

**INFLUENCE OF COMPENSATION ON EMPLOYEE RETENTION AT JUBILEE  
INSURANCE COMPANY OF KENYA LIMITED**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE  
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**NOVEMBER 2017**

## **DECLARATION**

The research project is my original work and has not been submitted for the award of a degree at any other university.

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## **DEDICATION**

I wish to dedicate this project to my entire family specifically to my beloved Spouse Joan, Sons Ian George and Eden Justin and Daughter Juanita Sally. I will always treasure your prayers and support.

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## DEFINITION OF TERMS

- Additional Privileges:** These are utilization of company services under the approval of the management like company cars and club enrolment.
- Employee Benefits:** These are services like medical cover, pension and retirement plans employees enjoy as a result of working in the organisation.
- Employee Retention:** Refer to the capacity of an association to hold its representatives.
- Incentive Plans:** These are additional remunerations given to workers over their normal wages and compensations.
- Salaries:** Salary is a fix payment to employees on weekly, monthly, or annual rate of pay.
- Wages:** Wages are the aggregate winning a worker gets for the execution of administrations inside a timeframe.

## **ABSTRACT**

Companies offer compensation to help draw in and hold employees and in addition increment representative spirit and enhance job performance. Compensation plays an important role since it's at the heart of the employment relationship, being vital to both employers and employees. Human resources management has a significant role in ensuring the company can retain the best employees in companies. Employees who are valued and compensated well by the organisations they work for get satisfaction and work for a longer time. Most insurance firms are facing professional challenges where by the staff complement needs to embrace professionalism by doing the right thing in addressing customer demands to minimize on fraud which was indicated to be a major risk area. Jubilee Insurance Company Kenya has set up different types of compensation are expected to pull in and hold the most qualified staff. The purpose of this study was to find out how compensation influence on employee retention at Jubilee Insurance Company Limited, Kenya. This study adopted a descriptive survey research design. Additionally, the target population for this study was made up of all permanent employees of Jubilee Insurance Company Limited, Kenya. Out of 843 employees, a sample size of 168 respondents were selected. Questionnaires were used to gather primary data from the respondents because they were time saving and convenient for obtaining a wide range of information. Descriptive statistics and inferential statistics were used to analyse data and presented by use of frequency distribution tables, percentages, mean and standard deviation (SD). The study concluded that salaries and wages, incentives, employee benefits, bonuses, commissions and additional privileges influence employee retention. The study endorses the company should offer better fringe benefits, increase salary, a good reward scheme, staff participation in decision making, and incentives to motivate staff in order to enhance employees retention at Jubilee Insurance Company Limited.

## **CHAPTER ONE: INTRODUCTION**

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

Companies offer compensation to help draw in and hold employees and in addition increment representative spirit and enhance job performance. As per Jeffery (1994), organizations which repay their employees well with a specific end goal to better themselves at the business' cost, enables the organization to keep educated employees. Hence, businesses ought to dependably guarantee that their association is seen as an incredible work environment in and a place people need to work. Gehert and Milkovich (1992) contends that associations ought to give an alluring and aggressive aggregate compensation bundle which both draws in and holds astounding employees. This can make a more positive disposition from employees towards the business hence retain employees who work for the interests of the company.

This study reviews Theory of Organizational Equilibrium and Social Exchange Theory. Theory of Organizational Equilibrium recommends that worker turnover is mostly driven by attractive quality and simplicity of development (March and Simon, 1958). Social Exchange Theory suggests that employees react to see good working conditions via carrying on in ways that preferred standpoint the affiliation and /or other employees (Homans, 1958). These theories offer an understanding of how they affect employee retention and other behaviors within organizations. To this end, the theories relate to factors that motivate a worker to stay with a company for the longest possible time.

Insurance Industry is characterized by intense competition, increasing number of firms and differentiation strategies used by the firms. Management staff in this sector is key to success of the firms in the industry. Players in the industry are required to continually look for methods for

guaranteeing they are more proficient, beneficial, adaptable and inventive, keeping up an upper hand now and later on and how they will notwithstanding money and innovation, unreasonably rely upon how they will oversee and factor a differentiator, the human asset compliment (IRA Report, 2016).

Jubilee Insurance Company Limited, which is one of Kenya's best insurance companies, adopts various retention strategies which include thorough recruitment processes, competitive compensation systems that are benchmarked with the industry achieved after embarking in industry staff surveys. The company is also keen in ensuring that the working environment and well-being of the staff is favorable. Jubilee Insurance Company provide competitive salary structure and reward it's for extra work done. The company has provided incentives like commissions and bonuses to reward its employees. In addition to that, the company introduced other privileges like opportunities for trainings, recognition and travelling allowances in order to retain its employees.

### **1.1.1 Compensation**

Compensation is the benefit that employees receive like bonuses, profit share and annual holidays (Holt, 1993). Adeoye et al., (2012) see Compensation in form of pay rates and wages that are important to both the laborers, administrators and state who are the genuine players in current relations, of which they may together have individual stake in growing the nature of items or administrations delivered, from which wages, advantages and wages are inferred. Brown (2003) considers pay to be a trade between the business and specialists. Representative's pay depends on positions held as well as on the limit of individual execution, cooperation, specialist qualities, similar to a very long time of understanding (Gehert and Milkovich, 1992).

Compensation plays an important role since it's at the heart of the employment relationship, being vital to both employers and employees. Literally, employees typically rely on salaries, wages and among other factors to provide large income share and on benefits to provide health security (Oladejo and Yinus, 2014). Compensation decisions influence the employees cost of doing business thus, their competitive price selling ability in product market. According to Hsu, Lin, Lawler, and Wu (2007), compensation decisions also influence the ability of the employer to adequately compete for employees in labor market such as retain and attract, including their behaviors and attitudes when dealing with the employer.

Compensation vary expressively across organisations and to some degree, across jobs. Namasivayam, Miao and Zhao (2006) argue that compensation packages comprise of financial and nonfinancial, direct and indirect compensation. Atchison, Belcher and Thomsen (2010) further contend that a remuneration bundle join base pay, extra time pay, rewards, benefit sharing, commissions, merit pay, investment opportunities, lodging recompense, protection, benefits including dental, travel and meals, therapeutic, excursion, leaves, retirement, impose flexibility. Cascio (2003) demonstrates that compensation package like severance pay, vacations and holidays are legitimately ordered to be delighted in by workers.

### **1.1.2 Employee Retention**

Retention refers to an effort by employer to keep workers to meet organizational targets (Hodson and Roscigno, 2009). According to Johnson, Griffeth and Griffin (2012), retention is the capacity by an association to clutch those employees it need to keep for longer than its rivals. The maintenance ought to be investigated at something other than a solitary level the impact of worker maintenance can emerge at various levels (Mahal, 2012). Retention is well thought-out as

complex part of an association's human asset approaches. It starts with the enlisting of perfect individuals and holds on with working plans to keep them included and gave to the association (Mahal, 2012).

Employee retention is a major distress for some organizations. It is exorbitant to supplant staff, and regularly the people who leave take restrictive learning that is difficult to supplant. Worker maintenance idea is not simply holding a solitary or couple of employees but rather it's the eventual fate of holding focused maintainability of best labor key resource of any association (Lawler, 2011). As per Mahal (2012), a representative withdraws in light of the fact that the present work suggestion is unacceptable. Each business suggestion comprises of some blend of effects, for example, pay and advantages, and intangibles, for example, organizations with partners, work-life adjust, and confide in administration. At the point when the present position is not addressing worker's needs and a chance to join another association is accessible (Nelson and McCann, 2009).

In order for organizations to build an environment in which employees are keen to stay, Harris (2010) posited that it is essential for organizations to be familiar with the obligation of workers to a firm. According to Phillips and Patricia (2012), loyal employees typically stay with an association for a drawn out stretch of time. In numerous organizations it is attractive to have since quite a while ago tenured workers, in spite of the fact that this circumstance taken to an extraordinary can likewise make an issue. Powerful administration of employee retention is centered essentially around those gatherings of staff you utilize whose abdications are the trickiest from the association's perspective. The loss of an average performer in one of these

groups is often more damaging for the organization than the loss of someone outstanding from some other group (Taylor, 2013).

