punitive and judgmental processes, where cronyism and biased considerations dominated objectivity and thus ineffectiveness of the appraisal system. Lastly, the study was to be of great significance to beverage processing firms, academicians, scholars and policy makers.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background to the Study**

Employee retention is a process in which employees are encouraged to stay with the organization for a long period of time or until the completion of the project. Stauss *et al.*, (2001) has defined retention as “customer liking, identification, commitment, trust, readiness to recommend, and repurchase intentions, with the first four being emotional cognitive retention constructs, and the last two being behavioural intentions” .A core belief in Human Resource Management (HRM) is to retain and develop employees to obtain a competitive advantage. Retention of human resource is critically important in organizations and institutions where financial sustainability and survival in a competitive environment depend on the scarce human and specialist skills. The situation is further exacerbated if these individuals are rare or when it becomes difficult to obtain and retain these kind of staff (Phillips *et.al.* 2003). Organizations therefore, must continuously discover current human resource management retention practices and integrate them in the organization. Without empirical evidence, it is not known if the current organizational retention strategies are outdated as they may have little or no influence on employees’ decision to stay with an organization (Sutherland, 2004).

##### **1.1.1 Global perspective of HRM practices and employee retention**

The most important asset available to an organization is its employees, thus retention of staff in their jobs is paramount for an organization. Indeed there is a shift from human resource to human capital which consists of the knowledge, abilities and skills of the employees employed in an organization which shows their value (Armstrong, 2010).When employees leave their jobs, it is often a sign that something is going wrong. Guma (2011) contends that poor job retention among employees lead to many costs associated with employee turnover which include additional burden on remaining staff, recruitment and training costs, lost productivity, loss of clients and loss of intellectual capital. Another more insidious cost of turnover involves the

sharing of a company's methods, technology, and clients with competitors who may have hired the employee. It thus goes with little emphasis that undesirable employee turnover is costly and disruptive, drains resources and can cause inefficiency (Harting, 2008).

Despite the aforementioned, the social, economic and political developments in combination with the processes of globalization and the space time compression that has come with the development in the area of information and communication technologies have contributed towards the flow of highly skilled individuals from one end of the world to the other (Tettey, 2006). Therefore, staff maintenance has turned into a difficult peculiarity for both public and private associations. As the work market has changed open rivalry for other organizations' staff, when an extraordinariness in business is these days an acknowledged reality, and vital poaching of key representatives has become normal practice. In the advanced universe of work, the mental agreement between the business and worker has changed in a general sense and long haul obligation to an association is not generally expected by one or the other party (Sutherland, 2004). One of the qualities of the new agreement is that workers ceaselessly change occupations all through their profession, attempting to get the best for themselves.

Employee turnover is a global problem and a good example of organization that face the challenge of staff retention particularly with the core employees - the academic staff are the universities, and it is obvious that these institutions will be increasingly obliged to make retention of academics a strategic priority (Pienaaret *al.* 2008). Indeed, the issue of academic staff retention is global and affects both developing and industrialized countries. A survey of full time department members in the US in 2000 showed that more than 40% of them had once contemplated changing careers (Sanderson *et al.*, 2000). In a study carried out in Australian higher education institutions, 68% of the academic employees indicated that they wished to quit higher education (Yousaf, 2010). In South African universities, the issue of staff retention is evident, since available data indicates that a substantial number between 5% and 18% of academics leave higher education institutions (Pienaaret *al.*, 2008). Further, South Africa and Botswana have become popular destinations for Kenyan

academicians from major state universities. Employee turnover is a global problem and companies in Ghana, including those in the telecommunications industries have not been spared. In the case of Vodafone, the acquisition of the erstwhile state-owned Ghana Telecom by Vodafone and the subsequent laying off some workers led to a higher sense of insecurity on the part of many employees, leading to employee labour turnover.

Employees are unique due to the knowledge of a firm and its practices which are an invaluable asset that managers will strive dearly to contain within it. With this in mind, the question of retaining key employees who have the knowledge and are the key contributors' in the organization is crucial for their survival and profitability. For associations that depend mostly on individual information in their creation, the fundamental target ought to be to hold those representatives as they establish the essential hierarchical resource .(Benson and Brown, 2007) the key workers regularly find out about their work tasks than the Manager attempting to oversee them consequently thought to be important to the firm. In the event that the Manager would realize more, the key specialist would not be an important asset to the firm henceforth the Manager could supplant the laborer and move his insight to someone else. HR are the useful administrations that representatives deal to the firm as far as abilities. This is the main asset fit for transforming lifeless elements of creation into riches (Sheehan, Holland, &Cieri, 2006).

The skills, knowledge and experience have economic value to organization since they enable the organization to be adaptable and productive. The management who play the management role which is power by position should change to leadership which involves power by influence so as to influence employees remain in their organization. The retention management concept includes motivation, recruitment, rewarding, employee job opportunities, and work environment, the role of leadership, training, Promotion and performance appraisal. Unwanted employee turnover is one of the biggest and most costly business problems that companies face.(Taylor & McGraw, 2004)argues that this remains pervasive and persistent, indeed undesirable, unwanted and voluntary attrition that companies experience when highly valued employees quit to take other job elsewhere is much of a bigger

problem than the frequency of corporate layoffs reported. Competition for talent is high and still growing hence the importance of employee retention on the increase. Competitive salaries, comprehensive benefits, employee services, incentive programs and similar initiatives are important when attracting and hanging on to employees. It is not hard for a competitor to compete with individual elements of employment such as salaries and benefits. (Taylor & McGraw, 2004) found out that in Australia Global competition has made its mark on the labour market, intensifying the shortage of key employees and therefore highlighting the importance of Human Resource Management When people are unsatisfied with their jobs, they will always look round for alternatives and if there are more alternatives, then people will move faster. Causes for dissatisfaction could be stress, repetitive work, role ambiguity and work overload. According to (Mitchell, Sablynski, Burton, & Holtom, 2004) (Mitchell et al 2001) people search for alternatives and compare them with their present job. According to (Mitchell et al 2001) Voluntary turnover is a huge problem for many organizations today. An organization that fails to retain employees is crowded with labour turnover which means a high rate of persons leaving and entering the organization compared to the total number of employees in the organization. Persons leave the organization by tendering their resignation, retrenchment or retirement. The effect of voluntary turnover includes loss of performance, knowledge, expertise, relationship and loss of time and resources that it took to train the employee. Examples from prior research reveal that incredible costs incurred and losing critical employee for instance in one study the management indicated recruitment costs of 50 - 60% of employee's first years' salary and up to 100% for specialized, high skill positions. The Ghana Statistical Service reported in 2010 that the telecom industry has been a great driver of economic growth, directly accounting for 7% of investments in Ghana, 10% of government income, and 2% of Gross Domestic Product (Dowuona, 2011). Even though the industry has seen steady and remarkable growth over the last decade, according to Africa ICT indicator, (2007), the growth is not as a result of employee performance or productivity but rather is due to substantial growth in investment and expansion of the network access. (Frempong and Henten, 2004) noted that the goals set by the government of Ghana have been partly met especially with respect to telecommunication development in the rural

area. With the problem of increasing employee turnover in the telecommunication industry, as the case in Vodafone for example, one wonders if the goal of the Ghana government concerning the growth and expansion of the sector is going to be achieved. Therefore calls for a greater action to be taken to find out how to retain the organization's treasured employees and the factors likely to affect them to remain in the industry to help achieve company objectives.

### **1.1.2 Regional perspective of HRM practices and employee retention**

Kenya is no exception to the problem of staff retention which is manifested more in form of brain drain. Kamocheet *et al.*, (2004) noted that Kenya is losing its skilled personnel, especially technical and professional personnel to America and Europe. According to Gachunga, Kibui & Namusonge (2014), retaining talented employees has become one of the greatest priorities of organizations and the key differentiator for human capital management. Global dynamic trends and competitive markets are making it increasingly difficult to recruit and retain talented employees and there is the constant risk of losing them to competitors. In many cases, universities have found that the graduates who are sent abroad for training tend to join private sector or remain abroad or quit shortly after their return in search of better remuneration. The phenomenon of brain drain among academic staff is real within the public universities and this affects staff retention. According to Lewa (2009), Kenyan public universities do not train for retention and have no retention strategy. They operate on the assumption that there will always be people ready to join university as tutorial fellows, lecturers, associate professors and professors. Wangui (2009) studied employee retention in Kenyan banks with a focus on Equity bank. Her study established that Equity Bank uses both non-financial and financial incentives to encourage its employees to stay. Mutua, Karanja and Namusonge (2012) conducted a study on the role of Human Resource Management Practices on Performance of Financial Cooperatives in Nairobi County and established that poor management of HRM practices led to high employee turnover. Romano *et al.*, (2014) studied on Effects of Employee Engagement on Employee Retention in Micro-Finance Institutions. The results indicated a declining trend of employee engagement that perhaps explains the current increasing rates of staff turnover.



Gachunga (2010) established that Standard Group values leadership qualities that are aligned with the retention strategies and recruitment process. Wanjiru (2007) did a survey of factors that influence employee retention in manufacturing firms in Nairobi. The study established that the manufacturing firms valued gaining competitive advantage and engages in HRM practices to retain employee to a great extent. Lepilale (2009) investigated the relationship between employee retention management practices and voluntary labour turnover in Five Star Hotels in Nairobi. The study deduced that organization value compensation practices as a way of retaining employees and that compensation influences on employee retention. An analysis of the above studies shows that the focus is in different concepts on HRM. Clearly, there is need for policy direction in regard to staff retention in organizations both private and public if they aspire to be competitive locally and internationally. This study aimed to establish the influence of human resource practices on employee retention in beverage processing firms in Kenya. The concept of employee retention emerged with regularity in 1970's and early 1980's because before this, most people joined organizations and they stayed there for a very long time, sometimes for the entire duration of their working life. But as job mobility and voluntary job changes begun to increase dramatically, employers found themselves with the problem of employee turnover and a management tool known as employee retention begun to be developed (Mckeown, 2002). According to Kochachathu (2010), employee retention is a very important element in determining the achievements of the organization and it is one of the great indicators of an organization's health. In this study, job retention referred to the maintenance of employment status by an employer for a considerable maximum period of time. The main purpose of retention is to prevent competent employees from leaving the organization as this could have negative effects on productivity and service delivery (Chiboiwa, 2010). The goal of retention policies should be to identify and retain committed employees for as long as it is profitable to the employee and the organization (Sutherland, 2004). To achieve good retention programmes, organizations should determine the human resource practices relevant to their employee groups and then focus strategies on these HRM practices.

Employees in an organization are said to have high job retention when most or all of the established posts in that organization are occupied, when they have no or low

intentions to turnover, have had a career development or when employees keep their jobs for a considerable long period of time (Chew, 2004). Retention strategies such as employer branding and employer of choice have been fronted as a panacea to improved staff retention in organizations. An employment brand creates an image that makes people want to work in the organization because it is a well-managed organization where employees are continually learning and growing (Branham, 2001). Given the increased competition for human resources, the development of an employer brand is now being recognized as important in that, in addition to helping attract external candidates, it keeps current and potential employees constantly and actively aware of the company's value proposition and the benefits of being committed to that organization (Hughes *et al.*, 2010).

Guma (2011), defined employer of choice as an employer who is highly regarded by a targeted population of employees because the organization offers great opportunities, rewards, compensation and other benefits that are in line with that niche markets personal and professional value system. In other words, the employer becomes so attractive to people that they choose to work for that employer rather than a competitor. The proponents of this strategy posit that employees want to work for the best employers and therefore, organizations strive to be the best company to work for because the statement translates to lower rate of turnover. Another trend in employee retention is Employee Value Proposition (EVP) and this makes clear to the employee "what's in it for them" or what extrinsic and intrinsic benefits they will receive in exchange of their labour both now and in the future (Hughes *et al.*, 2010). It consists of what an organization has to offer that prospective or existing employees would value and which would help persuade them to join or remain in the organization. Armstrong (2010) argues that this will include remuneration, non-financial factors and opportunities for personal and professional growth among other factors. Research findings show that organizations that are perceived to be delivering on the EVP promises enjoy substantially higher levels of employee commitment and retention (Munsamy *et al.*, 2009).

Dibble (1999), an employee retention guru, argues that retention of employees needs to be managed, and he identifies remuneration, career opportunity, development,

work environment, performance management and work, flex time and family as areas that have an effect on retention of employees. Dockel (2003) identified the following as top retention factors; training and development, supervisor support, career opportunities, skill variety, work life policies, job autonomy, job challenge, and salary. Chew (2004) categorizes retention tools into two categories as follows: Human Resource (HR) factors which include person organization fit, remuneration, training and development, and career opportunities and organizational factors which include: leadership behaviour; teamwork relationship, company culture, work environment, and communication. Price (2000) indicates that intention to leave or stay studies should address organizational factors, psychological factors and personal factors. Personal characteristics such as age, tenure and education level are indicated in studies (Johnsrud & Rosser, 2002; Chew, 2004; Pienaaret *al.*, 2008) to have moderating effect on employee intention to leave or stay. From these studies, it is clear that retention is influenced by an array of factors both extrinsic and intrinsic, and hence those critical to particular organizations can be established through empirical research which will then form the basis of EVP that will make them become the employer of choice. Most organizations have recognized that human resources play a major role in gaining a competitive advantage in today's highly competitive global market. While all aspects of managing human resources are important, employee retention continues to be an important Human Resource Management activity that helps organizations in their aim to achieve their goals and objectives (Mello, 2007). Scholars and practitioners are interested in addressing the key issues and challenges relating to employee retention. Reducing employee turnover is a strategic and very important issue. No business can enjoy and sustain the success until it handles the problem of employee turnover efficiently and successfully (Ongori, 2008). This calls for a strategic approach to the management of personnel in order to encourage them to stay.

Turnover has negative impact on productivity, service and product quality, and profitability. The cost involved in hiring new employees is high and finding skilled employees again can be difficult (Boyens, 2007). Replacing a lost valuable employee is more expensive than employing a new one. Cappelli (2008) believes that retaining the organization's valuable employees has been very challenging for many

organizations. Research estimates indicate that recruiting and training new employees cost approximately 50 percent of the worker's annual salary (Johnson, Griffeth and Griffin, 2000). It is again estimated that each time an employee leaves an organization, productivity drops due to the learning curve involved in understanding the nature of the job and the organization (Sutherland, 2004).

## 1.2 Statement of the Problem

Employee retention is a key factor in an organizations' success (Lyria, Namusonge & Karanja, 2014). It is "one of the challenges facing many organizations both public and private occasioned by globalization that has intensified competition and increased mobility of highly skilled employees" (Ng'ethe, Iravo & Namusonge, 2012). Stauss *et al.* (2001), defined retention as "customer liking, identification, commitment, trust, readiness to recommend, and repurchase intentions, with the first four being motional cognitive retention constructs, and the last two being behavioural intentions" .Research indicates that employees will leave companies in search of better payments package, better career and development opportunities and job satisfaction among other factors. The key employees who constitute the firm's competitive capabilities have high educational background and professional experience and are often involved in complex production of output which in turn generates high profits (Shen & Hall, 2009).Employee turnover can result in interruptions, increased replacement and recruitment costs, loss of efficiency, incomplete projects, customer dissatisfaction, scheduling difficulties and the depletion of the company's intellectual capital (Kreisman, 2002). In United Kingdom a survey of London health service staff showed that poor working conditions and lack of better facilities were top on the list of factors affecting retention while compensation ranked fourth(Trust, 2005). In Kenya, (Messah & Kubai, 2011) carried out a survey of factors influencing agent retention in insurance industry in Kenya and observed that basic pay, training and development, promotion ranked highest on factors that employee would consider while moving to another organization. (Ndetei, Khasakhala, & Omolo, 2008) in a survey of incentives for health worker retention in Kenya :an assessment of current practice cited lack of training and supervision, poor living conditions and poor working conditions as a major cause associated with staff turnover. While a majority of managers consider retention of their best employees to be an important part of their long term business strategy, many organisations do not have a framework in place to effectively retain their employees, (Mensah, 2014, as cited in (McKeown, 2010). This study therefore sought to determine the Human resource management practices that influence employees' long term stay to the organization. (Ng'etheetal.2012), states that these practices are leadership,

distributive justice, salary, work environment, promotional opportunities, training and development, autonomy and recognition. The studies tend to indicate that retention factors vary from one industry to the other and a factor could rank high in one industry, lower or is totally irrelevant. It is this diversity in retention from one organization to another that this study wanted to investigate the influence of human resource management practices on employee retention in beverage processing firms in Kenya.

### **1.3 Objectives of the study**

#### **1.3.1 General objective**

The general objective of the study was to analyse the human resource management practices and employee retention in beverage processing firms in Kenya.

#### **1.3.2 Specific Objectives**

1. To assess the influence of training on employee retention in beverage processing firms in Kenya
2. To examine the influence of promotion on employee retention in beverage processing firms in Kenya
3. To evaluate the influence of performance appraisal on employee retention in beverage processing firms in Kenya
4. To establish the influence of reward on employee retention in beverage processing firms in Kenya

### **1.4 Research Hypotheses**

The following null hypotheses guided the study

H<sub>01</sub>: Training has no significant influence on employee retention in beverage processing firms in Kenya.

H<sub>02</sub>: Promotion has no significant influence on employee retention in beverage processing firms in Kenya.

H<sub>03</sub> Performance appraisal has no significant influence on employee retention in beverage processing firms in Kenya.

H<sub>04</sub> Reward has no significant influence on employee retention in beverage processing firms in Kenya.

### **1.5 Significance of the study**

The study was important because it aimed at establishing the influence of human resource management practices on employee retention with the underlying understanding that employee presence is critical in the functioning of organizations which the society heavily relies on for the production of goods and services to increase development in the country. The rationale was used to propose ways of managing employee retention in order for the organization to compete favourably both locally and internationally. The study findings were beneficial to various stakeholders as follows:

#### **1.5.1 Beverage processing firms**

This study was to provide empirical information to the management organs of the beverage processing firms on improvement of employee retention in order to save on unnecessary expenditure and avert the loss of human capital. It is considered that this research was to provide empirical information on the current critical human resource practices which could be useful to organizations in formulating retention strategies and reviewing existing ones.

#### **1.5.2 Scholars**

The study helped to point out other research areas for possible consideration by other researchers that could contribute to the existing body of knowledge on employee retention.

### **1.5.3 Policy Makers**

The findings helped to provide the policy makers with opportunities to revise policies related to retention of employees such as policies on rewards and performance appraisal. This would in turn benefit the country in the provision of quality services by ensuring the best employees are retained for longer time in the organization. The study was to benefit the Government of Kenya who is an employer to many civil servants by coming up with uniform policies that it can adopt as an employer throughout the country internationally and thereby increase investments to the nation

### **1.7 Scope of the Study**

The study focused on beverage processing firms in Kenya. The beverage firms are located in Nairobi, Kisumu, Nyeri and Eldoret. The study was limited to the following HRM practices; training, promotion, performance appraisal and rewards. The study focused on top management, middle management and non-supervisory employees. Though the study scope was delimited to beverage processing firms, the findings would be helpful to other organizations too since retaining employees is a challenge in several other organizations including government as an equal employer.

### **1.8 Limitations of the study**

Some respondents were not cooperative because of fear of confidentiality. But the researcher was able to overcome this challenge by assuring them that their feedback was to be treated with lots of confidentiality and was only meant for academic purpose. This was achieved by showing respondents letter of introduction from the University, student card and business card from the researcher's organization. Also, the study focused onto only training, promotion, and performance appraisal and rewards HRM practices and yet there are many HRM practices and this may limit the generalization of the study findings. The study also focused on beverage processing firms as main respondents and neglected other manufacturing sector, thus the findings of this study may be subjective.