### **1.1.3 Insurance Industry in Kenya**

Insurance companies are part of the financial services industry in Kenya. The industry contributes about 3% to the Gross Domestic Product (Economic Survey, 2015). The insurance industry in Kenya has forty-six (46) insurance companies. Twenty-two of them are licensed to do life insurance business. Two local reinsurers are operating in the market while regional and international reinsures have representation in the country.

Most insurance firms are facing professional challenges where by the staff complement needs to embrace professionalism by doing the right thing in addressing customer demands to minimize on fraud which was indicated to be a major risk area. Globalization and liberalization have opened up the economy to fierce competition. Rapid population growth, low economic growth and unemployment have resulted in increased poverty, crime and reduced purchasing power of the population (IRA Report, 2016).

The insurance Act provides general guidelines on the technical qualifications and competency of staff at different levels of management in the industry. This is on the grounds that competencies and skills are an integral part of an efficient functioning of the insurance industry in Kenya. It is the need of business to have skilled and competent staff if they want to contend successfully in their areas of operation. There is stiff competition in the industry there being many players offering the same products (Economic Survey, 2015).

#### **1.1.4 Jubilee Insurance Company Limited**

Jubilee Insurance Company Limited is a composite insurer in East Africa that handle pensions, general, life and medical insurance. In 1937, the company was incorporated in Kenya as a composite insurer, basing its office in Mombasa. The company then grew through early stages and repositioned its headquarters to Nairobi in 1968. The organization has over the years stretched its net offices across East Africa covering Tanzania, Uganda, Burundi and Mauritius.

Jubilee is a ISO 9001:2008 certified insurance-based financial institution in the East African region and the 1<sup>st</sup> insurance company in the country to be certified by the American National Accreditation Board. It has a global credit rating of AA-. To underline its leadership in the Kenyan Insurance market, Jubilee has a number of awards including ‘largest loss payment of the year; Best risk management of the year; Best medical underwriter of the year; Best Composite insurer of the year (2012) and many other awards (Kenya Insurance Report, 2017).

The association recruits and goes for holding exceptionally energetic expert staff keeping in mind the end goal to meet its corporate objectives. Incredible significance is appended to guaranteeing that employees have essential capabilities to play out their work and furthermore understand their potential through customary staff preparing and advancement programmes. On-the-job training is the foundation upon which all other training must depend, and the organisations acknowledges the part its accomplished employees play in preparing their partners (Njanja, Maina, Kibet and Kageni, 2013).

## **1.2 Research Problem**

In the modern business world, businesses are facing major challenges when it comes to retaining their best employees. However, human resources management has a significant role in ensuring the company can retain the best employees in companies. According to Phillips and Patricia (2012), employee compensation is very important since it has enduring impact on the representative and keep on substantiating the employees' an incentive to the association they work for. Employees who are valued and compensated well by the organisations they work for get satisfaction and work for a longer time. Mahal (2012) exhibits that reward is the essential component, which demonstrates how much workers, advance by devoting their opportunity and exertion towards the accomplishments of organization targets, thusly bosses have the duty to outline an alluring prize bundle to pull in and hold significant employees.

Jubilee Insurance Company Kenya has set up different types of compensation are expected to pull in and hold the most qualified staff. In the prior years, Jubilee has been confronting an expanded staff turnover paying little mind to the compensation it gives to the staff. In 2013/2014 the company lost five employees to other organizations which are in the insurance sector. In 2014/2015 seven employees resigned from the company increasing the number to 12 within the two years. This requires the audit of the types of compensation that the association needs to give its staff to lessen staff turnover and hold its employees.

Several studies have been carried out locally in regard to employee retention. For instance, Odoh (2011) did a study on wage motivating forces and other incidental advantages and their impacts on the profitability of employees in Nigeria. The exploration found that unpredictable and deficient wages/pay rates, low level of incidental advantages and absence of aggregate bartering

process achieved low efficiency of specialists of Enugu State Local Government Service Commission. However, this investigation was done in Nigeria hence the need to do a study in Kenya and generally, Jubilee Insurance Company Limited.

Locally, Millicent (2015) did an investigation on the effects of reward management practices on employee retention at Communications Authority of Kenya. The study deduced that Communications Authority of Kenya use Job evaluation and grading, Salary Survey and Total Rewards to a great extent. The study did not cover information on factors such as bonuses, wages which will be discussed clearly in this study. A study by Isaac (2016) focused on the influence of compensation practices on workers in SACCO sector in Nairobi City County. It was concluded that regulated SACCOs had adopted variable compensation pay program such as allowances and bonus, insurances schemes for health, dental, life, disability and vision and retirement benefits in rewarding of employees to improve performance. The research was however focused on SACCOS unlike this study which will be based on Jubilee Insurance Company Limited.

It is evident that there were no studies done seeking to study the influence of compensation on employee retention, specifically at Jubilee Insurance Company. This study therefore attempted to explore this in answering the question; what is the influence of compensation on employee retention at Jubilee Insurance Company Limited, Kenya?

### **1.3 Research Objective**

To establish the influence of compensation on employee retention at Jubilee Insurance Company Limited, Kenya.

## **1.4 Value of the Study**

The study findings may have provided more information regarding the influence of Compensation on employee retention at Jubilee Insurance Company Limited, Kenya. It may fill in as an asset material in business colleges, administration programs, instructional meetings, advancement classes and gatherings on how best to inspire specialists and enhance maintenance.

The research may have filled in as a blue print for policy makers who are encountering decrease in employee retention and the technique to avoid future events. It will be of awesome help at Jubilee Insurance Company Limited and to the individuals who are in charge of the administration of a work place, for example, the officials, chiefs, bosses, open chairmen, government authorities and other human asset directors.

The study might have enabled to help human resource practitioners develop attractive types of compensation that will enable their organizations be seen as the employer of choice. By this, they were able to retain its most valued and talented employees by compensating them well and which might result into committed and loyal employees to the organizational goals.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter reviews literature related to the study. It covers the theoretical foundation for the study which include Theory of Organizational Equilibrium and Social Exchange Theory. The chapter also elaborates information on employee incentives, and is concluded by the conceptual framework and empirical literature respectively.

### **2.2 Theoretical Foundation**

This study was directed by Theory of Organizational Equilibrium and Social Exchange Theory.

#### **2.2.1 Theory of Organizational Equilibrium**

The organizational equilibrium theory was developed by March and Simon in 1958. March and Simon (1958) recommended that worker turnover is mostly driven by attractive quality and simplicity of development. Attractive quality of development is regularly considered by the person's fulfilment with the occupation, though simplicity of development for the most part reflects saw or real employment options in the outer market (Lawler, 2011). From the perspective of maintenance, the hypothesis recommends that employees possibly stay as soon as they are contented with their professions and belief that there are couple of options accessible. Subsequently, work fulfilment and absence of options are incorporated here as two critical factors in employees' choices to remain.

In the event that employees feel that the outcomes they get echoed the effort and different information sources that they had contributed, there are high chances of them getting fulfilled

and therefore more prone to stay (Aquino, Griffeth, Allen, and Hom, 1997). As such, hierarchical equity has been categorised more expansively to include decency recognitions recognised with consequences, methods, and relational communications.

The relevance of theory of organizational equilibrium to the study was that it provided Jubilee Insurance Company Limited with information on how to build rewards (money rewards) that should be alluring in order to accomplish a coveted result which is hierarchical execution. Consequently employees need to apply exertion in their work that prompted a specific level of execution that is alluring by administration, which was then outcome to a reward. This theory however, verges on redundancy, and it's difficult to characterize both the pool of incitements (both material and non-material), their specific incentive to an individual, and the relative esteem and sort of commitments made.

The speculation is truly direct, considering a large number individuals to fathom its general suppositions and relate to them. Regardless of the way that seen as a weakness by various savants of the theory, the moderate approach to manage associations can cause get to the primary issue quickly. In case the costs are surpassing the favorable circumstances or if a proportional choice is open, by then it's an extraordinary chance to end (Lawler, 2011). The hypothesis accept that a definitive objective of a relationship is closeness when this may not generally be the situation. It places connections in a straight structure, when a few connections may skip steps or go in reverse in terms of intimacy (Lawler, 2011).

### **2.2.2 Social Exchange Theory**

Social Exchange Theory was founded by George Homans in 1958. According to Homans (1958), social exchange is the movement substantial or elusive and pretty much fulfilling or expensive

between no less than two people. The principle behind the theory is that people pick practices that boost their probability of meeting self-intrigue. Also, Social Exchange Theory attempts that those promised in organizations are judiciously trying to expand the advantages to be picked up from those circumstances.

Social Exchange Theory is relevant to this study since it suggests that employees respond to positive working conditions via carrying on in ways that advantage the association as well as various employees. Likewise, employees strike back against disappointing conditions by taking an interest in negative work mindsets like non-appearance, postponement or getting ready to leave the affiliation (Haar, 2006). The exchange theory has additionally been utilized to clarify the employees' attitudinal engagement to the association.

### **2.3 Types of Compensations**

#### **2.3.1 Salaries and Wages**

According to Surbhi (2015), compensation are the aggregate winning a laborer gets for the execution of administrations inside a timeframe while salary is a fix payment to employees on weekly, monthly, or annual rate of pay. Wages are equivalent to the result of hourly rate, times the amount of pieces notwithstanding houses, premiums and coincidental points of interest. In this way a rate of pay may be established on time yield or guaranteed hourly rate notwithstanding a reward customarily in view of the measure of additional work put past the standard required. Agburu (2012) contends that low employee retention in many firms because of poor wages and pay rates organization. Workers are paid without considering their requirements which incorporate sustaining, lodging, dress and other higher needs.

Kanzunnudin (2007) contends that wages and compensations specialists get from the association are critical to them in three noteworthy ways: monetary, mental development and inspiration. The financial significance of wages and pay rates is that they fill in as a method for getting the necessities and extravagances individuals need and need. Numerous laborers do not have wellsprings of salary other than their wages and pay rates.

### **2.3.2 Incentive Plans**

Incentive plans are additional remunerations given to workers over their normal wages and compensations (Investopedia, 2016). This incentives can be advice of rewards, profit sharing and merit pays. Incentive designs can be used as a reward for finishing specific targets set by the association, or for sense of duty regarding the association. Heathfield (2016) suggests incentive designs are remuneration well past the measure of pay decided as a base pay or hourly rate of pay. Which is specified by Bardot (2014), incentive designs have a backward-looking and usually discretionary. Achieving a particular benefit or some imperative breakthroughs for the association, or in an absolutely optional way however characterized a motivating force as a course of action which is forward-looking. Part is associated with the accomplishment of particular concentrates on that have been pre-picked and conceded to the specialists that are on the strategy (Dunn and Jasinski, 2009).

When employees' performance outperforms an objective, they tend to be given a kind of motivating force (Appelbaum and Mackenzie, 1996). This payout can be an irregular portion, a reward, or show up as an expansion to base pay which by then remains until the point when the accompanying choice time allotment. The motivation later on then wind up as a determinant for future execution while the base pay end up being a remuneration scene once it is conceded.

Sometimes, open entryways for calling development are seen as an inspiration to workers since they eventually involve money related prizes and, in a considerable measure of cases, include open doors for development and advancement.

### **2.3.3 Employee Benefits**

Employee benefits, for example, life and medical coverage, pension and retirement plans, and perquisites, for example, or transportation or company cars represent a significant pay component in most extensive firms. Notwithstanding tax advantages and purchasing economies of scale that make it monetarily beneficial for the firm to give these benefits, the remuneration writing has generally seen benefits as a methods for pulling in and holding wanted employees. Dye and Antle (2009), for instance, exhibit that if candidates with a more prominent marginal rate of substitution amongst salary and fringe benefits likewise have lower reservation compensation, at that point firms can reduce employing costs. Ippolito (2012) contends that deferred benefits like benefits enable firms to pull in laborers with low discount rates who are intrinsically less likely to switch jobs.

Indeed, even and Macpherson (2009) keeps up that the maintenance points of interest from benefits identify with many being non-versatile crosswise over managers and additionally speaking to conceded remuneration, in this way giving obstacles to work portability. For instance, it might be troublesome for employees to supplant their current advantages in the event that they change occupations, particularly when potential outside managers don't offer similar advantages (because of elements, for example, buying economies of scale or different limitations) (Millicent, 2015), or when certain advantages are not given until the point that the new worker has worked for the firm for a stipulated measure of time. Different advantages, for

example, annuities, may have vesting arrangements that expect workers to remain with the firm for various years previously any advantages are gotten, and these plans ordinarily increment in esteem the more drawn out the representative remains with the firm. On the off chance that a worker leaves the firm rashly, the gathered annuity advantages can be relinquished or altogether lessened in esteem (Heery and Noon, 2011).

### **2.3.4 Bonuses**

A reward is an additional compensation given to a specialist over his/her regular wage (Investopedia, 2016). Heathfield (2016) proposes remunerate pay will be pay a long ways past the measure of pay demonstrated as a base pay or hourly rate of pay. The base measure of pay is resolved in the delegate offer letter, in the specialist workforce archive, or in an assertion. Organizations can disperse remunerate pay subjectively as the understanding. Which is specified by Bardot (2014), a bonus have a retrogressive looking and normally optional or if nothing else not anticipated from the employee(s). Achieving a particular benefit or some critical points of reference for the association, or in an absolutely optional way yet characterized a motivating force as an arrangement which is forward-looking.

Sturman (2005) observed that bonus gave off an impression of being the best budgetary impetus. He utilized three unique speculations to portray why workers were impacted by monetary motivating forces: financial hypothesis, value hypothesis, and hope hypothesis. In financial hypothesis, Sturman (2005). In conclusion, Sturman (2005) depicts hope hypothesis as when employees comprehend that as their execution builds their execution evaluations increment, which would then be able to prompt higher money related motivations.

### **2.3.5 Commissions**

Commission is a kind of impetus construct wage that is figured with respect to the measure of business done. A portion of the commissions incorporate level of offers, level of gross or net benefits and single amount instalments per exchange (Barongo, 2013). A representative ordinarily needs to fulfil an assortment of conditions before commission is earned. These conditions might be as a composed business contract, verbally consented to or set up by past training or industry standard (Marwan, 2012). While these are not intended to be a comprehensive rundown, all or the vast majority of the accompanying advances are regular to exchanges where employees win commission: worker requests customers to buy items or administrations, representative or other approving individual goes into an understanding (composed or verbal) with customers to buy items or administrations, representative or other individual conveys items or gives administrations, customer ponies up all required funds or by portions, and business enables a timeframe to go to guarantee the customer does not restore the items or debate benefits that were given before acknowledging the businessperson for the commission (Adeniji and Osibanjo, 2012).

Workers procure their bonus endless supply of the whole procedure or at specific focuses amid the procedure (Branham, 2012). The work contract decide when a commission is earned and sketched out the correct idea of the worker's obligations in this procedure. In deciding if the lowest pay permitted by law has been paid to a representative who is paid altogether or mostly by commission, the measure of commission earned is contrasted with what the worker would have gotten had the lowest pay permitted by law been paid. In the event that the aggregate commission is not as much as the lowest pay permitted by law, the representative must be paid in any event the lowest pay permitted by law. On the off chance that the commission is more

prominent than the lowest pay permitted by law, at that point the commission must be paid (Erbaşı and Arat, 2012).

### **2.3.6 Additional Privileges**

Employees in organisations may have different benefits, for example, the utilization of organization vehicles, club enrolment, travelling allowance, acknowledgment and opportunities for training and development (Khan et al., 2011). Firms similarly offer prizes to its workers in view of their enrolment in that organisation or on the premise of finishing superior. Which is specified by Millicent (2015), natural prizes are self-created rewards which are secured on self-happiness emerging from the activity itself and this frequently alluded to as immaterial rewards, for example, being in a group and self-fulfilment emerging from one's own particular work/exertion.