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter deals with literature review and in particular the theoretical framework, Conceptual framework, Empirical review of variables, research gaps and summary of the literature.

#### 2.2 Theoretical Framework

According to Philip *et al.*, (2003) employee retention involves being concerned with employee needs and demonstrating the various strategies in meeting these needs and hence the application of relevant motivation theories in this study. Most notable theories are equity theory (1965), Maslow Hierarchy of needs theory (1943), Herzberg two factor theory (1959) and McClelland theory (1971), all of which are relevant to this study:

##### 2.2.1 Equity Theory

Equity theory focuses on determining if the distribution of resources is fair to both relational partners. Equity is measured by comparing the ratio of contributions and benefits for each employee. It is considered one of the justice theories; equity theory was first developed in 1969 by J. Stacy Adams, a behavioural and workplace psychologist, who expressed that workers look to keep up with value between the data sources that they bring to a task and the results that they get from it against the apparent sources of info and results of others (Adams, 1969). The conviction is that individuals esteem fair treatment which makes them be resolved to keep the decency kept up with inside the connections of their associates and the association. The design of value in the working environment depends on the proportion of contributions to results. Value hypothesis centers around deciding if the conveyance of assets is reasonable for both social accomplices. It recommends that people who see themselves as either under-compensated or over-compensated will encounter trouble, and that this pain prompts endeavors to reestablish value inside the

relationship. It centers around deciding if the dissemination of assets is reasonable for both faculty. Value is estimated by looking at the proportions of commitments and advantages of every individual inside the relationship. Similar as other existing speculations of inspiration, for example, Maslow's ordered progression of necessities, value hypothesis recognizes that unobtrusive and variable individual elements influence every individual's evaluation and impression of their relationship with their social accomplices (Guerrero *et al.*, 2005). As per Adams (1965), outrage is set off by underpayment imbalance and culpability is caused with excessive charge value (Spector 2008). Installment whether wages or pay, is the principle concern and in this way the reason for value or disparity much of the time. In any position, a worker needs to feel that their commitments and work execution are being valued with their compensation. In the event that a representative feels came up short on, it will bring about the representative inclination unfriendly towards the association and maybe their collaborators, which might bring about worker turnover.

It is the variables that additionally assume a significant part in the sensation of value. Simply the possibility of acknowledgment for the gig execution and the demonstration of expressing gratitude toward the representative will cause a sensation of fulfillment and consequently assist the worker with feeling advantageous and have the goal to stay in the association. People contrast their work sources of info and results and those of others and afterward react to eliminate any disparities. Inputs are characterized as every member's commitments to the social trade and are seen as entitling him/her to prizes or expenses. The qualification to prizes or expenses appended to each info shifts relying upon the social setting. In modern settings, resources, for example, physical work and capital are viewed as significant data sources. These are inputs that really qualifies the giver for remunerations. Inputs regularly incorporate any of the accompanying:

Time,loyalty,education,hardwork,commitment,flexibility,Adaptability,determination, Tolerance,Enthusiasm,Personal penance, Trust in bosses, Support from partners and abilities. Results are characterized as the good and unfortunate results that a singular feels a member has brought about as an outcome of his relationship with another. At the point when the proportion of contributions to results is close, then, at that point,

the representative ought to have a lot of fulfillment with their work. Results can be both unmistakable and theoretical. Commonplace results incorporate any of the accompanying: Job security, costs, Employee benefit, compensation, Recognition, acclaim, Responsibility, Sense of accomplishment, notoriety, Thanks, Stimuli. Value hypothesis comprises of four suggestions: Individuals look to boost their results; Groups can augment aggregate prizes by creating acknowledged frameworks for evenhandedly allotting prizes and expenses among individuals. Frameworks of value will develop inside gatherings, and individuals will endeavor to initiate different individuals to acknowledge and stick to these frameworks. The main way gatherings can prompt individuals to fairly act is by making it more productive to act evenhandedly than unjustly. Consequently, gatherings will by and large reward individuals who treat others fairly and by and large rebuff individuals who treat others unjustly, when people wind up taking an interest in biased connections, they become upset.

The more inequitable the relationship, the more trouble people feel. As per value hypothesis, both the individual who gets excessively and the individual who gets too little feel troubled. The individual who gets an excessive amount of may feel culpability or disgrace. The individual who gets too little might feel irate or embarrassed, Individuals who see that they are in a biased relationship endeavor to eliminate their misery by reestablishing value. The more prominent the disparity, the more pain individuals feel and the more they attempt to reestablish value. (Walster, Traupmann and Walster, 1978). Equity hypothesis has been generally applied to business settings by modern therapists to depict the connection between a representative's inspiration and their view of fair or discriminatory treatment. In a business setting, the significant dyadic relationship is that of among representative and boss. Value hypothesis expects that representatives try to keep an impartial proportion between the sources of info they bring to the relationship and the results they get from it (Adams, 1965). Value hypothesis in business, nonetheless, presents the idea of social correlation, by which representatives assess their own feedback/yield proportions in light of their examination with the information/result proportions of different workers (Carrell and Dittrich, 1978). Contributions to this setting incorporate the representative's time, insight, capabilities, and mastery,

elusive individual characteristics like aspiration and drive, and relational abilities. Results incorporate financial pay, advantages, perquisites and adaptable work game plans. Workers who see imbalance will try to decrease it, either by contorting inputs or potentially results as far as they could tell, straightforwardly adjusting inputs as well as results, or leaving the association (Carrell and Dittrich, 1978). These impression of disparity are view of authoritative equity, or all the more explicitly, bad form. Hence, the hypothesis has wide-arriving at sway for worker spirit, usefulness, effectiveness and turnover.

The three primary assumptions applied to most business applications of equity theory can be summarized as follows: Employees expect a fair return for what they contribute to their jobs, a concept referred to as the equity norm; Employees determine what their fair return should be in the wake of contrasting their bits of feedbacks and results and those of their associates, This idea is alluded to as friendly correlation lastly Employees who see themselves as being in a discriminatory circumstance which will try to diminish the disparity either by contorting data sources and results as far as they could tell, by straightforwardly modifying inputs and additionally yields, or by leaving the association. (Carrell and Dittrich, 1978). Equity hypothesis has a few ramifications for business chiefs: People measure the sums of their bits of feedbacks and results. This implies a functioning mother might acknowledge lower financial remuneration as a trade-off for more adaptable working hours. Various representatives credit individual qualities to sources of info and results. Accordingly, two representatives of equivalent capability and experience playing out a similar work for a similar compensation might have very various impression of the decency of the arrangement. Representatives can adapt to buying power and neighborhood economic situations. Hence an educator from Toronto might acknowledge lower pay than his partner in Alberta on the off chance that his average cost for basic items is unique, while an instructor in a far off African town might acknowledge a very surprising compensation structure. Despite the fact that it very well might be adequate for more ranking staff to get higher pay, there are cutoff points to the equilibrium of the sizes of value and workers can find over the top chief compensation now and again demotivating. Staff view of information sources and results of themselves as well as other people might be wrong, and discernments

should be overseen well. A worker who accepts is overcompensated may remain for significant stretch. Analysis has been coordinated however toward both the suspicions and reasonable use of this hypothesis. Researchers have scrutinized the straightforwardness of the model, contending that various segment and mental factors influence individuals' impression of reasonableness and collaborations with others. Moreover, a significant part of the examination supporting the fundamental contentions of value hypothesis has been led in research center settings, and along these lines has sketchy pertinence to certifiable circumstances (Huseman, Hatfield and Miles, 1987).

Critics have also argued that people might perceive equity/inequity not only in terms of the specific inputs and outcomes of a relationship, but also in terms of the overarching system that determines those inputs and outputs. Subsequently, in a business setting, one could feel that their remuneration is fair to different workers', yet one could see the whole pay framework as uncalled for (Carrell and Dittrich, 1978). Researchers have in this manner offered various amplifying and contending points of view like the Equity Sensitivity Construct which suggests that people have various inclinations for value and accordingly respond in various ways to saw value and disparity. Inclinations can be communicated on a continuum from inclinations for outrageous under-advantage to inclinations for outrageous over-benefit. The Fairness Model proposes an elective proportion of value/imbalance to the social accomplice or examination individual of standard value hypothesis. As per the Fairness Model, a singular adjudicators the general decency of a relationship by contrasting their bits of feedbacks and results and an inside inferred norm. The Fairness Model consequently considers the apparent value/disparity of the general framework to be consolidated into people's assessments of their connections (Carrell and Dittrich, 1978).

This theory therefore directed in understanding how promotions and rewards influenced employees to leave in that they keep on comparing what they earn and what other employees earn in other comparable organizations in order to realize a balanced state between the inputs-outcome ratios. In turn this also contributes to labour mobility within and outside the company. The major weakness in this theory

is subjectivity of the comparison process. There is a tendency in human nature to deconstruct their inputs especially in regard to effort and hence becomes subjective when comparing (Beardwellet *al.*, 2007).

### **2.2.2 Maslow Hierarchy of Needs Theory**

Abraham Harold Maslow (1943) came up with a theory that outlined five hierarchical needs which could also be applied to an organization and its employees' performance (Gordon, 1965). According to Maslow's theory, one does not feel the second need until the demands of the first have been satisfied or the third until the second and the first has been satisfied. The various degrees of necessities on Maslow's order are: Physiological requirements these are organic necessities which comprise of the requirement for oxygen, water, food, and a moderately consistent internal heat level. They are the most grounded needs since, in such a case that an individual were denied of all needs, these physiological ones would start things out in the individual's quest for fulfillment. Wellbeing needs when all physiological requirements are met and are done controlling contemplations and practices, the requirements for security can become dynamic. While grown-ups have little familiarity with their security needs besides in the midst of crisis or times of disruption in the social design, kids regularly show the indications of instability and the should be protected. Needs for love, love and belongingness when the requirements for wellbeing and for physiological prosperity are fulfilled, the following class of requirements for adoration, love and belongingness can come up. Maslow declares that individuals look to defeat sensations of dejection and distance. This includes both getting and giving adoration, fondness and the feeling of belonging. When the initial three classes of necessities are fulfilled, the requirements for regard can become predominant. These include needs for both confidence and for the regard an individual gets from others. People have a requirement for solidly based, steady, significant degree of sense of pride, and regard from others. Whenever these necessities are fulfilled, the individual feels fearless and important as an individual on the planet. At the point when these requirements are baffled, the individual feels powerless, sub-par, vulnerable and useless. Needs for self-

completion; when every one of the previous requirements are fulfilled, then, at that point, and really at that time are the requirements for self-realization enacted.

Maslow describes self-actualization as a person's need to be and do that which the person was created to do. A teacher must teach, an artist must paint, and a poet must write. These requirements cause them to feel in indications of anxiety. The individual feels nervous, lacking something, tense, so, anxious. Assuming an individual is ravenous, not adored, dangerous or unaccepted, or lacking confidence, it is exceptionally simple to know what the individual is fretful about. Be that as it may, it isn't in every case clear what an individual requires when there is a requirement for self-realization.

The previously mentioned hypothesis might be applied to the jobs of authoritative social and human asset the executives in working on worker's exhibition notwithstanding some analysis or restrictions of the hypothesis. While some exploration has shown help for Maslow's hypothesis, others have not had the option to prove the possibility of a necessities progressive system that is viewed as impacted by Western culture, and in this way can't make a difference to all situations (Richard, 2000). The order of necessities hypothesis is essential to this review as the hypothesis is material to authoritative direction worker inspiration and maintenance (Greenberg and Baron, 2003).

They further express that the hypothesis can recommend how administrators can lead their representatives to become self-completed. The thought suggests the two jobs of the hypothesis first to associations and second to representatives on the premise that both the association and the workers should settle on the presentation of their association, and that when workers put in their best in working for the association, the way of life and human asset practice ought to likewise guarantee that the workers' degree of requirements are reflected in the qualities the association holds with high regard (Greenberg and Baron, 2003).

The social structure of the association ought to mirror the way that workers' security and physiological requirements are significant; consequently, when such necessities become the fundamental concentration, there will be representative maintenance

(Maslow, 1954). As representatives long for social requirements, it is the job of hierarchical culture to make the separate qualities and standards that human asset practice will zero in on while anticipating the smooth running of the association, with worker relationship being one of the key regions that human asset should zero in on (Story, 1992). Culture and human asset the executives practice should assist workers with accomplishing their confidence and self-completion needs. Whenever workers find that their association thinks often such a great amount about their formative status, representatives will offer their best to the assistance of the association and won't ever consider leaving the association consequently association will meet its objectives.

Human resources are viewed as vital in associations, Maslow's Hierarchy of necessities hypothesis Aims at creating individuals through work (Bratton and Gold, 2001), human asset the board incorporates managerial exercises that are related with examination, arranging, determination, enlistment, direction, preparing, inspiration and compensation (Story, 1992). (Robbins & Judge, 2009) summarizes human asset the board by five key ideas: staffing, rousing, overseeing struggle, restraining & preparing. Also, (Story, 1992) portrays the five utilitarian areas of human asset the board as staffing, rewards, representative relations, worker improvement and support and worker relations. Malone and Lepper (1987) have consolidated a lot of persuasive investigation into a synopsis of multiple ways the initiative of associations can think of conditions that are self-rousing. Inspiration through Control, Motivation through Curiosity, Motivation through Challenges, Motivation through collaboration, Motivation through Competition, Motivation through dream and Motivation through Recognition. Associations ought to give better dinners adequate existence. Associations should pay stipend on workers' food and life necessities.

A protected work space ought to be given, for instance, in perilous businesses like development industry, organization ought to give cog wheels to safeguard representatives from expected risks simultaneously cautioning sheets ought to be prominent at very hazardous destinations. As monetary security is likewise a sort of wellbeing needs, associations should pay representatives decently and guarantee them stable vocation. Associations ought to establish a climate of cooperation;



produce a sensation of acknowledgment and having a place by getting sorted out organization end year celebrations or organization preparing society. For the individuals who are dispatched to different spots, either inside public limits or abroad, offers them sufficient opportunity to rejoin with their families. Pioneers ought to perceive representatives' accomplishment, either by monetary means or acknowledgment implies. Associations should set explicit honors for granting workers subsequent to accomplishing specific objectives and undertakings. The honors ought not exclusively be monetary inspirations yet additionally mental inspirations like commendations.

Organizations ought to likewise make advancements in view of accomplishments rather than rank and give status to cause workers to feel esteemed and appreciated. Pioneers who can satisfy representatives' self-completion needs are the best innovators in any association. This empowers associations to completely use representatives' capacity and possibilities, where this improves the general adequacy and maintenance of the business. Associations can offer significant and provoking tasks to energize and investigate representatives' innovativeness and development capacity to most extreme. Maslow (1970) added has to know and comprehend to the current five degrees of necessities. The ramifications for these are self-evident; association should extend to both off-employment opportunity preparing and on-work preparing. Association advantages can likewise assume a significant part in a worker's fulfillment and maintenance. A few associations offer rewards to specific representatives who put forth the attempt to work on their presentation and in general execution of the association. This can incorporate classes or distributions to go to specific meetings. Such additional advantages can spur a representative to make a move to work on themselves and, subsequently, stay in the association for longer time. It can likewise set their vocation way in a superior bearing, for future development and advancement in the association (McNamara, 2005).

The technique an association decides for execution audits and assessments can biggestly affect worker maintenance. Associations that neglect to survey their representative's presentation or perceive an unparalleled piece of handiwork may before long track down disappointed workers. Moreover, associations that stringently

screen representative work without giving representatives the amazing chance to give input may likewise bring about non-inspired workers (Cardy & Selvarajan, 2004). The presentation surveys to keep workers spurred and performing great incorporate fair, intermittent, normal and objective criticism to the representatives (Collins 1998, & Cooper, 1998). Nonetheless, the association ought to likewise think of instruments set up for the representative to give input with regards to ways the association could likewise work on itself and make itself a superior work environment. Permitting open correspondence every which way will keep the representatives happier with their exhibition audit and more joyful with their remuneration level according to their work. . The administration should plainly spread out a legitimate arrangement of remunerations, acknowledgment and different advantages. Any other way, the framework could misfire and any apparent irregularity of the framework will de-rouse the staff rather henceforth lead to high representative turnover. Abraham Maslow's ordered progression of requirements hypothesis was as yet significant in this review since it featured how preparing, advancement, execution examination and prizes can be utilized to rouse workers and fulfilled representatives will need to stay in the association for an extensive stretch of time.

### **2.2.3 Herzberg Two Factor Theory**

Herzberg's motivation hygiene theory is also called the two factor theory and focuses on those sources of motivation which are critical to the accomplishment of task (Hall & Williams 1986). Herzberg concluded that job satisfaction and dissatisfaction were the results of two separate elements: rousing elements (satisfiers) and cleanliness factors (disappoints) Satisfiers individually are: Recognition, Achievement ,Company Policy, Supervision, Work itself, Working circumstances, progression, Responsibility, Interpersonal relations, individual life Salary, Growth, Status and Job security(Herzberg, Mousner & Snyderman, 1959). Herzberg involved the term cleanliness in the clinical sense-the feeling that it works to eliminate risks from the climate (Duttweiler 1986).

Herzberg distinguishes and thinks about the elements of cleanliness and inspiration as the mental premise of cleanliness and necessities is the evasion of torment from

the climate, There are boundless causes of agony in the climate, Hygiene needs have a raising zero point, Hygiene needs are recurrent in nature, Hygiene upgrades have momentary impacts and there is no last response to cleanliness needs. There are restricted wellsprings of inspiration fulfillment, Motivator enhancements have long haul impacts, Motivators are added substance in nature, Motivator needs have a no raising zero point, There are replies to inspiration needs (Herzberg, 1976). As indicated by Herzberg, cleanliness can't inspire, and when used to accomplish this objective it can really deliver adverse outcomes toward the end. A sterile climate forestalls uneasiness with a task, yet such a climate can't lead the person past a negligible change comprising of the shortfall of disappointment. A positive satisfaction appears to require some fulfillment of mental development (Herzberg 1966).The cleanliness' have forever been and most likely consistently will be simpler to gauge, control, and control than the inspirations. The inspirations are more mind boggling and abstract, and regularly too hard to even consider estimating. Yet, to the degree that administration focuses on cleanliness', while simultaneously dismissing inspirations, laborers are most likely going to look for a greater amount of the cleanliness' (Hamner & Organ 1975).This negatively affects fostering a persuaded labor force and with demotivation there will constantly be high pace of representative turnover.

The legitimate administration of cleanliness is a significant starting advance in applying Herzberg's two element hypothesis. The way that work fulfillment is comprised of two unipolar attributes isn't special, however it stays a troublesome idea to get. Something contrary to work fulfillment would not be work disappointment, yet rather no work fulfillment; also, something contrary to work disappointment is no work disappointment, not fulfillment with one's work (Herzberg, 1976). Herzberg likewise says, keeping away from cleanliness variables can prompt work disappointment, yet their improvement doesn't prompt work fulfillment. Hersey clarifies cleanliness saying, Hygiene factors, when fulfilled, will generally wipe out disappointment and henceforth representative maintenance, however they do essentially nothing to propel a person to prevalent execution or expanded capacity.(Hersey & Blanchard1982) states that there are three essential mental states that altogether influence laborer fulfillment. Experienced weightiness

of the actual work, experienced liability regarding the work and its results, Knowledge of results, or execution input, the more that work is intended to upgrade these states, the really fulfilling the work will be (Wallace 1987; Burke 1987).

The element of occupation disappointment varies mentally from work fulfillment, however it is additionally connected with an acceleration peculiarity, for sure some have called rule of rising assumptions: the more individuals get, the more they need (Burke, 1987). (Mathis, 1979) states that, Hygiene factors give a base which should be painstakingly thought of assuming disappointment is to be stayed away from. Yet, regardless of whether all of the upkeep needs are catered for, individuals will in any case not really be propelled to work more earnestly. Herzberg recommends that factors that lead to work fulfillment are essentially inborn, while factors prompting position disappointment are principally extraneous. The group of inherent elements was found to incorporate the acknowledgment, work itself, accomplishment, headway and obligation. The group of extraneous elements was found to incorporate organization, relational relations, working circumstances, pay, organization approaches, and oversight (Caston & Braoto 1985).

On occasion, Herzberg appears to demonstrate that natural variables won't prompt work fulfillment assuming the extraneous elements present in the work setting are sufficiently not (Caston, 1985). An worker encountering a condition of inborn inspiration will in general be focused on the gig and self-satisfaction through it (Aldag 1979). In a condition of inherent inspiration, the representative credits work practices to out-comes which are gotten from the actual work. Such natural results are capable by workers autonomously separated from the contribution of others (Aldag 1979). This hypothesis was pertinent to this concentrate in that it perceived that workers have two classes of needs that operate in them and that both should be addressed. Michael (2008) and Samuel *et al*, (2009) used the theory to establish motivational variables influencing staff retention in South African private and public organizations. Radivoev (2005) used the theory to study the factors influencing retention of Sales Consultant in South Africa. This theory therefore guided the scholar in establishing how reward and promotion influenced employee retention in beverage processing firms in Kenya.

#### **2.2.4 McClelland Theory**

David McClelland (1971) proposed that an individual's specific needs are acquired over time and are shaped by one's life experiences. Most of these needs can be classed as affiliation, power and achievement. A person's motivation and effectiveness in certain job functions are influenced by these three needs. McClelland's theory is at times referred to as the three need theory or as the learned needs theory

Individuals with a serious requirement for accomplishment look to dominate and consequently will generally keep away from both high-hazard and okay circumstances. Achievers stay away from okay circumstances in light of the fact that the effortlessly accomplished achievement is certifiably not a veritable accomplishment. In high-hazard projects, achievers see the result as one of chance rather than one's own work. Successful people favor work that has a normal likelihood of accomplishment, in a perfect world a half opportunity. Achievers need normal input to continue to screen the advancement of their accomplishments. They like to either work alone or with other successful people. Those with a serious requirement for association need amicable associations with different laborers and need to feel acknowledged by others. They will generally adjust to the standards of their work bunch at their work environment. Successful people lean toward work that gives an extremely critical individual cooperation. They perform well in client support and client collaboration circumstances. An individual's requirement for power can be one of two sorts individual and institutional. The people who need individual power need to coordinate others, and this need frequently is seen as bothersome. People who need institutional power need to coordinate the endeavors of others to additional the objectives of the association. Supervisors with a significant requirement for institutional power will quite often be more viable than those with a serious requirement for individual power.

As per Beardwell (2007), the primary contention of the advanced requirements hypothesis is that when one of these necessities is solid in an individual, it can possibly persuade conduct that prompts its fulfillment henceforth negligible

possibilities leaving the association. Cole (2005) sees that among the three requirements, the requirement for accomplishment is the most significant and is utilized broadly to empower accomplishment through instructional classes. It is additionally significant in advancements, which, along with preparing, are a portion of the free factors in this review. Further, from this hypothesis, the ramifications for supervisors is that they ought to foster comprehension of whether and, how much their workers have at least one of these necessities and the degree to which their positions can be built to fulfill the requirements. The significant shortcoming of this hypothesis is that it accentuation on separating the necessities since it is hard to anticipate when certain need become more significant than the other (Beardwell, 2007).

McClelland utilized the Thematic Apperception Test (TAT) as an apparatus to gauge the singular requirements of various individuals. The TAT is a trial of creative mind that gives the subject a progression of hazy pictures, and the subject is approached to foster an unconstrained story for each image. The supposition that will be that the subject will extend their own requirements into the story. Clinicians have grown genuinely dependable scoring procedures for the Thematic Apperception Test. The test decides the singular's score for every one of the necessities of accomplishment, power and alliance. This score can then be utilized to propose the kinds of occupations for which the individual may be appropriate. It is critical to take note of that People with various requirements are roused in an unexpected way. Successful people should be given testing projects with reachable objectives. They ought to be given incessant input. While cash is anything but a significant inspiration, it is a compelling type of input. Representatives with a high alliance need perform best in an agreeable climate. The board ought to give power searchers the chance to oversee others henceforth decrease their possibilities leaving the association since they feel appreciated and perceived. This hypothesis was of much advantage to this study since it permitted advancement, giving execution examination input and preparing projects can be utilized to change one's need profile.

### **2.3 Conceptual Framework**

A conceptual framework illustrates the relationship that exists between the independent and dependent variables. The independent variables are; training, promotion, performance appraisal and rewards while the dependent variable is employee retention whose indicators are length of service and employees retention rate. These variables were developed based on the literature review and the purpose of this study. Conceptual framework was developed based on Equity, Herzberg two factor, Maslow hierarchy of needs and McClelland theories. Conceptualization of the relationship between the two variables is illustrated in Figure 2.1.

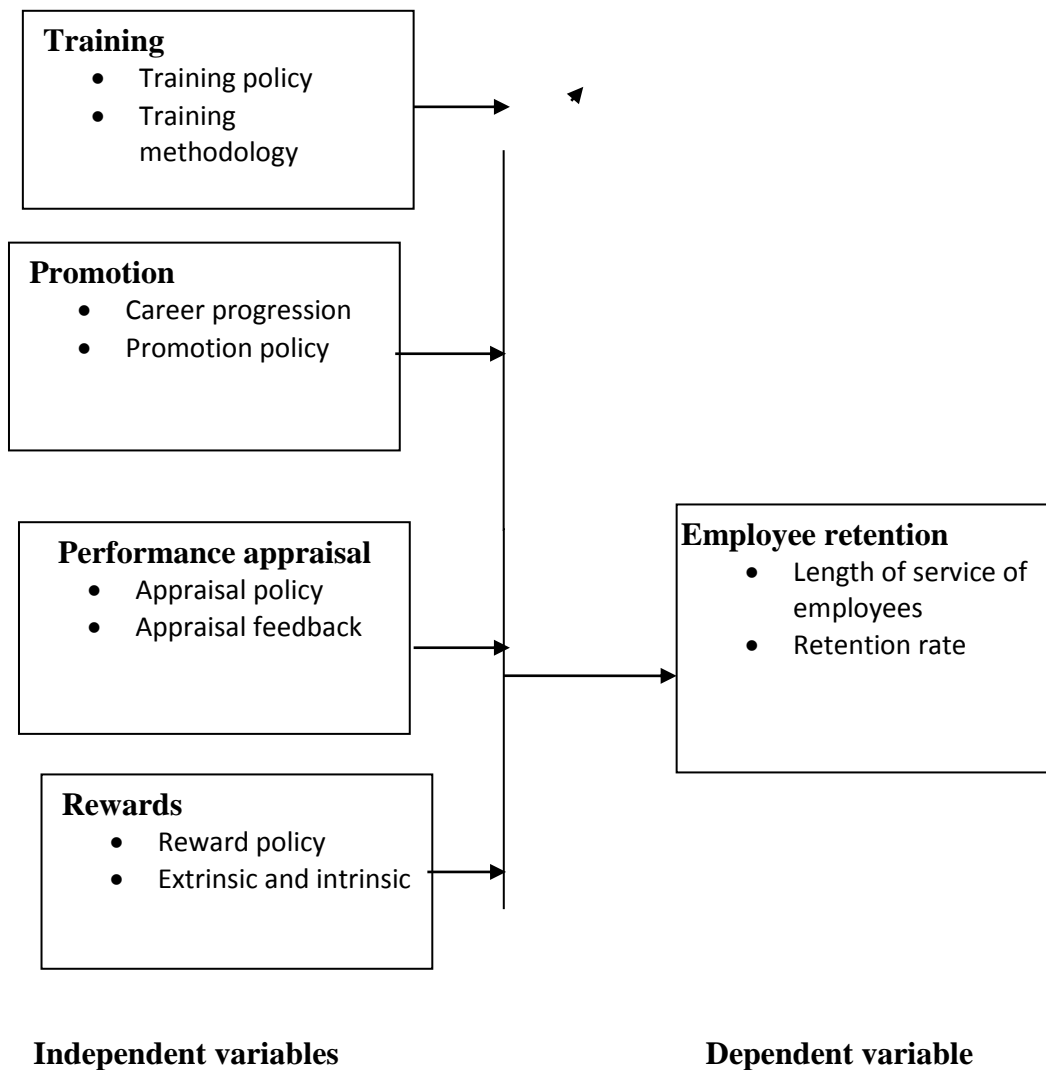


Figure 2.1: Conceptual Framework

## 2.4 Empirical Review of Study variables

There are many human resource management practices that influence employee retention. For example career development practice, compensation practice, training practice, reward schemes, employee selection and recruitment, leadership practices however for purpose of this study training, promotion, performance appraisal and reward will be used since available studies by Ngethe and Simiyu have tended to mention these variables to influence employee retention.



### **2.4.1 Employee Training**

The rate of employee turnover affects the performance of an organization and therefore employee retention is considered of utmost importance globally, Ayodo et al, (2014). In today's competitive global market the only strategy for organizations to improve labor force efficiency fundamentally and improve maintenance is to look to streamline their labor force through extensive preparation and advancement programs. Low worker turnover guarantees that association is holding their skilled representatives by giving them prevalent climate, which builds the presentation of individual representative Ayodo et al, (2014, as referred to in Waleed Hassan et.al (2013). Notwithstanding rebuilding, associations in a bid to stay in business yet be compelling in their endeavors directors need to expand on their essential assets via cautiously confining for maintenance the restrained, best-prepared, useful, experienced, and powerful workers to support an upper hand and separate themselves from their rivals Ayodo *et al.* (2014).

Waleed (2011) argues that training is not simply a means of arming employees with skills they need to perform their jobs. It is additionally frequently considered to be illustrative of a business' obligation to their workforce. It may likewise be seen to mirror a by and large authoritative procedure that includes adding expanded worth rather than diminishing expense. Numerous researchers concur that associations that train their workers reliably have preferred results over those that don't. An association that puts resources into preparing of its representatives stays serious. Further, workers in preparing programs will quite often be focused on the associations and will be more averse to think about turnover. Preparing comes in various aspects and can appear as on or off - the work techniques. On the - work (inside) preparing strategies incorporate coaching, self-learning and connecting a representative to get familiar with another expertise under a partner or an unrivaled. Associations additionally sort out in house preparing for their workers where they are explicitly prepared hands on necessities unconventional to the association. Off - the work (outer) preparing procedure incorporate classes, studios, talks and contextual investigations that are led external the premises of the association. Numerous associations urge their workers to enhance themselves through securing of extra

preparation by endorsing concentrate on leaves with or without pay or through low maintenance studies (Michael, 2008).

Preparing rehearses in associations ought to be directed by polices which ought to be stuck to constantly. Preparing is valuable to the association also to the person. With a thoroughly prepared labor force, the association will turn out an exclusive requirement of labor and products, presumably in more savvy way than others, and along these lines, with a superior possibility accomplishing hierarchical objectives are they benefit arranged or administration situated. Different advantages to the association incorporate upkeep of an adequate and appropriate scope of abilities among representatives; advancement of information and abilities in the labor force; accomplishment of further developed work execution and efficiency; worked on quality; further developed assistance to clients and expanded inspiration among representatives. There are additionally advantages to people which remember increment for individual collection of abilities; expanded fulfillment; expanded worth of representatives in the work market and further developed possibilities of inward advancement (Cole, 2005).

Amazing open doors for preparing are among the main justifications for why workers stay youthful and excited. Without a doubt, Dockel (2003) states that interest in preparing is one method for showing representatives how significant they are. One of the variables that Herzberg features as a significant inspiration is the learning experiences. Armstrong (2010) contends that individuals appreciate learning and constant preparation gave. Therefore, preparing is a wonderful and remunerating experience and makes a huge commitment to inborn inspiration. Representatives need great preparation chances to build their attractiveness. The standard way of thinking used to be that assuming the organization makes them attractive, workers will leave at the principal opportunity. In any case, today, organizations are observing that the additional preparation representatives get, the almost certain they are to remain on. Without a doubt, while the preparation closes, turnover will in general start (Hill, 2002 referred to in Chew 2004). Tettey (2006) sees that proficient improvement is the motor that guarantees the colleges stay consistent with their order as focuses of thoughts and development. Without endeavors around here, scholarly

capital can deteriorate and the pertinence of colleges to society might lessen. Scholarly staff flourishes with scholarly and collegial feeling from their companions when they go to proficient exercises and public and worldwide exploration gatherings. Consequently, advancement exercises for employees keep on being a central perspective related with their expert work lives (Rosser, 2004).

Preparing is significant on the grounds that it forestalls information outdated nature and assumes key part of propelling information and abilities of staff for them to assume new parts. As colleges are confronted with speeding up changes in their current circumstance, educators need to work on their abilities in the procurement and the board of new information (Obwogi, 2011). Chacha (2004), staff preparing is one of the areas that fall behind and impacts adversely on instructing and exploration. Up to 66% of college educators have had no underlying instructive preparation. The greater part of these establishments are depending on people who have not obtained their most significant level of scholastic preparation as instructors. To work on their productivity and viability in conveying their administrations, staff and particularly the scholastic staff, should be prepared persistently in important regions. Colleges should have an unmistakable preparation strategy, laying out their methodology for human asset improvement. Dockel (2003), states that workers stay at organizations that advance profession open doors through learning, and the capacity to apply their recently mastered abilities. Bite (2004), level of representative turnover and preparing are relied upon to be conversely related; the higher the degree of preparing, the lower the turnover goal. This assumption depends on the thinking that the more extended a representative stays with a business; the higher will be the profit from preparing. Waleed (2011) contends that proper preparation contributes decidedly to representative maintenance since it causes worker to feel perceived for their assets and makes prospects to foster their characteristics.

Kipkebut (2010) argues that provision of adequate training opportunities sends a message to the employees that they are valued by their organizations resulting in strong psychological bonding and a willingness to contribute more to the achievement of their objectives. In addition, employees who receive support from their company in developing their skills and knowledge, become more satisfied with

their job as this improves their chances of getting promoted, resulting in better pay and improved status and hence strengthens their intention to stay. Kipkebut, 2010) indicate that lack of training and development influences employees' intention to leave. In the present truly evolving world, current information is fundamentally deficient to get together with the dynamic and specialized business world. It is in this way a significant need of associations to secure abilities as per the evolving advancements. Hence most organizations go to proactive lengths for keeping up with repository of high innovation staff, by ceaseless preparation and retraining of their staff. (Newman *et al.*, 2011) in their review, the analysts in multinationals of Chinese help area contemplated and inspected the impact of preparing on authoritative responsibility which will ultimately impact representative turnover. Information was gathered from 437 Chinese representatives working in 5 different multinationals of China. These singular workers featured that preparing fills in as an instrument to upgrade the responsibility with association. Since from preparing, they get a thought that they are a significant resource for association. In their review (Bashir *et al.*, 2009) the representatives are the main piece of any association since they are the person who produce or convey their items or administrations. Businesses should hold their representatives and to do this they should realize how a worker can stay in the organization.

As indicated by past examinations a few variables are considered significant in holding workers. The variables which directly affect worker maintenance are vocation the board which enhances maintenance. Assume if a worker gleaned some useful knowledge in instructional course however with regards to apply it in work, the chief or manager shows next to no intrigue to help him/her, this will put the representative down. So worker can't take advantage of preparing program. Furthermore at last this will prompt disappointment of worker. Samganakkan, (2010) in his article recognized how the human asset the executives practices, for example, preparing, evaluation and so forth influence the representative, their goal to remain and their inspiration. As indicated by his examination, preparing is a significant determinant of representative inspiration and maintenance. He recognized that remuneration should be such which power the workers to remain in the association as maintenance is a significant matter for the associations viability. For an organization

to turn into a decent boss and furthermore to succeed, they should keep their turnover rate low and for this reason he recognized that remuneration is one of the significant things to keep representatives propelled and hold.

Holtom et.al. (2005) states that various associations all over the planet bear the expense of high turnover rate. The expense of high turnover rate is as cost which is expected in new employing, preparing, and so forth Then again, cost of losing skilled workers is insufferable on occasion which demonstrate expensive over the long haul. The scientists (Holtom *et al.*) have examined the significant purposes for high turnover pace of associations. The significant reasons as aggregately characterized as shocks. The reasons incorporate consolidations, moves, and changes in conjugal status of representatives, better bid for employment, and contention with chief, outrages, scaling down and broadening. Past investigations have affirmed and upheld both positive and huge relationship between preparing potential open doors and practices and representative responsibility (Karia & Assari, (2006); Boon and Arumugam, (2006) and Bartlett, (2001). Along these lines, Paulo and Anantharaman (2004) found that comprehensive preparation portrays a huge and positive linkage with hierarchical responsibility and occupation fulfillment. The experimental examination of the review demonstrated that the impact of preparing rehearses on hierarchical responsibility was essentially connected to the worker responsibility.

Then again, Ahmed and Bakar (2003) found that preparing assumes an imperative part in working on hierarchical responsibility. Other than the abovementioned, Benson (2006) uncovered that hands on preparing is the way through which worker abilities are created and capacities sharpened and thusly contributes in the responsibility and goes about as an impacting factor at work. Basically, it is aphoristic that various examinations explored help the positive effect preparing has on establishing and advancing worker responsibility. Preparing is viewed as a type of human resources venture whether that speculation is made by the firm or by the person. Preparing furnishes workers with explicit abilities or assists with adjusting deficiencies in their exhibitions, while improvement is a work to furnish representatives with capacities that the association will expect later on (Chew, 2004). The motivation behind preparing in the workplace is to foster the capacities of the

individual and to fulfill the current and future labor needs of the association. Open doors for preparing and improvement are among the most fundamental justifications for why representatives stay youthful and excited all the time. As indicated by Dockel (2003) interest in preparing is one method for showing representatives that they are so essential to the association. One of the variables that Herzberg recognizes as a significant inspiration is the headway amazing open doors. By offering preparing and improvement potential open doors the worker will feel that the organization is putting resources into the person in question and that there are open doors for development inside the association and thus gives importance to the present place of employment.

#### **2.4.2 Employee promotion**

A promotional opportunity is defined as the degree to which an employee perceives his or her chances to grow and be promoted within the organization. Employees expect to work in jobs that provide them with opportunities to be promoted to new and challenging positions. Dockel (2003) states that individuals ought not exclusively be compensated monetarily yet ought to likewise be offered chances to ascend inside the association. Advancement offers open doors for progression and is likewise one of Herzberg inspirations which can be utilized to upgrade maintenance. Workers who feel stale in their positions for the most part are not propelled and won't be submitted stay in unfulfilling positions. Then again, workers who are advanced get expanded compensation, high status and their regard is supported, bringing about expanded work fulfillment not at all like representatives who deteriorate similarly situated. Advancement frameworks and methods can assume a significant part in maintenance inside the organization influencing the need to leave for vocation movement somewhere else. Since it is preposterous to expect to advance all representatives, Kipkebut (2010) suggests that the advancement systems should be believed to be fair, clear and objective consequently alleviating the pessimistic sensations of workers who are not advanced. Armstrong (2010), contends that the point of the advancement methods of an organization ought to be to empower the executives to acquire the best ability accessible inside the organization to fill more senior posts and second, to give representatives the amazing chance to propel their

professions inside the organization, as per the open doors accessible (accepting into account equivalent open door approaches) and their own capacities. In any association where there is incessant limited time moves and where special courses of action cause issues, it is prudent to have an advancement strategy and system which is known by both the administration and workers and which would be stuck to continuously.