Additional privileges in type of monetary prizes to workers helps to support the money related and social status. Be that as it may, non-budgetary prizes increase the workers confidence like long term service award, best employee of the year and so on. Firms additionally offer performance based and enrolment based prizes to its workers in light of their participation in that association or on the premise of achieving high performance (Khan et al., 2011).

## **2.4 Factors that Influence Employee Retention**

### **2.4.1 Employee Attitude**

Attitude (s) allude to good or horrible assessments of specific individual, individuals, items, occasions or thoughts (Kenrick, Neuberg and Cialdini, 2005). Which is specified by Ahmad et al, (2010), attitude is named as a theoretical build that speaks to a person resembles or despise for

any conduct. Directors can expect positive or ideal staff disposition when staffs have been given appropriate acceptance about the association structure, what the association remain for, authoritative objectives and hierarchical morals. For example, another specialist that does not understand that eating in the working environment in the midst of authority hours is terrible, can't be reprimanded for eating in the working environment or even before visitors.

Dunham (2014) expressed that attitude could be seen better by seeing that every aura has three unmistakable parts, which are subjective, full of feeling and behavioral propensities. Identity attributes or demeanors are getting extended thought as harbingers of business related perspectives. Specialists with constructive impact will likely have elevating auras to themselves and also other individuals, and tend to have a general sentiment success, however those with critical impact tend to feel anxious and tense (Luthans and Youssef, 2004).

They additionally announce that job satisfaction is concerned about a few dispositions including mentalities about the activity attributes, remuneration and advantages, status, government managed savings, progression openings, mechanical difficulties and regard. Wei and Chu (2008) played out an overview about the connection between mentality toward work and worker maintenance in the money related administration industry and they found that work disposition positively affects work execution. Better work attitude prompts better employment performance.

#### **2.4.2 Employee Loyalty**

Customer loyalty is a factor directly relating to consumption experience and induces belonging feeling in the customer and continuous shopping of product or service, such that the customer shows resistance towards buying other products or similar services and this issue indicates favourable reaction of customer relative to the organization. Customer loyalty is defined in

the form of behavioural, attitudinal, and selective viewpoints so that the behavioural viewpoint is based on the shopping amount of a specific product or service and attitudinal viewpoint links tastes and what is a priority for the customer and selective viewpoint is focused on effective factors on selection (Javalgi and Moberg, 1997).

Customer loyalty could be mentioned as the profound commitment to perpetual shopping of a desired product, notwithstanding the marketing activities for changing the customer's behaviour (Cappelli, 2000). This definition points the behavioural aspect of loyalty and from a different perspective, loyalty means favourable attitude towards a product, or service and continuing its purchase through time. A loyal customer to a product or service less tries to find information while making a decision and the habit that has been institutionalized in customer due to product fulfilment, can act as a basis for decisions in a purchase. Basically, loyal customers of an organization are advantageous in cost reduction and progress of the business (Andreassen and Lindestad, 1998).

Issues regarding satisfaction and worker loyalty have been found to be fundamental in organization, and are driven by corporate remaking attempts and tight contention for key capacity. For a few associations, agent flights can altogether influence the execution of procedures for progress and may over the long haul reason a parallel abatement in effectiveness. Nonetheless, loyal employees who are happy with their activity show their loyalty to the utilizing association by buckling down and being focused on conveying administrations with an abnormal state of value to clients. Loveman (1998) also exhibited that employee loyalty is emphatically connected with benefit quality.

### **2.4.3 Work Environment**

Working environment condition consolidates of everything that shape some segment of the worker's commitment with the work itself. Boxall and Macky (2009) portrays work environment condition as the total bundle of unmistakable physical, mental and behavioral parts in the work environment. The idea of workplace is a focal worry of employees and managers that has frequently been connected with efficiency and also with the prosperity of workers. Heneman (2007) suggests the way that a champion among the most critical part of any associations add up to compensate methodology is having a positive workplace. Which is specified by Moyes, Shao, Newsome (2008), working environment, parts of representatives and occupation prepare are related to working conditions.

Affiliation endeavors and occupation practices planning, limits, utilize and prosperity, in light of the way that representatives require loosen up and ease environment and these segments coordinate on worker satisfaction. In this manner, association picks up representative fulfillment in nearness of a superior situation, subsequently change in worker maintenance. In the middle of authoritative atmosphere and friends execution, worker assumes a vital part since representative's activity fulfillment is featured as the arbiter between hierarchical atmosphere and friends execution (Patterson, Warr and West, 2004). Pessaran and Tavakoli (2011) revealed that great workplace is so essential for employee retention.

### **2.4.4 Passionate to Work**

Work passion is a man's diligent, vitality, coherent state of thriving originating from reoccurring subjective and brimming with feeling examinations of various business and progressive conditions, which realizes steady, accommodating work objectives and practices (Zaffane, 2014).

Thusly, it's proposed that affiliations should give shrewdness of significance past simply making an advantage. Affiliations should give the flexibility and versatility to individuals for advancement, openings joint exertion, and affirmation; and a sentiment connectedness. In like manner, all affiliations must ensure that strategies and procedures are acceptably and dependably associated with all workers.

Important work is the place representatives see the association's bigger reason through items or administrations created, view their work as advantageous, and are pleased with their individual activities and commitments that assistance the association serve its client (Luthans and Youssef, 2004). Joint effort is the place representatives see a hierarchical situation and culture that improves coordinated effort, participation, and consolation between every single authoritative part. Decency is the place representatives see a situation where pay, advantages, assets and workload are reasonable and adjusted and fair, individuals approach each other with deference, and pioneers act in a moral way.

Self-sufficiency is the place workers see a situation where individuals have the apparatuses, preparing, support, and specialist to decide. Acknowledgment is the place workers see a situation where they are lauded, perceived, and increased in value by partners and their pioneer for their achievements, where they get fiscal pay for those achievements, and where they are adding to positive associations with others (Blanchard, 2009).

## **2.5 Compensation and Employee Retention**

Chew and Chan (2008) conducted a study on compensation and its impact on company commitment amongst Australian and European firms. In their study, it was found that compensation or remuneration decidedly anticipated hierarchical responsibility and expectation

to remain. The aftereffects of this examination can be summed up in Australia and Europe since it included nine expansive organizations from both private and open areas and had around 475 respondents. Be that as it may, the outcomes could be unique in Africa, hence the need to carry out a study on the influence of compensation on employee retention at Jubilee Insurance Company Limited, Kenya.

Bodjrenou, Ming and Bomboma (2016) did a study on determining variables of worker maintenance on Chinese firms. The examination was engaging in nature, optional source was utilized. Pitts, Marvel and Fernandez (2011) concur with the author by indicating that compensation is predictor of employee turnover. However, the research did not discuss how variables such as bonuses, wages, benefits and pay influence employee retention. This study therefore clearly explained the influence of bonuses, wages, benefits and pay influence employee retention.

Hong, Hao, Kumar, Ramendran and Kadiresan (2012) did a study on the impact of pay on employee retention. This outcome depended on 278 respondents in Malaysia's training area. The creator similarly found that, remuneration is huge to worker maintenance. Remuneration offers workers some level of security, independence, affirmation and improved confidence, which in this manner manufactures their sentiment confidence, inciting enthusiastic duty and maintenance (Döckel, Basson and Coetzee, 2006). Be that as it may, this outcome may remain constant for other comparative organizations yet most likely not the protection firms in light of the fact that the matter of the two establishments is in no way, shape or form indistinguishable. As such, a study on the influence of compensation on employee retention at Jubilee Insurance Company Limited, Kenya was carried out.

In Kenya, Isaac (2016) did an exploration on compensation practices and their impact on employee retention in regulated SACCO sector in Nairobi City County. The exploration done was descriptive in nature. The population targeted was comprised 33 SASRA SACCOs in Nairobi City County. The information collected was through the use of questionnaires. The study found that regulated SACCOs had adopted variable compensation pay program such as allowances and bonus, insurances schemes for health, dental, life, disability and vision and retirement benefits in rewarding of employees to improve performance. The research was however focused on SACCOS unlike this study which was based on Jubilee Insurance Company Limited.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter comprise of a description of the methods and procedures used to carry out the study. This chapter covers information on inquiries design, population under target, techniques for data gathering and analysis.