Advancement strategy and rules are vital in each association. The approach should express the association's expectation to advance from inside any place this is fitting for the purpose of fulfilling its necessities for excellent staff. The strategy could, nonetheless, perceive that there will be events when the association's present and future necessities must be met by enrollment from outside. Furthermore, the strategy should express that representatives will be urged to go after inside promoted positions, and won't be kept down by the line chiefs (Armstrong, 2010). Career disapproved of workers consider profession development and improvement as a significant central consideration in their choice to stay in an association or leave. Where development isn't ensured, representatives leave for elective work. Profession development as far as advancement assist representatives with getting ready for the future and to be better furnished with the right abilities to stay serious. As opening happen, representatives should be offered equivalent chance and essential support to apply close by outer contender for higher situations inside the association. Whenever the workers have the chance to be elevated they will quite often construct their vocation life around the association and this can illuminate their choice to remain. Administrators ought to likewise zero in on assisting representatives with advancing in their vocation particularly youthful and unpracticed ones who if unfit to continue ahead with their positions are probably going to leave the association for another which they consider extends to better employment opportunity possibilities (Michael, 2008).

Tettey (2006) states that the special strategies in African Universities are long, unpleasant and lumbering while the necessities are preposterous and show that scholastics are disappointed by the irregularities and unbending nature in the utilization of the advancement standards. In an investigation of Nigerian advanced

education organizations, it was observed that the second most compelling element on willful turnover was the chance for advancement. It isn't just the absence of advancements itself which was viewed as an issue by scholastics, yet additionally the measures on which it was based. The investigation of occupation fulfillment and execution of Government Employees in UAE by Mohamed E Ibrahim, Sabri Al Sejini and Omaima Abdul Aziz Al Qassimi (2004) found that self-appraised execution, position and ethnicity were critical variables influencing some work fulfillment aspects (i.e., pay and advantages, proficient turn of events, and workplace). Representatives will show pleasurable uplifting outlooks when they are happy with their work (Jain, Jabeen, Mishra & Gupta: 2007). Along these lines, high work fulfillment of representatives will expand the usefulness of an association thusly will build the hierarchical in general exhibition. A greater part of analyst's action work fulfillment based on representative's mentality towards the gig, relations with collaborators, management, organization strategy and backing, advancement, and pay (DeVane B& Sandy, 2003). Special open doors allude to the broaden a worker sees their opportunities to develop be advanced inside the association. Representatives hope to work in positions that furnish them with chances to be elevated to new and testing positions. Dockel (2003) unequivocally contends that individuals ought not exclusively be compensated monetarily however they ought to likewise be offered chances to develop inside the association. Representatives who feel stale in their positions aren't roused and won't remain in unfulfilling position for a really long time. Advancement offers open doors for development and is likewise one of Herzberg inspirations which can be utilized to improve maintenance.

### **2.4.3 Employee performance appraisal**

Performance appraisal (PA) refers to a process, which studies and evaluates the job performance of personnel formally (Mondy, 2008, Najafi et al, (2000). Performance appraisal estimates the individual overall contribution to the organization through assessment of his internal characteristics, working performance and his capability to pursue higher position(s) in an organization (Gruman & Saks, 2011). Nzuve (2007), Yee and Chen (2009) define PA as a means of evaluating employees' work performance over a given period of time. Appraisal is an effective instrument in the



human resources management, which whenever performed accurately and sensibly, the association will get its work force to accomplish their inclinations (Rezghi, 2000). All the more explicitly, these HR rehearses increment worker maintenance by making conditions where representatives become profoundly associated with the association and endeavor to achieve hierarchical objectives. HR rehearses are relied upon to impact both, association's and representative's maintenance by means of the labor force's capacity (for example utilizing specific employing, preparing), inspiration (for example pay for execution by utilizing PA), and valuable chance to contribute (for example utilizing groups and idea frameworks) (Gerhart, 2005). EPAS is a critical undertaking towards dealing with the HR of an association specifically positions (Moon, *et al.*, 2007)

Nambuswa, Namusonge and Kanali (2014) in their investigation of determinants of effectiveness of employee performance appraisal system in institution of higher learning in Nakuru province expresses that, compelling presentation examination exceptionally inspires representatives and hence they will stay in the association. HR are seemingly the most important resources of any association and clearly establish the biggest corporate speculation (Roslender *et al.*, 2009). Representatives' abilities and capabilities have huge bearing on associations' efficiency, productivity and proceeded with endurance (International Labor Conference, 2008). Hence, to accomplish corporate objectives and stay in business there is the need to evaluate representatives' work execution and gadget methodologies to oversee them in a compelling way. Execution examinations are vital for the viable management and costing of staff (Jabeen, 2011). It is a significant component in distinguishing individuals' abilities and limits and its outcomes can make them mindful of headways, plans and objectives (Hamidi, 2010). The issue of workers' exhibition according to accomplishing hierarchical objectives has involved the consideration of administrations for quite a while. Contrasts in levels of workers' exhibition are credited to contrasts in expertise and capacity in one section and distinction levels of inspiration in another (Boachie-Mensah & Dogbe, 2011). Insufficient abilities and capacity are generally redressed through preparing and improvement, while contrasts in inspiration are remedied through fitting persuasive methodologies and arrangements. Consequently, for well-working associations, the utilization of

execution evaluation can't be overemphasized. Be that as it may, the degree to which examinations assume an important part in the association relies upon how it is directed. Dad is ostensibly a significant part of contemporary human asset the executives, where every individual establishment/association sets out uniform standards and cycles, and methodology for surveying result of staff as far as quality, amount, cost, and time over a period, generally during the first year. Execution examination is generally utilized for deciding wages and compensations, advancement, preparing and improvement, giving execution criticism, and distinguishing worker qualities and shortcomings (Mathis & Jackson, (2005), Noe, *et al.* (2006), Khan, (2008), Bohlander and Snell (2007) and Mathis and Jackson (2005) recognized two employments of execution evaluation data: (a) formative uses, and (b) regulatory employments. Formative uses incorporate, giving execution criticism, distinguishing individual qualities/shortcomings, perceiving individual execution, aiding objective ID, assessing objective accomplishment, recognizing individual preparation needs, deciding hierarchical preparation needs, building up power structure, permitting workers to talk about worries, further developing correspondence, and giving a discussion to pioneers to help (Bohlander & Snell, 2007).

Authoritative utilizations incorporate, archiving staff choices, deciding advancement applicants, deciding exchanges and tasks, distinguishing lackluster showing, choosing maintenance or end, settling on cutbacks, approving determination models, meeting lawful prerequisites, assessing preparing programs/progress, faculty arranging, and making reward/remuneration choices (Bohlander & Snell, 2007). For the most part, PA fills three roles; to give sufficient input to help representatives' turn of events; to fill in as a reason for altering or changing conduct to create all the more actually for association; and to give valuable data to managers (Erdogan; 2000; Coens & Jenkins, 2002; Law, 2007). There are different customary examination strategies as of now utilized by various associations as per their destinations. Yee and Chen (2009) distinguish various procedures of execution evaluation, including: positioning; quality scale; basic episode; story; and models based. Terrence and Joyce (2004) additionally distinguishes different techniques for estimating staff work execution including the board by objective (MBO); work arranging and survey; 360

degree examination; and friend audit. A few associations would pick the multi factorial methodology, that is to "blend and match" or consolidate various procedures for their own presentation evaluation that would meet their authoritative requirements. All suitable techniques enjoy their benefits and hindrances. Anything that the strategy for an examination, it should actually address a specific association's human asset inadequacies. An all around planned and a powerful presentation evaluation framework should assist the association with accomplishing its objectives and objective on the off chance that it is appropriately executed. In any case, an inadequately planned evaluation framework can make uneasiness and here and there can incite the confidence of representative (Chen & Mia, 2004; Mulvaney, McKinney & Grodsky, 2008). This examination draws on crafted by Brown and Heywood (2005), and four gatherings of factors are incorporated as informative variables in our relapse condition: labor force attributes, level of occupation control, reciprocal HRM rehearses and primary elements. Horsoo (2010) reports that workers saw representative execution evaluation frameworks as oppressive, correctional and judgemental processes, where cronyism and one-sided contemplations ruled objectivity and accordingly inadequacy of the examination framework. Concentrates on reasoned that PA factors truly do impact work fulfillment, which, thus can possibly prompt more elevated levels of maintenance, it was additionally noticed that one variable that adds to a successful PA framework involves guaranteeing that the framework centers around maintenance. Consequently, a connection between HR practices, for example, PA and representative maintenance would be glaring.

#### **2.4.4 Employee reward**

Reward encompasses non-financial rewards such as promotion, recognition responsibility. These are rewards that don't include any immediate installments and frequently emerge from the actual work. Then again are the monetary rewards usually known as compensation .The goals of remuneration frameworks are to draw in, rouse and hold exceptionally performing representatives and to work on authoritative achievement (Armstrong, 2010).Remuneration is the unmistakable kind of monetary prizes which incorporate compensation, direct monetary advantages, for example, house stipend, driving remittance and resource recompense as well as the

presentation related compensation, for example, reward and benefit sharing. Serious and fair compensation is characteristic of the worth the businesses put on their representatives. Additionally, pay might be one way worker's action whether the time they burn through and the energy they put in working are beneficial. Dockel (2003) monetary prizes are extraneous financial prizes that associations pay to their staff for administrations conveyed by them.

Appealing compensation bundles are one of the vital elements of maintenance since they satisfies the monetary and material cravings as well as gives the means to worker status (Shoaibet *al.*, (2009). Remuneration has been all of the time at the core of any work relationship. A very much planned remuneration plan gives an association an upper hand. It assists with drawing in the best work applicants, rouses them to perform to their greatest potential and hold them as long as possible. To urge significant staff individuals to stay, the pay framework should offer serious compensations for these workers to feel satisfied when they contrast their prizes and those got by people performing comparative positions in different associations. Kotachachu (2010) contends that assuming remuneration approaches are underneath market level, there will be an issue holding workers on the grounds that their pay needs are not being met. This is steady with Guma (2011) who sees that compensation establishes the biggest piece of worker maintenance process. Representatives generally have elevated requirements in regards to their pay bundles. An appealing remuneration bundle assumes a basic part in worker maintenance.

In remuneration, the topic of value is critical and it connects with the view of decency in the dispersion of remunerations. There are various sorts of value, for instance outer value which includes correlations of remunerations across comparative positions in the work market. There is additionally inward value which generally manages correlations of remunerations across various positions inside an individual and a similar association or procedural value which is worried about the degree to which a representative's pay is intelligent of their commitment and the decency with which pay changes, for example, increments are made. Mtazu (2009), to acquire labor force backing and responsibility, associations should offer compensation and prizes that are inside and remotely impartial as in value in compensation is the

wellspring of worker discontent and turnover. This standard is obviously underlined in the value hypothesis which is one of the speculations directing this review. The vital part of the monetary prizes or compensation is the compensation. Shoaibet a., (2009) contends that alluring compensation bundles are one of the vital variables of maintenance since it satisfies the monetary and material longings. Notwithstanding, observational discoveries on the job of pay in aim to leave or remain have been blended. Johnshrud et al.,(2002) see that compensation has never been demonstrated to be the essential inspiration for employees and thus doesn't impact their choice to leave or remain. Armstrong (2010) contends that cash in type of pay or another kind of compensation is the clearest extraneous prize and gives the carrot that most workers need however its inspiration doesn't have inborn significance. Additionally, individuals who turn out only for cash might find their errands less pleasurable.

The worker maintenance masters place that directors of many organizations believe that monetary award is the main thing that can assist with holding exceptionally gifted representatives however though cash draw individuals to organizations, more than some other variable, it doesn't assist with holding them. He hence contends that associations should be serious with remunerations while enlisting representatives however to understand that benefit alone ought can't hold workers. This is reverberated by Beardwell et, al., (2007) who sees that there is a developing acknowledgment that more significant compensation can't be to the point of holding workers and subsequently plans, for example, benefit sharing, different advantages as well as a protected profession and better correspondence are frequently proposed to hold representatives in areas with profoundly gifted representatives. Pay rates in many associations in Kenya depend on an organized compensation scale with foreordained yearly augmentation. Be that as it may, the disintegration of the outright upsides of pay rates, particularly in the public area comparative with the private area, has adversely impacted worker inspiration and in this manner, came about in profoundly qualified faculty liking to join the private area where they hope to be reasonably compensated ( Kipkebut. 2010).

Udi (2010) contends that associations give reward and gain sharing as a type of motivation. A reward framework is a motivating force for maintenance that is

frequently founded on some sort of execution. An objective is set and assuming that arrived at it is generally expected compensated in financial structures. A troublesome part of reward framework is indicating what sort of execution is wanted and the way that not entirely settled. Inadequately planned and controlled prize frameworks can cause more damage than great however when execution is actually connected with reward pay, it can spur, draw in and hold key supporters. Metcalf *et al.*, (2005) contends that colleges would have the option to further develop maintenance in their area through guaranteeing that the execution of optional compensation is led decently, legitimately and straightforwardly. Shoaib, Noor, Tirmizi and Bashir (2009), declares that worker rewards are exceptionally fundamental since they have enduring impact on the representative and keep on clarifying the workers' impression of their worth to the associations they work with. Also, they clarify that representatives judge the nature of their occupation in the inherent fulfillment and the individual award they procure from their work. Utilizing characteristic prizes to expand worker fulfillment and maintenance is reachable in all associations. Sutherland (2004) clarifies that prize is the fundamental component which shows how much workers gain by committing their time and exertion towards the accomplishments of authoritative destinations; thusly managers have the obligation to think of an appealing award bundle to draw in and hold important representatives. Shoaib *et al.* (2009), likewise verify that businesses should know the worth every worker places in their award frameworks and to figure out procedures that address sufficient and evenhanded compensation for their representatives. Whenever proper award techniques are perceived and developed in the association, useful representatives will continuously remain (Shechtman, 2008).

An esteemed worker is bound to remain in work than an unvalued representative is. Sutherland (2004) contends that reward frameworks should be a huge circle of development for businesses. The expanding variety of the labor force, proposes the requirement for more innovative ways to deal with fitting the right prizes to the ideal individuals. She presumed that acknowledgment and prize are important for a more exhaustive exertion at keeping laborers at the association or taking on great work environment rehearses, which can add to expanded worker maintenance. Acknowledgment programs are fundamental parts of a representative maintenance

plan. The significance of these sorts of program is established in hypotheses of uplifting feedback. Simply by saying 'thank you' to representatives for an unparalleled piece of handiwork or even a 'pat on a shoulder' to show appreciation, an association is supporting ideal conduct and empowering a greater amount of the activities that will make it fruitful. Work fulfillment has been characterized all of the time as the pleasurable enthusiastic state coming about because of the examination of one's occupation as accomplishing or working with the accomplishment of one's work values (Perez, 2008). Armstrong (2010) additionally characterizes work fulfillment as the mentalities and sentiments individuals have about their work. Positive and great mentalities towards the gig show work fulfillment. Negative and ominous mentalities towards the gig then again show work disappointment. Collins (2007) additionally characterized work fulfillment as the degree to which a representative has positive feelings towards the work. Work fulfillment is urgent for worker prosperity and authoritative viability. Lee-Kelley, Blackman and Hurst (2009), affirms that absence of fulfillment in the gig is a significant indicator of turnover goals.

Various exploration studies have been led on the connection between representative maintenance and occupation fulfillment, the majority of the examinations accepts that work fulfillment is straightforwardly connected with representatives' craving and eagerness to remain with their associations (Johnson, 2004, Perez, 2008, Sutherland, 2004). Many investigations accept that representative maintenance methodologies can influence work fulfillment; and along these lines, associations that need to hold their representatives need to take on arrangements and practices that lead to fulfillment at work (Ahmed *et al.* 2009, Ongori & Agolla, 2009, Somaya & Williamson, 2008). Memon, Panhwar, & Rohra (2010), in their review propose that workers who are happy with their positions are more averse to leave. Work fulfillment includes representatives feeling esteemed by their associations for their achievements and commitments, having the option to take choices that influence their work job and execution, having chances to create in their vocation, having an adaptable plan for getting work done, working in a cordial and helpful workplace and having great working relations with their partners and leaders (Branham, 2005).

### **2.4.5 Employee Retention**

It is a situation in which the employees are encouraged to work with the organization for the maximum period of time or until the completion of the project. Stauss *et al.*, (2001) has defined retention as customer trust, identification, commitment, liking, readiness to recommend, and repurchase intentions, with the first four being emotional cognitive retention constructs, and the last two being behavioural intentions. A great belief in Human Resource Management (HRM) is to develop and retain employees so as to obtain a competitive advantage. Maintenance of human asset is fundamental in associations and establishments where monetary maintainability and endurance in a cutthroat climate rely upon the scant human and expert abilities. The circumstance is additionally deteriorated assuming these people are intriguing or when it becomes challenging to get and hold these sort of staff (Phillips *et al.* 2003). Associations should along these lines constantly be refreshed with current maintenance factors and coordinate them in the association. Without observational proof, it isn't known whether the current hierarchical maintenance methodologies are obsolete as they might have next to zero impact on workers' choice to remain with an association (Sutherland, 2004).

One of the significant justifications for why staff maintenance is significant is because of the many adverse results that are related with work turnover. These hierarchical results incorporate high immediate and backhanded monetary expenses; a reduction in efficiency, a diminishing in monetary manageability; the delivering of administration and norms; decrease in the association picture, break in work process; loss of involvement and expert information; an expansion in authoritative cycles; a break in the inner and casual social contact and correspondence channels and an expanded sensation of occupation disappointment among the leftover staff (Pienaar *et al.* (2008). Labour turnover can then again be a benefit for advanced education establishments in that these organizations might save money on the monetary compensation bundles of experienced representatives by delegating tenderfoots at the lower scale (Rosser, 2004). It is self-evident, notwithstanding, that the disservices of expanded work offset the benefits. Thus associations must should endeavor to hold however many workers who consider leaving their present association as could



reasonably be expected (Pienaar *et al.*, (2008). Various studies have recognized various elements that impact representative maintenance. Bite (2004), in his review on maintenance of representatives associations in Australia, laid out that more youthful workers zeroed in on improvement, compensation and preparing, professional success, testing work, development acknowledgment and amazing open doors. More seasoned workers zeroed in on, independence, valuable chances to tutor and occupation challenge. Daly *et al.*, (2006) in his review on turnover expectation of scholastics laid out that underlying variables, for example, personnel workplace, correspondence, independence, responsibility and distributive equity added to goal to stay in the association. Amutuhaire (2010) laid out in his investigation of scholastics in Makerere University that compensation and residency affected representatives maintenance. Locally, an investigation of staff maintenance in assistance associations (Udi, 2010) laid out that absence of sufficient pay and prize and absence of vocation improvement as far as advancement impacted representatives to leave. Kipkebut (2010) in a review on hierarchical responsibility and occupation fulfillment of representatives in colleges in Kenya discovered that age, special open doors, job struggle, were a portion of the elements that impacted worker goal to stop from the college and henceforth impacted staff maintenance. These discoveries mirror a combination of characteristic and outward factors. As far as the impact of preparing on worker maintenance, Srinivas (2008) uncovers that there is a solid relationship between preparing open doors in associations and economical representative maintenance. Along these lines, concentrates by (Boon and Arumugam, 2006 and Bashir and Ramay (2008) verify with the past suggestion. These examinations uncover the presence of positive and huge connection between preparing practices and worker consistency standard. Following the investigations dissected, it very well may be inferred that the fundamental pattern in writing is that preparation and improvement brings about high worker consistency standards. Preparing as per bite (2004), furnishes workers with explicit abilities or right lacks in their exhibition, while improvement is a work to give representatives capacities the association will require later on. Giving preparation and professional stability by association are significant determinants of representatives Retention. Human asset rehearses, for example, preparing are decidedly associated to maintenance, on the grounds that the

training 'lock' workers in their positions this is called representative maintenance. This is in concurrence with the attestation of wan (2007) that the main procedure for association to fundamentally further develop labor force efficiency and improve their maintenance is to look to streamline their labor force through far reaching preparing and advancement. For associations to accomplish this reason, they need to furrow assets into the preparation of their work force to be serious sooner rather than later. Staff that are not prepared have no possibility of being advanced thus has a future that is somber, this makes a few workers search for elective work where preparing is ensured.