### **3.2 Research Design**

The study employed a descriptive survey research design. Descriptive research tries to acquire data that describes a phenomenon by getting information about observation, states of mind, behaviour or qualities. Kothari (2004) clarifies that the real reason for distinct research is portrayal of the situation as it exists at introduce. An engaging report is one in which data is gathered without changing the environment. Unmistakable research, as the name recommends, lists illustrative information about the populace being examined and does not endeavor to set up a causal connection between occasions. This design was therefore appropriate as the researcher was in a position to establish the influence of compensation on employee retention at Jubilee Insurance Company Limited, Kenya.

### **3.3 Target Population**

A populace is a total number of people, protests with some normal discernible attributes (Mugenda and Mugenda, 2003). The populace of this investigation involved every single changeless worker of Jubilee Insurance Company Limited, Kenya. There are 843 employees at Jubilee Insurance Company Limited, Kenya (Jubilee Insurance Company Limited Human Resource Department, 2017).

### **3.4 Sampling and Sample Size**

The study adopted stratified random sampling technique to sample respondents from senior level management, mid-level management and low level management. This ensured that all the departments in the organisation are represented. As proposed by Mugenda and Mugenda (2003), a representation of 10% to 30% of the targeted population is appropriate where population is below 10000. Based on this, a representative sample of 10% of the population was selected using stratified sampling technique as shown in Table 3.1.

**Table 3.1: Target Population and Sample Size**

<b>Strata</b>	<b>Target Population</b>	<b>Sample Size (20%)</b>
Senior Level Management	34	6
Mid-level Management	207	42
Low level management	602	120
<b>Total</b>	<b>843</b>	<b>168</b>

Source: Jubilee Insurance Company Limited Human Resource Department (2017)

### **3.5 Data Collection**

The study applied questionnaires to collect primary data. Questionnaires were used because they are time saving and convenient for obtaining a wide range of information. The questionnaires consisted of both close ended and open ended questions which was useful in obtaining detailed information from the respondents. The questionnaire was partitioned into three segments.

Section A comprised of demographic information of the respondents, section B covered information on compensation variables while section C covered information on employee retention. Variables were evaluated on a 5 point Likert scale.

### **3.6 Data Analysis**

Data analysis enabled the researcher to clarify problems, identify alternatives and provide a sense of direction (Saunders, Lewis and Thornhill, 2009). Descriptive statistics was used to analyse data and be presented by use of frequency distribution tables, percentages, mean and standard deviation (SD). Inferential statistics using simple linear regression analysis was used to display the association among compensation and employee retention. The model below was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

$Y$  = Employee Retention

$X_1$  = Compensation

$\varepsilon$  = Error Term

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS**

### **4.1 Introduction**

This chapter presents the findings and interpretation of results obtained from the field responses. The objective of the study was to establish the influence of compensation on employee retention at Jubilee Insurance Company Limited, Kenya. The chapter is divided into subsections including; respondents' background information, descriptive statistics, inferential statistics and finally discussion of findings.

### **4.2 Response Rate**

A total number of 168 respondents were targeted in this study. The respondents were from senior level management, mid-level management and low level management from Jubilee Insurance Company Limited. Nevertheless, 150 respondents returned their questionnaires contributing to 89.3% response rate.

**Table 4.1: Response Rate**

<b>Category</b>	<b>Frequency</b>	<b>Percent (%)</b>
Responded	150	89.3
Did not Respond	18	10.7
<b>Total</b>	<b>168</b>	<b>100</b>

Source: Research Data (2017)

This response rate was adequate for data analysis since a response rate of more than 50% is adequate (Mugenda and Mugenda, 1999). In addition, Cohen (1965) proposed using 80% power for sample size calculations, offering this as “a conventional value.

### **4.3 Respondents' Background Information**

This section present findings on respondents' gender, age, marital status and education level.

#### **4.3.1 Respondents' Gender**

The respondents were asked to indicate their gender and the findings indicated as follows.

**Table 4.2: Respondents' Gender**

<b>Gender</b>	<b>Frequency</b>	<b>Percent (%)</b>
Male	99	66
Female	51	34
<b>Total</b>	<b>150</b>	<b>100</b>

Source: Research Data (2017)

As per the findings, 99 (66%) were male whereas 51 (34%) were female. It was observed that the ratio of male employees were much higher than the female employees. The findings demonstrated that male employees were the dominant workforce at Jubilee Insurance Company Limited, Kenya, thus an indication of gender imbalance.

### **4.3.2 Respondents' Age**

The study asked the employees to reveal their age. The respondents indicated their age bracket as indicated in the table that follows.

**Table 4.3: Age of the Respondents**

<b>Age</b>	<b>Frequency</b>	<b>Percent (%)</b>
Below 25 years	13	8.7
25-34 years	60	40
35-44 years	39	26
45-54 years	20	13.3
Above 55	18	12
<b>Total</b>	<b>150</b>	<b>100</b>

Source: Research Data (2017)

As per the findings, most of the respondents' 60 (40%) age was ranging from 25-34 years and 39 (26%) were aged between 35-44 years. The findings also indicated that 20 (13.3%) of the respondents were aged between 45-54 years old, 18 (12%) of the respondents were above 55 years while 13 (8.7%) of the respondents were below 25 years. This implied that Jubilee Insurance Company Limited employed staffs who were relatively young as they were aged between 25-34 years. This is an indication that the most reproductive human resource is considered at Jubilee Insurance Company Limited, Kenya.

### **4.3.3 Marital Status of the Respondents**

The study wanted to find out the respondents' matrimonial position. Table 4.4 illustrates the findings.

**Table 4.4: Respondents' Matrimonial Position**

<b>Matrimonial Position</b>	<b>Frequency</b>	<b>Percent (%)</b>
Single	26	17.3
Married	83	55.3
Separated	41	27.3
<b>Total</b>	<b>150</b>	<b>100</b>

Source: Research Data (2017)

The response tabulated in Table 4.4 above show that 83 (55.3%) of the respondents were married, 41 (27.3%) were separated, 26 (17.3%) of the respondents were single. This shows that most of the employees are married. Their marital status could have an influence on compensation and employee retention at Jubilee Insurance Company Limited, Kenya. It implies that marital status impact accessory's conglomeration of human capital and wage rates. Included work association and higher wages can enhance the likelihood of entering marriage or remarriage and lessen the likelihood of division.

### **4.3.4 Highest level of Education**

The study probed the respondents to indicate their education level. The responses are illustrated in the table that follows.

**Table 4.5: Education Level of the Respondents**

<b>Education Level</b>	<b>Frequency</b>	<b>Percent (%)</b>
Secondary	22	14.7
Tertiary/College	39	26
Undergraduate	72	48
Postgraduate	17	11.3
<b>Total</b>	<b>150</b>	<b>100</b>

Source: Research Data (2017)

The findings in Table 4.5 indicated 72 (48%) of the respondents had attained undergraduate, 39 (26%) had tertiary/college level of education, 22 (14.7%) had attained secondary level of education while 17 (11.3%) of the respondents specified that they had postgraduate. This implied that most of the employees had attained at least undergraduate education level. This demonstrates that the respondent were in a position of understanding and offering relevant information required to achieve the study objective on influence of compensation on employee retention at Jubilee Insurance Company Limited, Kenya.

#### **4.4 Descriptive Statistics**

This section provides means and standard deviation (SD) for variables under compensation.

#### **4.4.1 Compensation**

Under this section, information on salaries and wages is mentioned below, followed by incentives, employee benefits, bonuses, commissions and additional privileges. The responses were rated in choices of 1 to 5.

##### **4.4.1.1 Salaries and Wages**

The study asked the respondents to specify their agreement level with the following six statements on salaries and wages. The findings are as follows.

**Table 4.6: Salaries and Wages**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
My salary is commensurate to the work I do	2.84	0.404
The company provides an effective wage administration program	3.31	0.598
My salary is above those paid by similar companies	3.99	0.793
My salary is enough to compensate me for my job	3.10	0.568
My wage is based on the amount of extra work put beyond the standard required	4.02	0.916
The company has an effective way of tracking the hours worked by employees	3.53	0.507
<b>Aggregate Mean</b>	<b>3.465</b>	<b>0.631</b>

Source: Research Data (2017)

According to the responses given in the table above, the aggregate mean scores and SD was 3.465 and 0. 631 respectively. The respondents were neutral with the statements that my pay is comparable to the work I do, my pay is sufficient to remunerate me for my activity, and the organization provides an effective wage administration program with mean scores of 2.84, 3.10 and 3.31 respectively and SDs of 0.404, 0.568 and 0.598 respectively. This is an indication that work in an organizations is impacted by elements, for example, compensations and wages. Likewise, dominant part of the respondents were in concurrence with the announcement that the organization has a viable method for following the hours worked by representatives with a mean score of 3.53 and SD of 0.507, my pay is over those paid by comparable organizations as illustrated by a mean score of 3.99 and SD of 0.793, my wage depends on the measure of additional work put past the standard required as demonstrated by a mean of 4.02 and SD of 0.916. This implies that my wage is based on the amount of extra work put beyond the standard required, my salary is above those paid by similar companies and the company has an effective way of tracking the hours worked by employees. According to Agburu (2012), high employee retention in many firms occurs because of high wages and pay rates in an organization.

#### **4.4.1.2 Incentives**

The study also asked the respondents to specify their agreement level with the following six statements on incentives and its influence on employee retention. The findings are insinuated below.

**Table 4.7: Incentives**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
There are yearly incentive plans	4.15	0.810
The incentive rate provided by the company is standard with all other organisations	3.83	0.322
I always receive merit pay for achieving specific goals set by the company	3.91	0.379
I also receive a group incentives when we achieve goals as a team	4.07	0.915
The company share a portion of its profits with the employees	3.29	0.372
I receive a reward for extra achievement of my targets	3.22	0.286
<b>Aggregate Mean</b>	<b>3.745</b>	<b>0.514</b>

Source: Research Data (2017)

From the results of the study, the aggregate mean scores and SD was 3.745 and 0.514 respectively. Most of the respondents were neutral with the statements that I receive a reward for extra achievement of my targets having a mean score of 3.22 and a SD of 0.286 while the company share a portion of its profits with the employees had mean scores of 3.29 and the SD of 0.372. This imply that financial incentives have a positive effect on motivation, while on the other side they have a very low or a negative effect. In addition, majority of respondents were in agreement with the statements: the incentive rate provided by the company is standard with all other organisations with a mean of 3.83 and SD of 0.322; I always receive merit pay for achieving specific goals set by the company with mean of 3.91 and SD of 0.379; I also receive a group incentives when we achieve goals as a team with a mean of 4.07 and SD of 0.915; and

there are yearly incentive plans with mean of 4.15 and SD of 0.810. This confirms that Jubilee Insurance Company Limited, there are yearly incentive plans, I also receive a group incentives when we achieve goals as a team, I always receive merit pay for achieving specific goals set by the company, and the incentive rate provided by the company is standard with all other organisations. Hence, there is a clear indication that incentives have a positive impact on employee retention, and organization that utilize an extensive range of financial incentives tend to influence employee commitment and retention.

#### **4.4.1.3 Employee Benefits**

The study further asked the respondents to specify their agreement level with the following six statements on employee benefits. The responses are indicated in Table 4.8.

**Table 4.8: Employee Benefits**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
Fringe benefits provided by the company are good	3.18	0.476
My medical cover is well taken care of by the company	3.81	0.532
The company has aligned my insurance benefit with my base pay	2.82	0.293
I have been provided with dental check-ups periodically	4.10	0.919
The company pays for my vocation annually	3.23	0.584
I have access to paid leaves when I need them	3.94	0.625
<b>Aggregate Mean</b>	<b>3.513</b>	<b>0.572</b>

Source: Research Data (2017)

As per the study findings, the aggregate for mean scores and SD was 3.513 and 0.572 respectively. Paramount number of respondents were neutral of the fact that the company has aligned my insurance benefit with my base pay as shown by a mean score of 2.82 and SD of 0.293, fringe benefits provided by the company are good as shown by a mean score of 3.18 and SD of 0.476, and the company pays for my vocation annually as shown by a mean score of 3.23 and SD of 0.584. This indicate that the organization did not offer fringe benefits to attract and retain talented employees with the organization. Paramount number of respondents approved that my medical cover is well taken care of by the company as shown by a mean score of 3.81 and SD of 0.532, I have access to paid leaves when I need them as shown by a mean score of 3.94 and SD of 0.625, and I have been provided with dental check-ups periodically as shown by a mean score of 4.10 and SD of 0.919. In overall, there is a general agreement that I have been provided with dental check-ups periodically, I have access to paid leaves when I need them and my medical cover is well taken care of by the company. Therefore, employee benefits are important factor affecting retention, not only for the individual firm but also for the entire industry.

#### **4.4.1.4 Bonuses**

The study also asked the respondents to specify their agreement level with the following six statements on bonuses. The responses are as follows.

**Table 4.9: Bonuses**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
I always receive a bonus for achieving specific goals set by the company	3.31	0.354
I always receive a bonus for dedication to the company	3.27	0.362
My monthly bonuses makes me receive over and above the amount of pay specified as a base salary	2.91	0.151
I receive individual bonus based on my personal achievement	3.30	0.328
I also receive group/departmental bonus based on group/department achievement	4.00	0.920
Company bonus is the most effective financial incentive	4.41	0.951
<b>Aggregate Mean</b>	<b>3.53</b>	<b>0.511</b>

Source: Research Data (2017)

As per the study findings, the aggregate mean for mean scores and SD was 3.53 and 0.511 respectively. Paramount number of respondents were neutral with the statements that my monthly bonuses makes me receive far beyond the measure of pay indicated as a base compensation as shown by a mean score of 2.91 and SD of 0.151, I always receive a bonus for dedication to the company as shown by a mean score of 3.27 and SD of 0.362, I receive individual bonus based on my personal achievement which is specified by a mean score of 3.30 and SD of 0.328, and I always receive a bonus for achieving specific goals set by the company as shown by a mean score of 3.31 and SD of 0.354. This is an indication that most organizations do not give bonuses thus negatively affecting the retention of employees.

However, paramount number of respondents approved that company bonus is the most effective financial incentive and I also receive group/departmental bonus based on group/department

achievement which is specified by mean scores of 4.41 and 4.00 respectively and SDs of 0.951 and 0.920 respectively. This depicts that in overall, company bonus is the most effective financial incentive and employees also receive group/departmental bonus based on group/department achievement. As such, bonus usually founded on the aggregate total work tend to increase employee retention.

#### **4.4.1.5 Commissions**

The study also asked the respondents to specify their agreement level with the following six statements on commissions. The findings are as follows.

**Table 4.10: Commissions**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
The company has competitive percentage for its commissions as compared to other companies	3.12	0.497
I receive a commission based on percentage of sales	3.89	0.352
The company gives me a commission based on percentage of profits made in a month	2.87	0.021
The way I receive my commissions is specified in a written employment contract	3.15	0.354
My employment contract determines when a commission is earned	3.83	0.516
I earn a commission upon completion of the entire process and at certain points during the process	4.06	0.838
<b>Aggregate Mean</b>	<b>3.49</b>	<b>0.430</b>

Source: Research Data (2017)

According to the study findings, the aggregate for mean scores and SD were 3.49 and 0.430 respectively. The respondents were neutral with the statements that the company gives me a commission based on percentage of profits made in a month as shown by a mean score of 2.87 and SD of 0.021, the company has competitive percentage for its commissions as compared to other companies as shown by a mean of 3.12 and SD of 0.497, and the way I receive my commissions is specified in a written employment contract as shown by a mean score of 3.15 and SD of 0.354. This is an indication that employees earn their commission either upon completion of the entire process or at certain points during the process. Most of the respondents agreed that my employment contract determines when a commission is earned as shown by a mean score of 3.83 and SD of 0.516, I receive a commission based on percentage of sales as shown by a mean score of 3.89 and SD of 0.352, and I earn a commission upon completion of the entire process and at certain points during the process with a mean score of 4.06 and SD of 0.838. This implies that I earn a commission upon completion of the entire process and at certain points during the process, I receive a commission based on percentage of sales and my employment contract determines when a commission is earned.