Samuel and Chipunza (2008), contends that representatives consider preparing, schooling and advancement as urgent to their general vocation development and objective accomplishment and will be roused to remain and assemble a lifelong way in an association that offers such an open door. Additionally, assuming staff preparing is subsidized by the association, the worker might foster an honest conviction to give its cash worth to the association by obligation to remain at work. Barringer (2005) states that preparation and advancement requires correspondence particularly when association expands the market worth of their worker through preparing, the staff becomes urged to keep up with their positions and acknowledge greater obligation. Barringer (2005) made an examination of fast development and slow development firms, he discovered that quick development firms utilized preparation of staff to accomplish their destinations and set more accentuation on improvement of staff to a fundamentally more prominent degree than their sluggish development partners. These commitments by creators show that preparing is decidedly connected with work fulfillment and staff maintenance.

## **2.5 Critique of existing literature**

Previous studies on employee retention have employed varied research designs. Chew (2004) in a study of employee retention in Australian organizations used qualitative and quantitative methods. Udi (2010) conducted a study on employee retention in service organizations. The study employed quantitative methods and left out the qualitative aspects which would have been instrumental in understanding

employee opinions and allowed for clarifications and suggestions. Ng'ethe (2013) observed that sampling methods that bring bias such as purposeful sampling as used by Kipkebut (2010) should be avoided. Therefore the use of a study incorporating both qualitative and quantitative methods to clearly bring out the human resource practices that determine employee retention is recommended.

## **2.6 Research Gaps**

Most of the conducted studies on staff retention are from other countries and are based on academic world like universities, and the few studies conducted in business environment. The implication of globalization is that organizations are competing for the same pool of talents in the 'global labour market for talents' leading to standardization of talent recruitment, development and management (Lyria et al, 2014). This means that organizations need to adapt global best practices of talent management and at the same time adapt the local requirements and local labour market, Lyria et al, (2014) cited in Stahl *et al.*, 2007). There is also need to conduct a research incorporating both qualitative and quantitative methods to clearly bring out the factors that determine or influence staff retention (Ng'ethe et al, 2012) and address the biases in previous studies resulting from choice of research design and sampling methods that will further demystify staff retention (Ng'ethe, 2013). This study sought to fill this existing research gaps by conducting a study on the extent to which human resource management practices influenced employee retention in beverage processing firms in Kenya.

## **2.7 Summary**

As evident in the literature review, employee retention is of interest to employers because of the adverse implications of high employee turnover. Equity theory (1965), McClelland theory (1971), Maslow hierarchy of needs theory (1943) and Herzberg two factor theories (1995) were reviewed in relation to the study. Conceptual framework was developed based on these theories with dependent variable being employee retention. Independent variables being training, promotion, reward and performance appraisal. These factors can be used by organizations to develop a compelling EVP to influence employee retention in Kenyan public universities. For

Employee retention to take place and give positive outcome, interplay of several factors should take place. Management has a role to play in designing HR practices which are all inclusive. Organizations that do not use sufficient HRP for employees are also doing themselves a disservice. These organizations are missing out on employees that are dedicated to their companies and knowledgeable in their fields. HR Practices are important to any organization if predominance has to be realized.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter outlined the methodology that was used in conducting research. The chapter described research design, target population, sampling technique, data collection methods, pilot study and data analysis and presentation.

#### **3.2 Research Design**

Research design is the plan and structure of investigation so conceived as to obtain answers to research questions. The plan is the overall scheme or program of the research (Robson, 2002). The aim of the study was to assess the influence of human resource management practices on employee retention in beverage processing firms' in Kenya, and to achieve this, cross sectional research design was employed. A cross sectional study is a type of research design in which you collect data from many different individuals at a single point in time (Mugenda and Mugenda 2003). It is appropriate where large populations are involved which are geographically spread which is the case in this study. The design enabled the study to use quantitative research approach. In addition, the study adopted epistemological research philosophy. This research philosophy assisted the study to build knowledge on what he believes in (Saunders, Lewis & Thornhill, 2009). The study focused on positivism by believing on theories already reviewed in the literature before research justification findings of testable hypothesis (Cooper & Schindler, 2014).

#### **3.3 Target Population**

Target population can be described as a complete set of individuals, cases/objects with some Common observable characteristics of a particular nature distinct from other population (Mugenda and Mugenda 2003). Population in this study was the larger group from which the sample was taken. The target population of this study was all 2940 employees working at Nairobi bottlers, Almasi beverages, Pepsi-cola

(seven up), equator bottlers and highlands minerals beverages firms in Kenya. These firms were deemed to have relevant information required in the study.

### **3.4 Sampling frame**

There were selected beverage processing firms in Kenya and this formed the sampling frame since the selected firms were deemed to have the relevant information for the study. The sampling frame for the employees was provided by the human resource manager in each of the company using written permission to carry out research. Such a sampling frame enabled the study to draw a reasonably adequate random sample, where all members of the population of interest had an equal chance of being selected for the sample.

### **3.5 Sample and Sampling Technique**

A sample in this study is a portion of the target population of interest. The purpose of sampling is to secure a representative group which will enable the study to gain information about a population. The sample size was calculated using Taro Yamane's formula. (Yamane 1967)

$$n = \frac{N}{1 + Ne^2}$$

Where **n**= the sample size

**N** = the size of population

**e** = the error of 5 percentage points

$$n = 2940 / 1 + 2940(0.05 * 0.05)$$

$$=352$$

By using Yamane’s formula of sample size with an error of 5% and confidence coefficient of 95% (Yamane, 1967), the calculation from a target population of 2940 employees came up with 352 employees from all departments. Therefore our sample size was 352 employees from the beverage processing firms in Kenya. The simple random technique was used to select the sample size.

**Table 3.1: Sample Frame**

<b>FIRM</b>	<b>EMPLOYEES</b>	<b>SAMPLE SIZE</b>
Nairobi bottlers	1360	92
Almasi beverages	830	80
Pepsi-cola (seven up)	300	60
Equator bottlers	250	60
Highlands minerals	200	60
<b>Total</b>	<b>2940</b>	<b>352</b>

Source: Kenya Association of Manufacturers (2019)

### **3.6 Data Collection Methods**

This section outlines the methods which were used to collect primary data and secondary data.

#### **3.6.1 Primary Data**

Primary data was collected using questionnaire technique. This was described as follows:

##### **a. Questionnaire**

Primary data was collected by use of one main structured questionnaire that captured the various variables of the study. The questionnaire is designed to address specific Objectives, research question or test hypothesis (Mugenda & Mugenda, 2003). A structured questionnaire was administered to the employees of beverage processing firms who participated in the study. The closed ended items gave precise information which minimized information bias and facilitated data analysis. This was in form of a Likert scale anchored by a five point rating ranging from strongly

disagree to strongly agree. Items in the Likert scale were modified from Kipkebut (2010), Chew (2004) and Price (2000).

### **3.6.2 Secondary Data**

Secondary data was collected through the data availed by human resource office concerning the number of employees and the length of service the employees have been working.

### **3.7 Data Collection Procedure**

The researcher obtained introduction letter from the university and a research permit from the National Council for Science and Technology (NAOST). Permission to collect data was sought from the selected companies. The researcher used drop and pick method in the data collection. The respondents were given a maximum of a week after which the questionnaires were collected. .

### **3.8 Pilot Study**

The study carried out a pilot study before proceeding to the field to collect data. 60 questionnaires were supplied to employees of Kipchabo tea factory in Nandi County that was not involved in the study. The 60 questionnaires were 15% of the sample size of the study. According to Mugenda and Mugenda (2003) 15% of the sample size was adequate to carry out piloting. This was done to determine whether the instrument yielded the data needed, identify the problems that the participants might encounter in responding to the items and to find out if items are clear or ambiguous.

#### **3.8.1 Validity**

Toili (2001), a scholarly study has to show evidence for accuracy, generalization and replication. These are the issues of validity and reliability of the study. The study used content validity. Content validity was necessary because it helped in finding meaningful and interpretable research findings. To ensure content validity, the questionnaires were subjected to thorough examination by the supervisors and



human resource practitioners. The supervisors and expert reviewers' comments were used to ensure that content validity was enhanced.

### **3.8.2 Reliability**

The questionnaire was tested for reliability, relevance, language, comprehension, and appropriateness. During the pre-test, respondents were asked to complete the questionnaires. The study corrected and re-administered the questionnaires after two weeks. The results for the pre-test and post-test studies was tested for reliability using the Cronbach's alpha which is a general form of the Kuder- Richardson (K – R) 20 formula derived from Mugenda and Mugenda (2003). The formula

Where: KR20 = Reliability coefficient of internal consistency

K = Number of items used to measure the concept

S<sup>2</sup> = Variance of all scores

S<sup>2</sup> = Variance of individual items

If all of the queresestions will exceed the conventional recommended cut-off of 0.7, then it is reliable to be used to collect data (Nunnally, 1978).

### **3.9 Data Analysis and Presentation**

Orodho (2004) observes that data analysis is the lifeline of a research and that the methods of analysis are the backbone and conduct wire. The process of data analysis involved several stages namely; data clean up. Data clean up involved editing, coding, and tabulation in order to detect any anomalies in the responses and assign specific numerical values to the responses for further analysis. Completed questionnaires were edited for completeness and consistency. The data was then coded and checked for any errors and omissions (Kothari, 2004). Frequency tables, percentages and means were used to present the findings. Responses in the questionnaires were tabulated, coded and processed by use of a computer Statistical Package for Social Science (SPSS) version 23.0 programme to analyze the data. The

collected data was analyzed using descriptive statistics. This included measures of central tendency such as the mean, median, mode where applicable. This was selected considering this is a descriptive study that described a sample/group of individuals report or feed back to the study, it also described “what is” or “what happened”. For this study, the scholar was interested in measuring and establishing the influence of Human Resource Practices on Employee retention in beverage processing firms in Kenya. The Human Resource management Practices were the independent variables and dependent variable was Employee Retention. The study used regression analysis to establish the relationship between variables and the regression equation was:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where Y is employee retention variable,  $\beta_0$  is the regression constant,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ , and  $\beta_4$  are the coefficients of the regression equation,

$X_1$  is Training

$X_2$  is Promotion

$X_3$  is Performance appraisal

$X_4$  is Reward

$\beta_0$ ,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ , and  $\beta_4$  are the regression coefficients to be measured.

*ε* is an error term practice

### 3.9.1 Inferential Statistical Analysis

Inferential data analysis was done using Pearson correlation coefficient, regression analysis (enter method) and multiple regression analysis (stepwise method). According to Tanton (2007), in many statistical methods in particular parametric measures one presumes a (at least approximate) normal distribution of the variables. Therefore, for the purposes of using parametric statistics such as Pearson correlation and regression analysis, normal distribution of variables was needed. However the regression analysis equation was given for standardized and unstandardized coefficients.

### 3.9.2 Variable definition and Measurement

**a. Employee retention:** This is the dependent variable and was measured using two dimensions. Intention to leave which has two items and intention to stay which similarly has two items. The four items were aggregated to capture employee retention using intention to leave as a measure since it is the inverse of intention to stay and both measure the same aspect. The researcher used a five point Likert scale (with 5 =strongly Agree, to 1=strongly disagree). This was measured in section B of the questionnaire.

**b. Employee Training:** This scale consisted of items which measured employees' perceptions of the availability of training opportunities, whether training opportunities are regular, whether implementation of the training policy was fair and support given in attending professional conferences. The researcher used a five point Likert scale (with 5 =strongly Agree, to 1=strongly disagree). This was measured in section C of the questionnaire.

**c. Employee Performance Appraisal:** This scale consisted of items which measured whether PA was available, whether regular, whether feedback was timely.

The researcher used a five point Likert scale (with 5 =strongly Agree, to 1=strongly disagree). This was measured in section D of the questionnaire.

**d. Employee Reward:** This was measured using items that capture whether reward was regular, adequate, commensurate with work done, competitive. The researcher used a five point Likert scale (with 5 =strongly Agree, to 1=strongly disagree). This was measured in section E of the questionnaire

**e. Employee Promotion:** This scale consist of items which was measured whether promotions was based on merit, whether they are regular, whether promotion criteria was fair and whether internal promotions are more than external appointments. The researcher used a five point Likert scale (with 5 = strongly Agree, to 1=strongly disagree). This was measured in section F of the questionnaire.

### **3.10 Diagnostic tests**

The focus was the assessment of existence of multicollinearity, homoscedasticity and test for normality and linearity in the study.

#### **3.10.1 Multicollinearity**

According to Kothari (2004) the simplest means of identifying collinearity is an examination of the correlation matrix for independent variables. The presence of high correlations which is normally higher than 0.90 is the first indication of substantial collinearity. The test for multicollinearity was conducted to assess whether one or more of the variables of interest is highly correlated with one or more of the other independent variables. The variance inflation factor was used to evaluate the level of correlation between variables and to estimate how much the variance of a coefficient is inflated because of linear dependence with other predictors. As a rule of thumb if any of the VIF is greater than 10, then there is a probability of a problem with multicollinearity.

### **3.10.2 Homoscedasticity**

The study also checked the existence of homoscedasticity which refers to the assumptions that the variability in scores for one continuous variable is roughly the same at all values for another continuous variable constitutes another assumption of multivariate analysis (Marr, 2004). To test for homoscedasticity, Levene test for equality was computed using one way ANOVA procedure. It was used to assess the equality of variances for a variable calculated for two or more groups.

### **3.10.3 Normality test**

A normality test was done using Q-Q probability plot for all the variables under investigation. Kolmogorov-Smirnov test and the Shapiro-Wilk test were used. Shapiro-Wilk test is more appropriate for sample sizes. It is a more reliable test for determining skewness and kurtosis values of normality. If it is below 0.05, the data significantly deviate from a normal distribution. Wheeler (2001) asserts that the use of inferential parametric statistical procedures require that the assumptions of such tests of normality are tested. This is to assist the graphical tests to be performed about the normality of the data to check for skewness and kurtosis coefficients. This test helps to confirm whether the data follows a normal distribution or not. If the normality is not achieved, the results may not depict the true picture relationship amongst the variables.

### **3.10.4 Linearity**

Finally, linearity of data was tested using kurtosis tests (Locke and Latham, 2002). The study employed univariate analysis to identify the determinants of effective disposal, the bivariate was used to establish the relationships among the determinants and multivariate to derive a model and validate it.

## **3.11 Hypotheses Testing**

The null hypothesis was tested as follows:

**Table 3.2: Hypotheses testing**

Hypothesis	Hypothesis test	Decision rule and anticipated model
<b>H<sub>01</sub></b> There is no significant influence of employees training	Karl Pearson's zero order coefficient of correlation(Beta test) H <sub>0</sub> : $\beta = 0$ H <sub>A</sub> : $\beta \neq 0$ Reject H <sub>01</sub> if p-value $\geq 0.05$ (Otherwise fail to reject)	Reject H <sub>01</sub> was rejected because p-vale $\leq 0.05$
<b>H<sub>02</sub></b> There is no significant influence of employees promotion	Karl Pearson's zero order coefficient of correlation(Beta test) H <sub>0</sub> : $\beta = 0$ H <sub>A</sub> : $\beta \neq 0$ Reject H <sub>02</sub> if p-value $\geq 0.05$ (Otherwise fail to reject)	Reject H <sub>02</sub> was rejected because p-vale $\leq 0.05$
<b>H<sub>03</sub></b> There is no significant influence of performance appraisal	Karl Pearson's zero order coefficient of correlation(Beta test) H <sub>0</sub> : $\beta = 0$ H <sub>A</sub> : $\beta \neq 0$ Reject H <sub>03</sub> if p-value $\geq 0.05$ (Otherwise fail to reject)	Reject H <sub>03</sub> was rejected because p-vale $\leq 0.05$
<b>H<sub>04</sub></b> There is no significant influence of reward	Karl Pearson's zero order coefficient of correlation(Beta test) H <sub>0</sub> : $\beta = 0$ H <sub>A</sub> : $\beta \neq 0$ Reject H <sub>04</sub> if p-value $\geq 0.05$ (Otherwise fail to reject)	Reject H <sub>04</sub> was rejected because p-vale $\leq 0.05$

## CHAPTER FOUR

### RESEARCH FINDINGS AND DISCUSSION

#### 4.1 Introduction

This chapter presented the findings of the study, data analysis and interpretation basing on the overall objectives of the study. The general objective of this study was to analyse the influence of human resource management practices on employee retention in beverage processing firms in Kenya and was guided by the following specific objectives; to determine the influence of training on employee retention in beverage processing firms in Kenya; to examine the influence of promotion on employee retention in beverage processing firms in Kenya; to evaluate the influence of performance appraisal on employee retention in beverage processing firms in Kenya and to establish the influence of reward on employee retention in beverage processing firms in Kenya .

#### 4.2 Response Rate

The study targeted a sample of 352 respondents, who were selected from Nairobi bottlers; Almasi beverages; Pepsi-cola (seven up); Equator bottlers and Highlands minerals. A total of 289 self-administered questionnaires were filled out of the expected 352 yielding a response rate of 82 percent as depicted in Table 4.1.

**Table 4.1: Response Rate**

<b>Response rate</b>	<b>Sample size</b>	<b>Percentage (%)</b>
Returned questionnaires	289	82
Un-returned questionnaires	63	18
<b>Total</b>	<b>352</b>	<b>100</b>

This good response rate was attributed to the data collection procedure, where the scholar personally administered questionnaires and waited for the respondents to fill, and picked the filled questionnaires. This response rate demonstrated willingness to respond to study. This response rate was good and representative and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 50.0 percent is

adequate for analysis; a rate of 60.0 percent is good and a response rate of 70.0 percent and over is excellent.

## **4.2 Demographic Information**

### **4.2.1 Gender**

The question sought to determine the gender of respondents who were involved in the study. From the study findings it showed that 51.9 percent of the respondents were male and 48.1 percent were female. This means that there is a small difference margin between genders disparities employed in beverage processing firms in Kenya. Thus beverage processing firms in Kenya have taken good steps towards addressing female marginalization in employment as shown in Table 4.2.

**Table 4.2: Gender of respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	150	51.9
Female	139	48.1
<b>Total</b>	<b>289</b>	<b>100.0</b>

### **4.2.2 Age brackets of the respondents**

Results on age brackets of the respondents indicated that, 31.8 percent of the respondents were between 26-30 years, 22.5 percent of the respondents were between 21-25 and 31-35 years; 10.7 percent of the respondents were between 36-40 years, 7.6 percent of the respondents were below 20 years and 4.8 percent of the respondents were over 40 years as is shown in Table 4.3. This shows that majority of respondents are between age brackets of 26-30years.



**Table 4.3: Age Brackets of Respondents**

<b>Age brackets</b>	<b>Frequency</b>	<b>Percent</b>
Below 20 years	22	7.6
21 - 25 years	65	22.5
26 - 30 years	92	31.8
31 - 35 years	65	22.5
36 - 40 years	31	10.7
Over 40 years	14	4.8
<b>Total</b>	<b>289</b>	<b>100.0</b>

This was a good indicator that beverage processing firms in Kenya have employed youthful population which constitutes the highest percent of the total population in Kenya and it is a good sign of improving productivity of beverage processing firms in future and hence meets the aspiration of the national government agenda of creating employment to the youth.

#### **4.2.3 Education Level of respondents**

Respondents' level of education was sought and majority, 35.6 percent of the respondents indicated that possessed undergraduate degree, 25 percent possessed diploma, 15.2 percent possessed certificate, 13.5 percent possessed master's degree, 8.3 percent had secondary certificate and 2.1 percent possessed doctor of philosophy as shown in Table 4.4.

**Table 4.4: Level of Education of Respondents**

<b>Level of education</b>	<b>Frequency</b>	<b>Percent</b>
PhD	6	2.1
Masters	39	13.5
Bachelors	103	35.6
Diploma	73	25.3
Certificate	44	15.2
Secondary	24	8.3
<b>Total</b>	<b>289</b>	<b>100.0</b>

This was highly expected since nowadays there is an increase in the number of people with undergraduate degrees. This means that the respondents had adequate skills, knowledge and competencies in answering the questionnaire. Nevertheless,

the well-educated respondents meant that they were well informed and therefore furnished this study with better information which added value.

#### 4.2.4 Working Experience

Respondents' working years' experience was sought and, 48.4 percent of the respondents indicated that they had worked below 5 years, 36 percent of the respondents indicated that they had worked between 6-10 years and 15.2 percent of the respondents indicated that they had worked for over 10 years as shown in Table 4.5.

**Table 4.5: Working Experience**

<b>Years of working</b>	<b>Frequency</b>	<b>Percent</b>
Below 5 years	140	48.4
6 - 10 years	105	36.3
Over 10 years	44	15.2
<b>Total</b>	<b>289</b>	<b>100.0</b>

From the result of the study it can be established that majority of respondents had enough experience. This is because majority of respondents have worked over 5 years in the beverage processing firms in Kenya and the information collected from them can be regarded as true.

### 4.3 Pilot Study Findings

#### 4.3.1 Reliability Tests

Kothari (2004), alluded that reliability refers to the extent to which a measurement is able to yield consistent results each time it is applied under similar conditions. To measure the reliability of the data collection instrument, Cronbach's alpha ( $\alpha$ ) was used. Cronbach's alpha is a measure of internal consistency that tests how closely related a set of items are as a group. A value of alpha (close to 1) is high and is often used as evidence that the items measure an underlying (or latent) construct.

Table 4.6 shows the summary of the reliability statistics for human resource management practices indicators. As explained by Cronbach and Shavelson (2004),

Cronbach Alpha Coefficient of above 0.7 implies reliability of the data collection instrument. From the table, it is inferred that all the questions met the Cronbach's Alpha Coefficient of assessing the internal consistency of the instruments with alpha coefficients of above 0.7 which therefore implies reliability. The overall reliability of the instrument was 0.8386 which conforms with Bryman (2003) proposition that the reliability benchmark alpha coefficients should be 0.7.

**Table 4.6: Reliability Statistics**

<b>Variable</b>	<b>No. of items</b>	<b>Alpha (<math>\alpha</math>)</b>	<b>Remarks</b>
Employee training practice	5	0.819	Reliable
Employee performance appraisal practice	6	0.94	Reliable
Employee reward practice	5	0.834	Reliable
Employee promotion practice	5	0.808	Reliable
<b>Overall</b>	<b>21</b>	<b>0.8386</b>	<b>Reliable</b>

#### **4.4 Descriptive Results**

This section presents a summary of the 289 respondents rating of various items of employee training, employee performance appraisal, employee reward, employee promotion and employee retention. The data was analyzed by use of means, standard deviations and percentages. The findings were presented in form of tables.

##### **4.4.1 Results of Employee Training**

The study sought to determine the influence of training on employee retention in beverage processing firms in Kenya. The respondents were asked to indicate the influence of training on employee retention in beverage processing firms in Kenya. This was on a scale of strongly agree, agree, undecided, disagree and strongly disagree. A standard deviation of more than one implies a significant difference in respondents. The results of the study findings are presented in Table 4.7.

**Table 4.7: Results of employee training**

Statements on training	Strongly disagree (%)	Disagree (%)	Undecided (%)	Agree (%)	Strongly agree (%)	Mean	Std. Deviation
1. There is a training policy for our company	18	0	3.5	50.2	28.4	3.7093	1.36370
2. Training opportunities are regular for our company	0	47.8	3.5	32.9	15.9	3.1696	1.19125
3. The implementation of training policy is fair in our company	4.5	40.8	11.4	35.3	8	3.0138	1.12414
4. The training I have received is relevant to my job	4.5	21.5	3.5	37.7	32.9	3.73	1.249
5. I am satisfied with the training practices	9	45.3	3.5	35.3	6.9	2.86	1.195

From the study findings in Table 4.7, it was established that beverage processing firms train their employees in order to equip them with relevant skills on their jobs which was rated with a mean 3.73. Also, it was noted that beverage processing firms have come up with training policy which was rated with a mean 3.7. It was also revealed that the implementation of training policy in beverage processing firms was done in a fair manner and was with a mean 3.0. Likewise, the study indicated that training of employees in beverage processing firms was done on regular bases and thus gave firms ample time to plan for scarce resources. However, the respondents indicated that they were not satisfied with the training conducted by beverage processing firms.

Based on the study findings, it is clearly evident that beverage processing firms train their employees, have got training policy, implementation of training policy was done fairly and training of employees was done on regular bases. These study findings corresponds with the study of Cole (2005) who established that training practices in organizations should be guided by polices which should be adhered to

always. With a well trained workforce, the organization will turn out a high standard of goods or services, probably in more cost-effective manner than others, and therefore, with a better chance of achieving organizational goals. Other benefits to the organization include maintenance of a sufficient and suitable range of skills amongst employees; development of knowledge and skills in the workforce; achievement of improved job performance and productivity; improved quality; improved service to customers and increased motivation among employees. There are also benefits to individuals which include increase in personal repertoire of skills; increased satisfaction; increased value of employees in the labour market and improved prospects of internal promotion.

Equally, Armstrong (2010) argued that people enjoy learning and continuous training provides for this. Therefore, training is a satisfying and rewarding experience and makes a significant contribution to intrinsic motivation. Employees want good training opportunities to increase their marketability. Also, Obwogi (2011) found that training is important because it prevents knowledge obsolescence and plays a key role of advancing knowledge and skills of staff for them to play new roles. As universities are faced with accelerating changes in their environment, teachers need to improve their skills in the acquisition and management of new knowledge. In addition Universities must have a clear training policy, outlining their strategy for human resource development.

Nevertheless, the study established that some employees are not satisfied with the training practice in beverage processing firms. This may be as a result of not involving employees in identifying the areas that they want to be trained. Paulo and Anantharaman (2004) established that all-inclusive training depicts a significant and positive linkage with organizational commitment and job satisfaction.

#### **4.4.2 Results of Employee promotion**

The study sought to examine the influence of promotion opportunity on employee retention in beverage processing firms in Kenya. The respondents were asked to indicate the influence of promotion practice opportunity on employee retention in selected beverage processing firms in Kenya. This was on a scale of strongly agree,

agree, undecided, disagree and strongly disagree. A standard deviation of more than one implies a significant difference in respondents. The results of the study findings are presented in Table 4.8.

**Table 4.8: Results of employee promotion**

Statements on promotion	Strongly disagree (%)	Disagree (%)	Undecided (%)	Agree (%)	Strongly agree (%)	Mean	Std. Deviation
1. There is a company policy on promotion	18	27.7	4.5	41.9	8	2.94	1.318
2. Promotion is based on merit in our company	9	28.7	4.5	41.9	15.9	3.27	1.279
3. Promotions are regular in our company	13.5	49.1	12.5	21.5	3.5	2.52	1.077
4. Promotion criteria is fair in our company	9	66.1	8	13.5	3.5	2.36	.944
5. Internal promotions are more than external promotions in our company	9	55.7	0	22.8	12.5	2.74	1.258

From the study findings in Table 4.8, it was found that beverage processing firms promote their employees based on merit which was rated with a mean 3.27. However, it was established that employees of beverage processing firms were unsure if their firms had a promotion policy, whether promotions were done regularly, whether promotion criteria was fair and whether internal promotions were more than external promotions which had a mean rate as 2.94, 2.52, 2.36 and 2.74 respectively.

Based on the study findings, it was established that beverage processing firms promote their employees based on merits. Promotion offers opportunities for advancement and is also one of Herzberg motivators which can be used to enhance

retention. Employees who feel stagnant in their positions generally are not motivated and will not stay in unfulfilling positions.

Nevertheless, the study established conflicting results on promotion policy that some employees are not aware whether the promotion policy is in place in beverage processing firms. These conflicting results maybe as a result of lack of proper communication channel from top management to employees that they have clear promotion policy. Thus it is important for beverage processing firms to have promotion policy and well communicated to the employees. Armstrong (2010) established that promotion policy and guidelines are crucial in every organization. The policy should state the organization's intention to promote from within wherever this is appropriate as a means of satisfying its requirements for high quality staff. The policy could however, recognize that there will be occasions when the organization's present and future needs can only be met by recruitment from outside. In addition, the policy should state that employees will be encouraged to apply for internally advertised jobs, and will not be held back by the line managers, however reluctant the latter may be to lose them.

In addition, the study established that some employees in beverage processing firms are not sure whether promotions are done regular or promotion criteria are fair. This study concurred with the study of Tettey (2006) who observed that the promotional procedures in African Universities are long, stressful and cumbersome while the requirements are unreasonable and indicate that academics are frustrated by the inconsistencies and rigidity in the application of the promotion criteria. Beverage processing firms are therefore required to inform employees' on the promotion criteria and when the promotions are conducted so that employees can plan for promotions. Equally, employees in beverage processing firms are not aware that internal promotions are more than external promotions. Beverage processing firms should have a clear policy outlining internal and external promotions. For example beverage processing firms can first provide promotion opportunity to internal staff and if skills are not available they can now source externally.

### 4.4.3 Results of Employee Performance Appraisal

The study sought to evaluate the influence of performance appraisal on employee retention in beverage processing firms in Kenya. The respondents were asked to indicate the influence of performance appraisal on employee retention in beverage processing firms in Kenya. This was on a scale of strongly agree, agree, undecided, disagree and strongly disagree. A standard deviation of more than one implied a significant difference in respondents. The results of the study findings were presented in Table 4.9.

**Table 4.9: Performance Appraisal**

Statements on performance appraisal	Strongly disagree (%)	Disagree (%)	Undecided (%)	Agree (%)	Strongly agree (%)	Mean	Std. Deviation
1. There is a performance appraisal policy in our company	13.5	25.3	0	48.8	12.5	3.21	1.319
2. My company conducts performance appraisal in the best possible way	0	51.2	3.5	37.4	8	3.02	1.099
3. Performance appraisal feedback is timely in our company	9	29.4	8	45.7	8	3.14	1.189
4. Performance appraisal is valuable to me as well as to our company	4.5	43.3	8	21.5	22.8	3.15	1.313
5. I am satisfied with the performance appraisal policy	18	33.2	12.5	17	19.4	2.87	1.409
6. Performance appraisal is regular in our company	9	37.7	0	41.9	11.4	3.09	1.269

From the study findings in Table 4.9, it was observed that beverage processing firms have performance appraisal policy with a mean of 3.21. Also, the respondents observed that beverage processing firms conducted performance appraisal in the best possible way with a mean of 3.02. Likewise, the study findings noted that beverage processing firms performances appraisal feedback was given on timely basis with a mean of 3.14. Lastly, it was found that performance appraisal was conducted



regularly in beverage processing firms with a mean of 3.09. However, it was established that some employees in beverage processing firms were not satisfied with the performance appraisal policy.

Generally, it was established from the study that beverage processing firms have put in place performance appraisal policy; conduct performance appraisal in the best possible way, performances appraisal feedback is given on timely basis and performance appraisal is conducted regularly. Performance appraisal is important to beverage processing firms because it provides adequate feedback to support employees' development; serve as a basis for modifying or changing behaviour to produce more effectively for organization; and provide useful information to supervisors (Erdogan; 2000; Coens and Jenkins, 2002; Law, 2007). Also, Nambuswa, Namusonge and Kanali (2014) observed that effective performance appraisal highly motivates employees and therefore they will remain in the organization.

Equally, Jabeen (2011) established that in order to achieve corporate goals and remain in business there is the need to assess employees' job performance and device strategies to manage them in an effective manner. Performance appraisals are indispensable for the effective supervision and costing of staff. However, from the results it was observed that some employees' in beverage processing firms are not satisfied with the performance appraisal policy. This finding concurred with the study of Horsoo (2010) who noted that employees viewed employee performance appraisal systems as discriminatory, punitive and judgmental processes, where cronyism and biased considerations dominated objectivity and thus ineffectiveness of the appraisal system. Thus there is need for beverage processing firms to educate their employees on the importance of performance appraisal.

#### **4.4.4 Results of employee reward**

The study sought to establish influence of reward on employee retention in beverage processing firms in Kenya. The respondents were asked to indicate the influence of reward on employee retention in beverage processing firms in Kenya. This was on a scale of strongly agree, agree, undecided, disagree and strongly disagree. A standard

deviation of more than one implies a significant difference in respondents. The results of the study findings were presented in Table 4.10.

**Table 4.10: Results of employee reward**

Statements	Strongly disagree (%)	Disagree (%)	Undecided (%)	Agree (%)	Strongly agree (%)	Mean	Std. Deviation
1. There is a company policy on rewards	18	25.3	0	53.3	3.5	2.99	1.284
2. The reward is competitive in our company	9.3	54.3	3.5	21.5	11.4	2.71	1.229
3. The reward is adequate in our company	22.5	53.6	0	20.4	3.5	2.29	1.129
4. The reward is commensurate with work done	8	42.2	3.5	42.9	3.5	2.92	1.143
5. I am satisfied with the reward policy in our company	30.8	53.3	0	12.5	3.5	2.04	1.058

From the study findings in Table 4.9, it was observed that some employees of beverage processing firms were unsure whether firms had reward policy, rewards given were not competitive, reward given were not adequate and were not commensurate to work done and employees were not satisfied with the reward policy with means of at 2.99, 2.71, 2.29 and 2.04 respectively.

From the study results, it showed that beverage processing firms have issues to do with reward policy, reward provided was not competitive, and the reward given was not adequate and commensurate. Also, employee's were not satisfied with reward system in beverage processing firms and these findings conflicts with the results of other scholars reviewed in the literature. For example, Kotachachu (2010) argues that if compensation policies are below market level, there will be a problem retaining employees because their compensation needs are not being met. Therefore, to encourage valuable staff members to remain, the compensation system must offer competitive rewards for these employees to feel contented when they compare their rewards with those received by individuals performing similar jobs in other organizations. Shoaib, Noor, Tirmizi and Bashir (2009), recognize that employee

rewards are very important since they have lasting impression on the employee and continue to substantiate the employees' perception of their value to the organizations they work with.

#### 4.4.5 Results of retention

The study sought to find out on how beverage processing firms retain their employees and respondents were asked to indicate on how employees are retained on a scale of strongly agree, agree, undecided, disagree and strongly disagree. The score of strongly agree represented very high employee retention and was taken to be equivalent to mean score of 4.1 to 5.0 on the likert scale. A standard deviation of more than one implied a significant difference in respondents. The results of the study findings were presented in Table 4.11.

**Table 4.11: Results of employee retention**

Statements on employee retention	Strongly disagree (%)	Disagree (%)	Undecided (%)	Agree (%)	Strongly agree (%)	Mean	Std. Deviation
1. I plan to work at my present job as long for as possible	13.5	15.9	0	44.3	26.3	3.5398	1.38167
2. I would hate to quit this job	0	46.7	3.5	28.4	21.5	3.2457	1.24660
3. As soon as possible, I will leave this company	13.8	28.7	8	31.8	17.6	3.1073	1.36381
4. I am in the company for lack of an alternative employer	9.3	33.9	8	26	22.8	3.1903	1.36236

From the study findings, it was observed that employees in beverage processing firms retained their job by planning work they were given, they are not ready to quit jobs so long as they have not secured new ones and some confessed that they were working because they lack alternative employer who will provide better offer. It can be observed that employees working in beverage processing firms are not satisfied and they are likely to leave firms if an opportunity presents to them. This is against the spirit of employees' retention. According to Stauss *et al.*, (2001) he observed that employees should be encouraged to remain with the organization for the maximum period of time or until the completion of the project.

Sutherland (2004) established that organizations must continuously discover current retention factors and integrate them in the organization. Without empirical evidence, it is not known if the current organizational retention strategies are outdated as they may have little or no influence on employees' decision to stay with an organization. Equally, Chew (2004), in a study on retention of employees in Australian organizations, established that younger employees focused on remuneration, training and development, career advancement, challenging work, growth opportunities and recognition. For older employees, autonomy, opportunities to mentor and job challenge were of great importance. Samuel and Chipunza (2008), argues that employees consider training, education and development as crucial to their overall career growth and goal attainment and will be motivated to remain and build a career path in an organization that offers such opportunity. Besides, if staff training is funded by the organization, the employee may develop a moral obligation to give its money worth to the organization by commitment to stay on the job.

#### **4.4.6 Results of retention driver in order of their priority**

Respondents were asked to rank retention drivers to their beverage processing firms and the results showed that majority rated training at 54.7 percent, followed by performance appraisal, promotion opportunities and reward system at 23.5, 14.2 and 7.6 percent respectively as shown in Table 4.12.

**Table 4.12: Results of Retention driver in order of their priority**

<b>Rank</b>	<b>Frequency</b>	<b>Percent</b>
Training	158	54.7
Performance appraisal	68	23.5
Promotion opportunities	41	14.2
Reward system	22	7.6
<b>Total</b>	<b>289</b>	<b>100.0</b>

## **4.5 Quantitative Results**

### **4.5.1 Diagnostic Tests**

The diagnostics tests of normality, heteroscedasticity and multicollinearity were conducted and the results below showed that the regression model was fit in the study.

#### **a. Normality of the Dependent Variable**

The normality of data distribution was assessed by examining its skewness and kurtosis (Kline, 2005). A variable with an absolute skew-index value greater than 3.0 is extremely skewed while a kurtosis index greater than 8.0 is an extreme kurtosis (Kline, 2005). Cunningham (2008) stated that an index smaller than an absolute value of 2.0 for skewness and an absolute value of 7.0 is the least violation of the assumption of normality. This implies that the assumption of normality was satisfied in Table 4.13.