#### **4.4.1.6 Additional Privileges**

The study further asked the respondents to specify their agreement level with the following six statements on additional privileges. The responses are indicated in Table 4.11.

**Table 4.11: Additional Privileges**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
The company provides a company vehicle to its employees	4.09	0.905
The company pays for my club membership fees	2.90	0.054
I receive travelling allowances from the company	2.87	0.034
My employer recognizes my performance in the company	3.77	0.455
I have access to opportunities for training and development	3.53	0.188
The company provides long service awards and best employee of the year	3.08	0.133
<b>Aggregate Mean</b>	<b>3.373</b>	<b>0.295</b>

Source: Research Data (2017)

The study findings in Table 4.11 above revealed 3.373 and 0.295 as the aggregate mean score and SD respectively. Most of the respondents were neutral with the statements that I receive travelling allowances from the company as shown by a mean score of 2.87 and SD of 0.034, the company pays for my club membership fees which is specified by a mean score of 2.90 and SD of 0.054 and the company provides long service awards and best employee of the year as shown by a mean score of 3.08 and SD of 0.133. This implies that offer less prizes to workers in light of their participation in that organization tend to reduce employee retention.

However, majority of the respondents were in agreement that I have access to opportunities for training and development as shown by a mean score of 3.53 and SD of 0.188, my employer recognizes my performance in the company as shown by a mean score of 3.77 and SD of 0.455

and the company provides a company vehicle to its employees as shown by a mean score of 4.09 and SD of 0.905. This depicts that the company provides a company vehicle to its employees, my employer recognizes my performance in the company and I have access to opportunities for training and development. Therefore, performance based and enrolment based prizes to workers in light of participation in an organization or on the premise of achieving high performance has a significant impact on employee retention.

#### **4.4.2 Employee Retention**

This section presents information on attitude, loyalty, work environment, and passion. The responses were rated in a Likert scale of 5 where; 1-Strongly Disagree, 2- Disagree, 3-Neutral, 4-Agree and 5-Strongly Agree. The findings are as follows.

##### **4.4.2.1 Employee Attitude**

The study also asked the respondents to specify their agreement level with the following six statements on employee attitude. The findings were as indicated in Table 4.12.

**Table 4.12: Employee Attitude**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
I intend to do everything in my power to support change in the company	4.01	0.913
The company helps me to develop my skills	3.49	0.716
I do not hesitate to try new ideas to make the organisation remain competitive in the market	4.11	0.979
Employees in the company co-ordinate in all aspects	3.19	0.585
I'm looking forward to the change happening in my field of insurance	3.96	0.397
Promotion is given according to the performance of the employees	3.99	0.473
<b>Aggregate Mean</b>	<b>3.792</b>	<b>0.677</b>

Source: Research Data (2017)

The findings in Table 4.12 above shows that the aggregates for mean scores and SD was 3.792 and 0.677 respectively. Most of the respondents were neutral with the statements that employees in the company co-ordinate in all aspects as shown by a mean score of 3.19 and SD of 0.585 and the company helps me to develop my skills as shown by a mean score of 3.49 and SD of 0.716. This is an indication that organizations that manage attitude of employees are more likely as different associations to report that they altogether beat their companions monetarily. Then again, the respondents were in understanding that I'm anticipating the change occurring in my field of protection as appeared by a mean score of 3.96 and a SD of 0.397, Promotion is offered by the execution of the representatives as appeared by a mean score of 3.99 and SD of 0.473, I expect to do everything possible to help change in the organization as appeared by a mean score of 4.01 and SD of 0.913, and I don't waver to attempt new plans to influence the association to stay aggressive in the market as appeared by a mean score of 4.11 and SD of 0.979. This suggests representatives not falter to attempt new plans to influence the association to stay focused in the market, workers mean to do everything possible to help change in the organization, Promotion is offered by the execution of the workers, and representatives are anticipating the change occurring in my field of protection.

#### **4.4.2.2 Employee Loyalty**

The study asked the respondents to specify their agreement level with the following six statements on employee loyalty.

**Table 4.13: Employee Loyalty**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
I feel a strong loyalty and long-term commitment to the company	3.77	0.581
It is very difficult for me to leave work in this company	3.51	0.558
I think every person should keep his or her loyalty to the company	3.29	0.490
I feel I am a member of the family of this company	3.78	0.669
I will not leave this company now since I feel I have a duty towards its course	3.22	0.107
This company deserves my full interest and loyalty	3.53	0.303
<b>Aggregate Mean</b>	<b>3.52</b>	<b>0.451</b>

Source: Research Data (2017)

According to the findings, the aggregates for means and SDs were 3.52 and 0.451 respectively.

Most of the respondents were neutral with the statements that I won't leave this organization now since I believe I have an obligation towards its course as appeared by a mean score of 3.22 and SD of 0.107, and I figure each individual should keep his or her loyalty to the organization as appeared by a mean score of 3.29 and SD of 0.490. The discoveries suggest that workers that are less steadfast can make unease, influence resolve and cost an organization in both time and enlistment expenses to locate a reasonable staff substitution. Then again, a large portion of the respondents were in assentation that I believe I am an individual from the group of this organization, I feel a solid loyalty and long haul sense of duty regarding the organization, this organization merits my full intrigue and loyalty, it is extremely troublesome for me to leave work in this organization with mean scores of 3.78, 3.77, 3.53, and 3.51 separately and SDs of 0.669,

0.581, 0.303 and 0.558 separately. This is a reasonable sign that I believe I am an individual from the group of this organization, I feel a solid loyalty and long haul sense of duty regarding the organization, this organization merits my full intrigue and loyalty, it is extremely troublesome for me to leave work in this organization. Therefore, glad staff won't just stay put for more, which battles the issues, for example, unease and cost, they will likewise be more profitable and make a superior showing with regards to for the business.

#### **4.4.2.3 Work Environment**

The study asked the respondents to specify their agreement level with the following six statements on work environment. The responses were rated in Likert scale and findings illustrated below.

**Table 4.14: Work Environment**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
The working environment is open and trustworthy	3.96	0.614
Supervisors do spend good deal of time in listening to employee's ideas	4.09	0.810
My physical space allows me to work efficiently	3.64	0.641
Safe working environment is provided	3.88	0.532
Organization provides scope for better career development plans	3.57	0.553
I am satisfied with the encouragement and professional respect I receive in the company	4.12	0.996
<b>Aggregate Mean</b>	<b>3.88</b>	<b>0.691</b>

Source: Research Data (2017)

From the study findings, a mean of 3.88 and SD of 0.691 were the aggregates for statements on work environment. Most of the respondents were in agreement with the statement that association gives degree to better vocation advancement designs as demonstrated by a mean score of 3.57 and SD of 0.553, my physical space enables me to work effectively as appeared by a mean score of 3.64 and SD 0.641, safe working environment is given as appeared by a mean score of 3.88 and SD of 0.532, the working environment is open and dependable as showed by a mean score of 3.96 and SD of 0.614, Supervisors do invest great arrangement of energy in tuning in to worker's thoughts as showed by a mean score of 4.09 and SD of 0.810, and I am happy with the consolation and expert regard I get in the organization as appeared by a mean score of 4.12 and SD of 0.996. This discoveries demonstrate that the greater part of the respondents were happy with the consolation and expert regard I get in the organization, Supervisors do invest great arrangement of energy in tuning in to representative's thoughts, the working environment is open and reliable, safe working environment is given, my physical space enables me to work productively and association gives extension to better profession improvement designs.

#### **4.4.2.4 Passionate to Work**

The study asked the respondents to specify their agreement level with the following six statements on work. Table 4.15 indicated the responses.