**Table 4.13: Normality test of independent and dependent variables**

	<b>N</b>	<b>Skewness</b>	<b>Kurtosis</b>		
	<b>Statistic</b>	<b>Statistic</b>	<b>Std.</b>	<b>Statistic</b>	<b>Std.</b>
			<b>Error</b>		<b>Error</b>
Training	289	-.255	.143	-.649	.286
Performance appraisal	289	.045	.143	-1.408	.286
Reward	289	.629	.143	.082	.286
Promotion	289	.698	.143	.060	.286
Intention to stay / Leave	289	-.089	.143	-1.493	.286

### **b. Multicollinearity**

Multicollinearity is the undesirable situation where the correlations among the independent variables are strong. In other words, multicollinearity misleadingly bloats the standard errors. Thus, it makes some variables statistically insignificant while they should be significant (Martz, 2013). Tolerance of a respective independent variable is calculated from  $1 - R^2$ . A tolerance with a value close to 1 means there is little multicollinearity, whereas a value close to 0 suggests that multicollinearity may be a threat (Belsley, Kuh & Welsch, 2004). The reciprocal of the tolerance is known as Variance Inflation Factor (VIF). Equally, the VIF measures multicollinearity in the model in such a way that if no two independent variables are correlated, then all the VIF values will be 1, that is, there is no multicollinearity among factors. But if VIF value for one of the variables is around or greater than 5, then there is multicollinearity associated with that variable (Martz, 2013).

Table 4.14 indicates the test results for multicollinearity, using both the VIF and tolerance. With VIF values being less than 5, it was concluded that there was no presence of multicollinearity in this study. The VIF shows us how much the variance of the coefficient estimate is being inflated by multicollinearity.

**Table 4.14: Multicollinearity**

<b>Model</b>	<b>Collinearity Statistics</b>	
	<b>Tolerance</b>	<b>VIF</b>
Training	.620	1.613
Performance appraisal	.509	1.966
Reward	.448	2.233
Promotion	.604	1.656

a. Dependent Variable: Intention to stay / Leave

### **c. Heteroscedasticity**

Heteroscedasticity in a study usually happens when the variance of the errors varies across observation, Long and Ervin (2000). Breusch-Pagan and Koenker was used to

test the null hypothesis that the error variances are all equal versus the alternative that the error variances are a multiplicative function of one or more variables. Breusch-Pagan and Koenkertest the null hypothesis that heteroskedasticity not present (homoskedasticity) if sig-value is less than 0.05, reject the null hypothesis.

A large chi-square value greater than 9.22 would indicate the presence of heteroscedasticity (Sazali, Hashida, Jegak & Raduan, 2009). In this study, the chi-square value was 8.636 indicating that heteroscedasticity was not a concern.

Ho: Constant variance

Variables: Training (T), Promotion opportunity (PO), Performance appraisal (PA), Reward system (RS)

**Table 4.15: Breusch-Pagan and Koenker Test for Heteroscedasticity**

Ho	Variables	Chi2(1)	Prob> Chi2
Constant Variance	T, PO , PA, and RS	8.636	0.124

**d. Autocorrelation test**

**Table 4.16: Autocorrelation test**

Model	Durbin-Watson
1	2.101

a. Predictors: (Constant), training, promotion, performance appraisal, rewards  
 b. Dependent Variable: Employee retention

Autocorrelation was tested using Durbin Watson test in Table 4.16. This tested whether there was a (linear) correlation between the error term for one observation and the next. A Durbin Watson test value (d) takes on values between 0 and 4. A value of  $d = 2$  means there is no autocorrelation. A value substantially below 2 (and especially a value less than 1) means that the data is positively auto correlated, i.e. on average a data element is close to the subsequent data element. A value of (d) substantially above 2 means that the data is negatively auto correlated, i.e. on

average a data element is far from the subsequent data element. Based on the results the Durbin Watson test value (d) was 2.101(close to two) and therefore implied that there was no autocorrelation.

#### **4.5.2 Correlational Results of study Variables**

Correlation is often used to explore the relationship among a group of variables (Pallant, 2010), in turn helping in testing for multicollinearity. That the correlation values are not close to 1 or -1 is an indication that the factors are sufficiently different measures of separate variables (Farndale, Hope-Hailey & Kelliher, 2010). It is also an indication that the variables are not multicollinear. Absence of multicollinearity allows the study to utilize all the independent variables.

Table 4.16 shows that the employee promotion had moderate relationship ( $r=0.442$ ,  $p<0.01$ ) with the employee retention. Employee reward and employee training had also moderate relationship( $r=0.562$ ,  $p<0.01$ ) and( $r=0.589$ ,  $p<0.01$ ) with employee retention respectively. While employee performance appraisal had a strong relationship( $r=0.801$ ,  $p<0.01$ ) with employee retention. Also, the correlation results indicated all the correlations values were less than 0.90 was an indication that the factors were sufficiently different measures of separate variables, and consequently, this study utilized all the variables.



**Table 4.17: Correlational matrix**

		Training	Performance appraisal	Reward	Promotion	Retention
Training	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	289				
Performance appraisal	Pearson Correlation	.586**	1			
	Sig. (2-tailed)	.000				
	N	289	289			
Reward	Pearson Correlation	.512**	.621**	1		
	Sig. (2-tailed)	.000	.000			
	N	289	289	289		
Promotion	Pearson Correlation	.331**	.460**	.622**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	289	289	289	289	
Retention	Pearson Correlation	.589**	.801**	.562**	.442**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	289	289	289	289	289

\*\* . Correlation is significant at the 0.01 level (2-tailed).

This result corresponds to other studies reviewed in the literature of other scholars such as Nambuswa, Namusonge & Kanali (2014) that HR practices are expected to influence both, organization's and employee's retention via the workforce's ability (e.g. using selective hiring, training), motivation (e.g. pay for performance by using PA), and opportunity to contribute (e.g. using teams and suggestion systems) (Gerhart, 2005). EPAS is a key task towards managing the human resources of an organization in particular positions. Nambuswa, Namusonge & Kanali (2014) in their study of Determinants of Effectiveness of Employee Performance Appraisal System in Institution of Higher Learning in Nakuru county states that effective performance appraisal highly motivates employees and therefore they will remain in the organization. Human resources are arguably the most valuable assets of any organization and obviously constitute the largest corporate investment (Roslender *et al.*, 2009). Employees' skills and competencies have significant bearing on

organizations' productivity, profitability and continued survival (International Labour Conference, 2008).

### 4.5.3 Multiple Regression Results

The study used multiple regression analysis to determine the linear statistical relationship between the independent and dependent variables of this study. The entire four null hypotheses as;

- a. **Test of hypothesis 1:** Employee training has no significant influence on employee retention in beverage processing firms in Kenya.

The study conducted regression analysis so as to determine the influence of training on employee retention in beverage processing firms in Kenya.

The hypothesis to test for this specific objective was:

**H<sub>01</sub>.** Employee training has no significant influence on employee retention in beverage processing firms in Kenya

**Table 4.18: Model Summary of employee training**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.589 <sup>a</sup>	.347	.345	3.51606

a. Predictors: (Constant), Training

b. Dependent Variable: Retention

The linear regression model showed that adjusted  $R^2 = 0.345$  which means that 34.5 percent change of employee retention in selected beverage processing firms in Kenya can be explained by a unit change of training practice. The result is shown in Table 4.17. Also, the result indicated that one unit change in employee training translates to 34.5 percent change in employee retention in beverage processing firms in Kenya and therefore, training practice has influence on employee retention in beverage processing firms in Kenya.

Further test on ANOVA showed that the significance of the F-statistic (152.5) is less than 0.05 since p value,  $p=0.00$ , as indicated in Table 4.18. This implied that there is a positive significant relationship between employee training and employee retention in beverage processing firms in Kenya.

**Table 4.19: ANOVA of employee training**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1885.501	1	1885.501	152.515	.000 <sup>b</sup>
	Residual	3548.091	287	12.363		
	Total	5433.592	288			

a. Dependent Variable: Retention

b. Predictors: (Constant), Training

Additional test on the beta coefficients of the resulting model, showed that the constant  $\beta= 3.732$  if the independent variable of training  $e$  is held constant then there will be a positive change on employees retention in beverage processing firms in Kenya by 3.732. The regression coefficient for employee training was positive and significant ( $\beta = 0.571$ ) with a t-value=12.35 ( $p$ -value<0.001) implying that for every 1 unit increase in employee training, it employees retention in beverage processing firms in Kenya is predicted to increase by 0.571 units and therefore  $H_{01}$  was rejected. That is employee training has no significant influence on employee retention in beverage processing firms in Kenya As shown in Table 4.19.

**Table 4.20: Coefficients of employee training**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	3.732	.803		4.650	.000
Training	.571	.046	.589	12.350	.000

a. Dependent Variable: Retention

From the results it is revealed that training significantly influence employees' retention in beverage processing firms in Kenya. This finding is in harmony with Cole (2005) who observed that training practices in organizations should be guided by policies which should be adhered to always. Training is beneficial to the

organization as well to the individual. With a well trained workforce, the organization will turn out a high standard of goods or services, probably in more cost-effective manner than others, and therefore, with a better chance of achieving organizational goals. Other benefits to the organization include maintenance of a sufficient and suitable range of skills amongst employees; development of knowledge and skills in the workforce; achievement of improved job performance and productivity; improved quality; improved service to customers and increased motivation among employees. There are also benefits to individuals which include increase in personal repertoire of skills; increased satisfaction; increased value of employees in the labour market and improved prospects of internal promotion.

**b. Test of hypothesis 2:** Promotion has no significant influence on employee retention in beverage processing firms in Kenya.

The study conducted regression analysis so as to examine the influence of promotion practice opportunity on employee retention in selected beverage processing firms in Kenya.

The hypothesis to test for this specific objective was:

**H<sub>02</sub>** Promotion practice has no significant influence on employee retention in selected beverage processing firms in Kenya

**Table 4.21: Model Summary of promotion**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.442 <sup>a</sup>	.195	.192	3.90330

a. Predictors: (Constant), Promotion

b. Dependent Variable: Retention

The linear regression model showed that adjusted  $R^2 = 0.192$  which means that 19.2 percent change of employee retention in selected beverage processing firms in Kenya can be explained by a unit change of promotion practice. The result is shown in Table 4.20. Also, the result indicated that one unit change in promotion translates to 19.2 percent change on employee retention in beverage processing firms in Kenya

and therefore, promotion has influence on employee retention in beverage processing firms in Kenya.

More test on ANOVA showed that the significance of the F-statistic (69.634) is less than 0.05 since p value, p=0.00, as indicated in Table 4.21. This implied that there is a positive significant relationship between promotion and employee retention in beverage processing firms in Kenya.

**Table 4.22: ANOVA<sup>a</sup> of promotion**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1060.922	1	1060.922	69.634	.000 <sup>b</sup>
	Residual	4372.670	287	15.236		
	Total	5433.592	288			

a. Dependent Variable: Retention

b. Predictors: (Constant), Promotion

Further test on the beta coefficients of the resulting model, showed that the constant  $\beta = 7.203$  if the independent variable of promotion practice is held constant, then there will be a positive change on employees retention in beverage processing firms in Kenya by 7.203. The regression coefficient for promotion was positive and significant ( $\beta = 0.44$ ) with a t-value=8.345 (p-value<0.001) implying that for every 1 unit increase in promotion practice, employees retention in beverage processing firms in Kenya is predicted to increase by 0.44 units and therefore H<sub>02</sub> was rejected and alternative hypothesis accepted that employee promotion influence employee retention in beverage processing firms in Kenya as shown in Table 4.22.

**Table 4.23: Coefficients<sup>a</sup> of promotion**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.203	.767		9.392	.000
	Promotion	.440	.053	.442	8.345	.000

a. Dependent Variable: Retention

From the results it was established that promotion significantly influence employees' retention in beverage processing firms in Kenya. This finding concurred with the

studies reviewed in the literature that promotion would retain employee in an organization. For example, Dockel (2003) strongly argues that people should not only be rewarded financially but they should also be offered opportunities to grow within the organization. Employees who feel stagnant in their positions generally aren't motivated and will not stay in unfulfilling position. Promotion offers opportunities for growth and is also one of Herzberg motivators which can be used to enhance retention. Thus, Kipkebut (2010) noted that the promotion procedures must be seen to be fair, clear and objective thereby mitigating the negative feelings of employees who are not promoted.

**c. Test of hypothesis 3:** Performance appraisal has no significant influence on employee retention in beverage processing firms in Kenya.

The study conducted regression analysis so as to evaluate the influence of performance appraisal on employee retention in beverage processing firms in Kenya

The hypothesis to test for this specific objective was:

**H<sub>03</sub>** Performance appraisal has no significant influence on employee retention in beverage processing firms in Kenya

**Table 4.24: Model Summary<sup>b</sup> of performance appraisal**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.801 <sup>a</sup>	.641	.640	2.60636

a. Predictors: (Constant), Performance appraisal

b. Dependent Variable: Retention

The linear regression model showed that adjusted  $R^2 = 0.64$  which means that 64 percent change of employee retention in selected beverage processing firms in Kenya can be explained by a unit change of performance appraisal practice. Also, the result indicated that one unit change in performance appraisal translates to 64 percent change in employee retention in beverage processing firms in Kenya and therefore, performance appraisal has influence on employee retention in beverage processing firms in Kenya.

More test on ANOVA showed that the significance of the F-statistic (512.865) is less than 0.05 since p value,  $p=0.00$ , as indicated in Table 4.24. This implied that there is a positive significant relationship between performance appraisal practice and employee retention in beverage processing firms in Kenya.

**Table 4.24 ANOVA of performance appraisal**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3483.961	1	3483.961	512.865	.000 <sup>b</sup>
	Residual	1949.630	287	6.793		
	Total	5433.592	288			

a. Dependent Variable: Retention

b. Predictors: (Constant), Performance appraisal

Extra test on the beta coefficients of the resulting model, showed that the constant  $\beta=3.743$  if the independent variable of performance appraisal is held constant, then there will be a positive change on employees retention in beverage processing firms in Kenya by 3.743. The regression coefficient for performance appraisal was positive and significant ( $\beta = 0.502$ ) with a t-value=22.647 ( $p\text{-value}<0.001$ ) implying that for every 1 unit increase in performance appraisal, employees retention in beverage processing firms in Kenya is predicted to increase by 0.502 units and therefore  $H_0$  was rejected and the alternative hypothesis was accepted that performance appraisal significantly influence employee retention as shown in Table 4.25.

**Table 4.25: Coefficients of performance appraisal**

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	3.743	.449		8.330	.000
	Performance appraisal	.502	.022	.801	22.647	.000

a. Dependent Variable: Retention

Based on the study findings it was established that performance appraisal significantly influences employees' retention in beverage processing firms in Kenya. These findings are in agreement with the study of Chen and Mia, 2004; Mulvaney, McKinney and Grodsky (2008) who observed that a well designed and an effective performance appraisal system should help the organization achieve its goals and

objective if it is properly implemented. But a poorly designed appraisal system can create anxiety and sometimes can provoke the morale of employee. But if it is not well used it create negative impact in the organization. Horsoo (2010) reports that employees viewed employee performance appraisal systems as discriminatory, punitive and judgmental processes, where cronyism and biased considerations dominated objectivity and thus ineffective.

**d. Test of hypothesis 4:** Reward has no significant influence on employee retention in beverage processing firms in Kenya.

The study conducted regression analysis so as to establish the influence of reward on employee retention in beverage processing firms in Kenya

The hypothesis to test for this specific objective was:

**H<sub>04</sub>** Reward has no significant influence on employee retention in beverage processing firms in Kenya

**Table 4.26: Model Summary of reward**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.562 <sup>a</sup>	.316	.314	3.59848

a. Predictors: (Constant), Reward

b. Dependent Variable: Retention

The linear regression model showed that adjusted  $R^2 = 0.314$  which means that 31.4 percent change of employee retention in selected beverage processing firms in Kenya can be explained by a unit change of reward practice. The result is shown in Table 4.26. Also, the result indicated that one unit change in reward translates to 31.4 percent change in employee retention in beverage processing firms in Kenya and therefore, reward has influence on employee retention in beverage processing firms in Kenya.

Additional test on ANOVA showed that the significance of the F-statistic (1717.22) is less than 0.05 since p value,  $p=0.00$ , as indicated in Table 4.27. This implied that



there is a positive significant relationship between reward and employee retention in beverage processing firms in Kenya.

**Table 4.27: ANOVA of reward**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1717.220	1	1717.220	132.614	.000 <sup>b</sup>
	Residual	3716.371	287	12.949		
	Total	5433.592	288			

a. Dependent Variable: Retention

b. Predictors: (Constant), Reward

More test on the beta coefficients of the resulting model, showed that the constant  $\beta = 6.294$  if the independent variable of reward is held constant then there will be a positive change on employees retention in beverage processing firms in Kenya by 6.294. The regression coefficient for reward was positive and significant ( $\beta = 0.502$ ) with a t-value=22.647 (p-value<0.001) implying that for every 1 unit increase in reward, employees retention in beverage processing firms in Kenya is predicted to increase by 0.502 units and therefore  $H_04$  was rejected as shown in Table 4.28.

**Table 4.28: Coefficients of reward**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.294	.645		9.760	.000
	Reward	.535	.046	.562	11.516	.000

a. Dependent Variable: Intention to stay / Leave

From the study findings it was noted that reward significantly influences employees' retention in beverage processing firms in Kenya. This finding is in harmony with the study of Shoaib *et al.* (2009) who observed that compensation has always been at the heart of any employment relationship. A well designed compensation plan gives an organization a competitive advantage. It helps to attract the best job candidates, motivates them to perform to their maximum potential and retain them for the long term. To encourage valuable staff members to remain, the compensation system must offer competitive rewards for these employees to feel contented when they compare their rewards with those received by individuals performing similar jobs in other

organizations. However, if reward system is not done well it can affect retention of employees negatively. This was supported by Kotachachu (2010) who argues that if compensation policies are below market level, there will be a problem retaining employees because their compensation needs are not being met.

#### 4.5.4 Overall regression Modell

**Table 4.29: Summary<sup>b</sup> Overall Model**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.817 <sup>a</sup>	.668	.664	2.51922

a. Predictors: (Constant), Promotion, Training, Performance appraisal, Reward

b. Dependent Variable: Retention

The regression analysis shows a strong relationship,  $R^2=0.664$  which shows that 66.4 percent of change of employee retention in selected beverage processing firms in Kenya can be explained by a change of one unit of all the predictor variables jointly as shown on Table 4.29

**Table 4.30: ANOVA of overall model**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	3631.195	4	907.799	143.040	.000 <sup>b</sup>
Residual	1802.396	284	6.346		
Total	5433.592	288			

a. Dependent Variable: Retention

b. Predictors: (Constant), Promotion, Training, Performance appraisal, Reward

Additional tests on ANOVA showed that the significance of the F-statistic (143.04) is less than 0.05 since p value,  $p=0.00$ , as indicated in Table 4.30. This implied that there is a positive significant relationship between independent variables and employee retention in selected beverage processing firms in Kenya. Thus, human resource practices such as training, promotion, performance appraisal and reward system influenced employee retention in beverage processing firms in Kenya.

**Table 4.31: Coefficients of overall Model**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	1.464	.651		2.248	.025
1 Training	.165	.042	.170	3.909	.000
promotion	.410	.030	.653	13.628	.000
PA	.025	.049	.026	.518	.005
Reward	.069	.044	.069	1.573	.007

a. Dependent Variable: Retention

The estimated multiple regression model to estimate employee retention

$$Y = 1.46 + 0.165X_1 + 0.41X_2 + 0.025X_3 + 0.069X_4$$

Where

$$\beta_1 \quad \beta_2 \quad \beta_3 \quad \beta_4$$

Y is employee retention variable,  $\beta_0$  is the regression constant,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ , and  $\beta_4$ , are the coefficients of the regression equation,

$$X_1$$

is Training

$$X_2$$

is Promotion

$$X_3$$

is Performance Appraisal

$$X_4$$

is Reward

$$\beta_0 \quad \beta_1 \quad \beta_2 \quad \beta_3 \quad \beta_4$$

, , and are the regression coefficients to be measured.

From the study findings, it was noted that training influenced employee retention in beverage processing firms in Kenya positively by the coefficient of  $\beta_1 = 0.165$ ,

promotion influenced employee retention in beverage processing firms in Kenya positively by the coefficient of  $\beta_2= 0.41$ , performance appraisal influenced employee retention in beverage processing firms in Kenya positively by the coefficient of  $\beta_3=0.025$  and reward influenced employee retention in beverage processing firms in Kenya positively by the coefficient of  $\beta_4=0.069$ . All coefficients were significantly different from 0, with p values 0.000, 0.000, 0.046, 0.000 and 0.000, respectively, and are less than  $p=0.05$  as summarized in Table 4.31. Thus the following null hypothesis was concluded:

**Table 4.32: Hypotheses testing**

Hypothesis	Hypothesis test	Decision rule and anticipated model
<b>H<sub>01</sub></b> There is no significant influence of employees training practice.	Karl Pearson's zero order coefficient of correlation(Beta test) H <sub>0</sub> : $\beta = 0$ H <sub>A</sub> : $\beta \neq 0$ Reject H <sub>01</sub> if p-value $\geq 0.05$ (Otherwise fail to reject)	Reject H <sub>01</sub> was rejected because p-vale $\leq 0.05$
<b>H<sub>02</sub></b> There is no significant influence of promotion	Karl Pearson's zero order coefficient of correlation(Beta test) H <sub>0</sub> : $\beta = 0$ H <sub>A</sub> : $\beta \neq 0$ Reject H <sub>02</sub> if p-value $\geq 0.05$ (Otherwise fail to reject)	Reject H <sub>02</sub> was rejected because p-vale $\leq 0.05$
<b>H<sub>03</sub></b> There is no significant influence performance appraisal	Karl Pearson's zero order coefficient of correlation(Beta test) H <sub>0</sub> : $\beta = 0$ H <sub>A</sub> : $\beta \neq 0$ Reject H <sub>03</sub> if p-value $\geq 0.05$ (Otherwise fail to reject)	Reject H <sub>03</sub> was rejected because p-vale $\leq 0.05$
<b>H<sub>04</sub></b> There is no significant influence of reward	Karl Pearson's zero order coefficient of correlation(Beta test) H <sub>0</sub> : $\beta = 0$ H <sub>A</sub> : $\beta \neq 0$ Reject H <sub>04</sub> if p-value $\geq 0.05$ (Otherwise fail to reject)	Reject H <sub>04</sub> was rejected because p-vale $\leq 0.05$

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter provides a summary of the major findings of this study and also sets to draw conclusions and make recommendations for practice and suggestions for further research based on the results of this study.

#### **5.2 Summary**

The general purpose of this study was to investigate the influence of human resource management practices on employee retention in beverage processing firms in Kenya. The study was guided by the following objectives; to determine the influence of training on employee retention in beverage processing firms in Kenya; to examine the influence of promotion on employee retention in beverage processing firms in Kenya; to evaluate the influence of performance appraisal on employee retention beverage processing firms in Kenya; and to establish the influence of Reward on employee retention in beverage processing firms in Kenya.

##### **5.2.1 Influence of training on employee retention in beverage processing firms in Kenya.**

Training is the acquisition of knowledge, skills and competencies through many forms such as vocational or practical skills and knowledge that relate to specific useful competencies. In today's competitive global market the only strategy for organizations to improve workforce productivity radically and enhance retention is to seek to optimize their workforce through comprehensive training and development programmes.

Based on the study findings, it was established that beverage processing firms train their employees. The training in beverage processing firms are guided by policies which are adhered to always. Also, the implementation of training policy was found

to be done in a fair manner and training of employees was done on regular bases. Nevertheless, the study established that some employees are not satisfied with the training in beverage processing firms. This might have been as a result of not involving employees in participation directly to allow them identify areas to be trained. The study also found out that training showed a positive correlation with retention of employees in beverage processing firms. Likewise it was established that one unit change in training translates to 34.5 percent change in beverage processing firms in Kenya and therefore, training has influence on employee retention in beverage processing firms in Kenya. Further, the regression coefficient for training was positive and significant, implying that for every one unit increase in training, employees' retention in beverage processing firms in Kenya is predicted to increase by training and therefore  $H_01$  was rejected and alternative hypothesis was accepted

### **5.2.2 Influence of promotion on employee retention in beverage processing firms in Kenya.**

Promotional opportunities refer to the degree an employee perceives his or her chances to grow and be promoted within the organization. Employees expect to work in jobs that provide them with opportunities to be promoted to new and challenging positions. Armstrong (2010), argues that the aim of the promotion procedures of a company should be to enable management to obtain the best talent available within the company to fill more senior posts and second, to provide employees with the opportunity to advance their careers within the company, in accordance with the opportunities available (taking into account equal opportunity policies) and their own abilities.

From the study findings it was found that beverage processing firms promote their employees based on merits and the promotion offers an opportunity to employee for advancement and acts as a motivator which can be used to enhance retention. Employees who feel stagnant in their positions generally are not motivated and will not stay in unfulfilling positions.

However, the study established that beverage processing firms have promotion policy that employees are not aware of its existence. Some employees argued that

firms do not communicate to them about the promotion criteria policy often used. Thus it is important for beverage processing firms to have promotion policy and be well communicated to the employees.

The study also established that promotion practice had a positive correlation with retention of employees in beverage processing firms. Equally, it was noted that one unit change in promotion opportunity translates to 19.2 percent change in beverage processing firms in Kenya and therefore, promotion opportunity has influence on employee retention in beverage processing firms in Kenya. Additional tests on the regression coefficient for promotion was positive and significant, implying that for every one unit increase in promotion, employees retention in beverage processing firms in Kenya is predicted to increase by promotion and therefore  $H_02$  was rejected and alternative hypothesis was accepted.

### **5.2.3 Influence of performance appraisal on employee retention in selected beverage processing firms in Kenya.**

Performance appraisal evaluates the individual overall contribution to the organization through assessment of his internal characteristics, working performance and his capability to pursue higher position(s) in an organization. Appraisal is an effective instrument in the human resources management, which if performed correctly and logically, the organization will get its personnel to achieve their interests. A well designed and an effective performance appraisal system should help the organization achieve its goals and objective if it is properly implemented. But a poorly designed appraisal system can create anxiety and sometimes can provoke the morale of employee.

Based on the study findings, it was established that beverage processing firms have put in place performance appraisal policy, conduct performance appraisal in the best possible way, performances appraisal feedback is given on timely basis and performance appraisal is conducted regularly. Performance appraisal is an important tool to beverage processing firms because it provides adequate feedback to support employees' development; serve as a basis for modifying or changing behaviour to

work more effectively for organization; and provide useful information to supervisors.

However, from the results it was observed that some employees' in beverage processing firms were not satisfied with the performance appraisal policy. This issue should be addressed so that to prevent employees from perceiving performance appraisal systems as discriminatory, punitive and judgmental processes, where cronyism and biased considerations dominated objectivity and thus ineffectiveness of the appraisal system.

The study also revealed that performance appraisal had a strong positive correlation with retention of employees in beverage processing firms. Equally, it was noted that one unit change in performance appraisal translates to 64 percent change in beverage processing firms in Kenya and therefore, performance appraisal practice has influence on employee retention in beverage processing firms in Kenya. Extra tests on regression coefficient for performance appraisal practice was positive and significant, implying that for every one unit increase in performance appraisal, employees retention in beverage processing firms in Kenya is predicted to increase by 0.502 units and therefore  $H_03$  was rejected and alternative hypothesis was accepted.

#### **5.2.4 Influence of reward on employee retention in beverage processing firms in Kenya.**

The objectives of reward systems are to attract, motivate and retain highly performing employees and to improve organizational success. Reward encompasses non-financial rewards such as promotion, recognition responsibility. These are rewards that do not involve any direct payments and often arise from the work itself. Competitive and fair remuneration is indicative of the value the employers place on their employees.

From the study results, it was found out that beverage processing firms have issues to do with reward policy which is not well elaborated and employees are not aware of its existence. Also, rewards provided by beverage processing firms are not



competitive and are not adequate and commensurate to the work. Equally, employees are not satisfied with reward system in beverage processing firms. Thus if compensation policies are not addressed in beverage processing firms, there will be a problem retaining employees because their compensation needs are not being met. To encourage valuable staff members to remain, the compensation system must offer competitive rewards for these employees to feel contented when they compare their rewards with those received by individuals performing similar jobs in other organizations.

Regarding correlation tests, the study revealed that reward practice had a moderate positive correlation with retention of employees in beverage processing firms. Likewise, it was noted that one unit change in reward translates to 31.4 percent change in beverage processing firms in Kenya and therefore, reward has influence on employee retention in beverage processing firms in Kenya. Also, the regression coefficient for reward practice was positive and significant implying that for every one unit increase in reward practice, employees' retention in beverage processing firms in Kenya is predicted to increase by 0.502 units and therefore  $H_04$  was rejected and alternative hypothesis was accepted.

Lastly, the study observed that employees in beverage processing firms retain their job by planning work that they are given, they are not ready to quit jobs so long as they have not secured new ones and some confessed that they were working because they lacked alternative employer who would provide better offer. It was observed that employees working in beverage processing firms were not satisfied and they were likely to leave firms if an opportunity presented itself. This is against the spirit of employee retention.

### **5.3 Conclusions**

#### **5.3.1 Influence of training on employee retention in beverage processing firms in Kenya.**

Based on the study findings, it was concluded that beverage processing firms train their employees. Further, the study concludes that training practices in beverage

processing firms are guided by policies which are adhered to always. The study concludes that the implementation of training policy in beverage processing firms was done in a fair manner. Nevertheless, it was also concluded that some employees are not satisfied with the training carried in beverage processing firms. This is as a result of not involving employees in participation directly to allow them identify areas to be trained. Lastly, the study concludes that training showed a positive correlation with retention of employees in beverage processing firms and therefore the study concludes that employee training significantly influence employee retention in beverage processing firms in Kenya.

### **5.3.2 Influence of promotion practice on employee retention in beverage processing firms in Kenya.**

From the study findings, it was concluded that beverage processing firms promote their employees based on merits and this promotion offered an opportunity to employees for advancement. It also acts as a motivator which can be used to enhance retention of employees. However, it was concluded from the study that, beverage processing firms have promotion policy that employees are not aware of its existence. This was as a result of poor communication from the top management. Thus it is important for beverage processing firms to have promotion policy clearly spelt out to the employees.

Further, the study concludes that promotion practice had a positive correlation with retention of employees in beverage processing firms and therefore the study concludes that employee promotion significantly influence employee retention in beverage processing firms in Kenya.

### **5.3.3 Influence of performance appraisal on employee retention in beverage processing firms in Kenya.**

Based on the study findings, it was concluded that beverage processing firms have put in place performance appraisal policy; conduct performance appraisal in the best possible way, performance appraisal feedback is given on timely basis and performance appraisal is conducted regularly. However, from the results it was

concluded that some employees' in beverage processing firms were not satisfied with the performance appraisal policy. Further, the study concludes that performance appraisal practice had a strong positive correlation with retention of employees in beverage processing firms. This implied that performance appraisal practice, positively influence employees retention in beverage processing firms in Kenya and the study concludes that performance appraisal significantly influence employee retention in beverage processing firms in Kenya

#### **5.3.4 Influence of reward on employee retention in beverage processing firms in Kenya.**

From the study results, it was concluded that beverage processing firms had issues to do with reward policy system. The reward policy system is not well elaborated and employees are not aware of its existence. Also, it was concluded that rewards provided by beverage processing firms are not competitive and are not adequate and commensurate. Equally, it could was concluded that employees are not satisfied with reward system in beverage processing firms. Regarding correlation tests, the study concludes that reward practice had a moderate positive correlation with retention of employees in beverage processing firms. This implied that reward influence positively employees retention in beverage processing firms in Kenya.

Lastly, the study concludes that employees in beverage processing firms retain their job by planning work that they are given and are not ready to quit jobs as long as they have not secured new ones. The study also concluded that employees working in beverage processing firms are not satisfied and they are likely to leave firms if there is an opportunity and this is against the spirit of employee retention.

#### **5.4 Recommendations**

The study suggested the following recommendations:

#### **5.4.1 Managerial recommendations**

On training, the study established that beverage processing firms train their employees and training activities are guided by policy laid down in beverage processing firms. Nevertheless, from the study it was found out that some employees are not satisfied with the training in beverage processing firms. Therefore, the study recommends that beverage processing firms should involve employees to participate in decision making in order to allow them identify areas they need to be trained.

Basing on promotion, the study revealed that beverage processing firms promote their employees based on merits and promotion offered an opportunity for advancement. Thus, the study recommends that firms should promote their employees based on merits as a way of motivating and retaining them. However, the study established that beverage processing firms had promotion policy that employees are not aware of its existence. Therefore, the study recommends that beverage processing firms should make aware of promotion policy to its employees through proper communication channel from the top management.

On the issue of performance appraisal, the study established that beverage processing firms had put in place performance appraisal policy; conducts performance appraisal in the best possible way, performances appraisal feedback is given on timely basis and performance appraisal is conducted regularly. Therefore, the study recommends to the management of organizations to put in place performance appraisal policy, give performance appraisal feedback timely and should be conducted on regular bases to enable management and employees to plan for better execution. Also, the study found out that some employees' in beverage processing firms are not satisfied with the performance appraisal policy. Thus, the study recommends that issues should be addressed so that to prevent employees from perceiving performance appraisal systems as discriminatory, punitive and judgmental processes, where cronyism and biased considerations dominated objectivity and thus ineffectiveness of the appraisal system.

Lastly basing on reward system, the study found out that beverage processing firms had issues to do with reward policy system. The reward policy system is not well

elaborated and employees are not aware of its existence. Also, rewards provided by beverage processing firms are not competitive and are not adequate. Equally, employees are not satisfied with reward system in beverage processing firms. Therefore, the study recommends to the management of beverage processing firms to have a clear policy on reward system and well elaborated to employees.

#### **5.4.2 Policy makers**

Human resource practices play a crucial role on employees' retention in an organization. Organizations which are perceived to uphold human resource practices such as training, promotion, performance appraisal and reward system are likely to motivate and retain employees. From the study findings, it was established that human resource practices such as training, promotion, performance appraisal and reward system practices positively influence retention of employees in beverage processing firms. Thus study recommends that organizations should embrace and adopt these practices to achieve high employees' retention. The study also recommends that policy makers like the government should come up with a good policy that employers should embrace to motivate and retain their employees so as to increase productivity of organizations.

#### **5.4.3 Areas for further research**

The study was confined to a literature review that only proposes training, promotion, performance appraisal and reward system practices and the theories that support these variables. Thus, empirical work that actually demonstrates the whole of human resource practices is beyond the scope of the four variables identified in the study. Therefore, similar study should be conducted using different variables to establish which other variables influences retention of employees in beverage processing firms. Similarly, the data was collected from selected beverage processing firms. There are various food and beverage sectors in Kenya. Thus, informant representatives of participating beverage processing firms in Kenya may have been biased. This study recommends a similar research to be conducted from multiple informants groups of all beverages processing firms to come up with a variety of outcomes. Likewise, the study adopted cross-sectional research design which was

limited to point-in-time assessment. Therefore, future research can be conducted using longitudinal research design so as to identify human resource practices that influence employee retention in beverage processing firms in Kenya.

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## **APPENDICES**

### **Appendix 1: Letter of Introduction**

Box 111,

Kitale.

Dear Sir/Madam.

#### **RE: DATA COLLECTION**

I Sylvia Chumo a student at Jomo Kenyatta University of Agriculture and Technology pursuing a Doctorate in HRM, one of my academic outputs before graduation is a thesis and for this reason I chose the research topic “Influence Of Human Resource Practices on Employee retention in selected beverage processing firms in Kenya”. You have been selected to form part of the study. This is to kindly request you to assist me collect data by responding to the questionnaire (copy attached). The information you provide will be used strictly for academic purposes and will be treated with utmost confidence. A copy of the final report will be availed to you upon request.

Your response will be highly appreciated.

Chumo Sylvia C.

HD412-C008- 6753/2015

0717-945829

## Appendix II: Questionnaire to Respondents

My name is Sylvia Chumo, a PhD student at Jomo Kenyatta University of Agriculture and Technology. This questionnaire has been developed to facilitate a study aimed at establishing the influence of human resource practices on employee retention in beverage firms in Kenya. You have been identified as a critical player in this field, and your input in this study would be most valuable. Kindly, therefore, respond to these questions as honestly and precisely as possible. Responses will be treated as confidential and will be used for academic purposes only. Please tick where appropriate or fill in the required information on the spaces provided.

### Section A: Demographic information

1. Indicate your gender

Male  Female

2. Indicate your age bracket

Below 20 years  21-25  26-30  31-35  36-40  over 40 years

3. Which is your highest level of education

PHD  Masters  Bachelors  Diploma  Certificate  Secondary Education

4. for how long have you worked for the company

Below 5 years  6-10  Over 10 years

### Section B: Employee Retention

Using the scale given below indicate, how accurately the following statements describe your plans for staying with this organization. SA= Strongly Agree, A= Agree, N= neither agree nor Disagree, D= disagree, SD= Strongly Disagree

<b>Intention to stay/ Leave</b>	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>
I plan to work at my present job for as long as possible					
I would hate to quit this job					
As soon as is possible, I will leave this company					

I am in company for lack of an alternative employer					
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**Part C: employee Training**

To what extent do the following Training statements in your current company influence your perception to stay in the company as opposed to leaving if given a chance in another company? Use the likert scale of SD-Strongly Agree, A-Agree, U-Undecided. D-disagree and SD-Strongly Disagree to give your responses

<b>Training</b>	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>
There is a training policy in our company					
Training opportunities are regular in our company					
The implementation of training policy is fair in our company					
The training I have received is relevant to my job					
I am satisfied with the training practices					

**Part D: Employee performance Appraisal**

To what extent does the following performance appraisal process in your current company influence your perception to stay in the company as opposed to leaving if given a chance in another company? Use the likert scale of SD-Strongly Agree, A-Agree, U-Undecided. D-disagree and SD-Strongly Disagree to give your responses

<b>Performance appraisal</b>	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>
There is performance appraisal policy in our company					
My company conducts performance appraisal in the best possible way					
Performance appraisal feedback is timely in our company					
Performance appraisal is valuable to me as well as to our company					
I am satisfied with the performance appraisal policy					
Performance appraisal is regular in our company					

**Section E: employee Reward**

Using the scale given below, indicate how accurately the following statements describe the reward practices provided in the company. SA= Strongly Agree, A= Agree, N= Neither Agree nor Disagree, D= disagree, SD= Strongly Disagree

<b>Reward</b>	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>
There is company policy on rewards					
The reward is competitive in our company					
The reward is adequate in our company					
The reward is commensurate with work done					
I am satisfied with the reward policy in our company					

### **Section F: Employee Promotion**

The following set of statements describes aspects of promotion opportunities in respect to your willingness to stay at the company.

<b>Promotion</b>	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>ND</b>
There is a company policy on promotions					
Promotion is based on merit in our company					
Promotions are regular in our company					
Promotion criteria is fair in our company					
Internal promotions are more than external promotions in our company					

### **Section G: Retention driver in order of their priority**

Can you rank the following retention factors in order of merit according to you as provided for by your company?

<b>Driver</b>	<b>Order</b>
Training	
Promotion opportunities	
Reward system	
Performance Appraisal	

***THANKYOU FOR YOUR INPUT AND COOPERATION!!!***