**Table 4.15: Passionate to Work**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
I am passionate about my work and the organization	3.82	0.212
I feel valued and respected and know that what I do makes a real difference	4.14	0.987
I am passionate the way my immediate manager or supervisor trusts me and treats me with respect	3.59	0.670
I have a passion to increase my knowledge and develop new skills in my job	3.99	0.591
The mission or purpose of my organization gives me passion to and makes me feel proud to work here	3.55	0.463
I am passionate the my team is focused on continually improving our performance	4.21	0.906
<b>Aggregate Mean</b>	<b>3.88</b>	<b>0.638</b>

Source: Research Data (2017)

The findings in Table 4.15 revealed that 3.88 and 0.638 were the aggregates for mean scores and SD respectively. Furthermore, the respondents were in agreement that I am passionate the my group is centered around persistently enhancing our execution, I feel esteemed and regarded and realize that what I do has a genuine effect, I have a passion to build my insight and grow new abilities in my activity, I am passionate about my work and the association, I am passionate the way my quick administrator or boss trusts me and approaches me with deference and The mission or reason for my association gives me passion to and influences me to feel pleased to

work here as showed by a mean score of 4.21, 4.14, 3.99, 3.82, 3.59 and 3.55 respectively and SDs of 0.906, 0.987, 0.591, 0.212, 0.670 and 0.463 respectively. This is an indication that most of the respondents were passionate the my group is centred around ceaselessly enhancing our execution, I feel esteemed and regarded and realize that what I do has a genuine effect, I have a passion to expand my insight and grow new abilities in my activity, I am passionate about my work and the association, I am passionate the way my quick chief or manager believes me and approaches me with deference and The mission or motivation behind my association gives me passion to and influences me to feel pleased to work here. In this way, underlining on the significance of worker bliss is a driver of business comes about, and that representative passion is a key to representative joy.

## **4.6 Inferential Statistics**

### **4.6.1 Linear Regression Analysis**

Simple linear regression analysis was applied test relationship among compensation and employee retention at Jubilee Insurance Company Limited, Kenya. SPSS was used to enter, code and compute measurements of the simple regression variables. The summary in table below shows the findings.

**Table 4.16: Regression Model**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	0.921 <sup>a</sup>	0.849	0.845	.04131

a Predictors: (Constant), Compensation

Source: Research Data (2017)

From the determination coefficients in Table 4.16, it can be noted that there was a strong relationship between independent and dependent variables given an  $R^2$  values of 0.849 and adjusted to 0.845. This shows that compensation (independent variables) account for 84.5% of variations in employee retention.

**Table 4.17: Analysis of Variance (ANOVA) and Regression Model Coefficients**

Model		Sum of Squares		df	Mean Square	F	Sig.
	Regression	85.245		1	3.654	7.667	.0008b
Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	.281	.127			0.209	.000 <sup>a</sup>
	X <sub>1</sub>	.923	.422	.136		1.009	.001

Source: Research Data (2017)

ANOVA was applied in simultaneous comparison generation between two or more means, thus testing whether a huge relationship existed between the exogenous and endogenous factors. The ANOVA comes about introduced in Table 4.17 demonstrate that relapse show has an edge of error of  $p = .0008$ . This indicates a 0.08% margin probability of false prediction. This point to the significance of the model thus accounts to the link between compensation and employee retention.

From the coefficients of the regression model illustrated in the table 4.17, the regression equation is:  $Y=0.281+0.923X_1$

The regression coefficient for compensation and employee retention is 0.923. This means that the relationship between compensation and employee retention is significantly positive. This implies that effective compensation practices has an end result of better retaining of employees and vice versa.

#### **4.7 Discussion of Findings**

The study sought to establish the influence of compensation on employee retention at Jubilee Insurance Company Limited, Kenya. Both descriptive and inferential statistics were used in the study. Linear regression analysis was used in the study show a positive association between the compensation and employee retention.

The study found that salaries and wages had an influence on employees' retention. It found that most employees' wage is based on the amount of extra work put beyond the standard required which is specified by a mean score of 4.02 and SD of 0.966. This findings concur with a study by Kalimullah, et al., (2010) who proposed that reward causes inspiration of the worker which particularly impacts execution of the delegate. Compensations are administration instruments that in a perfect world add to homestead's feasibility by affecting individual or social occasion lead. All associations use pay, headway, rewards or diverse sorts of prizes to move additionally, invigorate irregular state shows of workers. To use pay rates as an assistance reasonably, executives must consider pay structures which should consolidate the centrality affiliation associate with every action, portion as demonstrated by execution, individual or extraordinary rewards, coincidental favorable circumstances and annuities (Rukhmani et al 2010).

The study also found that incentives were positively related to employee retention. The study found that organizations give yearly incentive plans which is specified by a mean score of 4.15 and SD of 1.110. This findings were in agreement with a study by Stajkovic and Luthans (2001) who found that incentives enhanced performance over 30 for every penny contrasted and the individuals who did not get motivations. Additionally, Clark and Stalovictch (2003) found that execution increment in bunches with money related extra frameworks though in charge bunches execution more often than not remains at the same level.

Employee benefits such as dental check-ups periodically were found to have a positive relationship with employee retention as shown by a mean score of 4.10 and SD of 1.169. According to Tzeng (2002), employee benefits and the connection between work fulfillment, and the outcomes are decidedly related. That is, the usage of worker benefits, work fulfillment has a positive upgrade of the part.

The study further found that employee retention depends on a number of factors such as working environment. It found that supervisors do spend good deal of time in listening to employee's ideas which is specified by a mean score of 4.09 and SD 1.310. This findings concur with a study by Barbara (2002) who argues that in the present turbulent work environment, a steady workforce transforms into a superior upper hand and that if an affiliation has shaky workforce conditions, it's constrained to put resources into a lot of capital in preparing, extra minutes and supervision which comes perfect off the association's essential concern. Right when degrees of maintenance are low, additional time and cash are spent on choosing, picking and getting ready new laborers that could have been spent on different exercises like execution change or occupation change of agents (Abbasi and Hollman, 2000).

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This section summarizes findings discussed above, and also gives the recommendations and conclusions based on the objectives. The objectives of this study was to the influence of compensation on employee retention at Jubilee Insurance Company Limited, Kenya.

### **5.2 Summary of the Findings**

The study found that compensation accounted for 84.5% change in employee retention. The relationship between compensation and employee retention was significantly positive which was specified by a coefficient of 0.923. The study established that effective compensation practices has an end result of better retaining employees. Jubilee Insurance Company gave salaries and wages, incentives, employee benefits, bonuses, commissions and additional privileges as compensation to its employees. The study found that wage is based on the amount of extra work put beyond the standard required, salary of most employees is above those paid by similar companies and the company has an effective way of tracking the hours worked by employees. The study also found that company bonus is the most effective financial incentive and employees also receive group/departmental bonus based on group/department achievement.

It was established that employees do not falter to attempt new plans to influence the association to stay focused in the market and employees want to do everything possible to help change in the organization. Employees' attitude was positive since they felt a solid loyalty and long haul sense of duty regarding the organization and that the organization merits earned their full intrigue and

loyalty. Employees liked the environment they worked in and were happy with the consolation and expert regard they got in the organization.

### **5.3 Conclusion**

The study concluded that compensation has a positive and significant relationship with employee retention and therefore, effective compensation practices has an end result of better retaining employees. The study concluded that salaries and wages, incentives, employee benefits, bonuses, commissions and additional privileges influence employee retention. These benefits go a long way in reducing employee worry about one's family security, increase employee loyalty to the organization, reduces stress on jobs, improves employee morale and provides overall wellness of employees at work place all of which culminate in improving employee retention.

Employees at Jubilee Insurance Company were passionate and felt esteemed and regarded and realized that what they do has a genuine effect. They have a passion to expand their insight and grow new abilities in their activity as well as in their work and the association. Employees' attitude was positive since they felt a solid loyalty and long haul sense of duty regarding the organization and that the organization merits earned their full intrigue and loyalty. Employees did not stop attempting new plans to influence the association to stay focused in the market and employees wanted to do everything possible to help change in the organization.

### **5.4 Recommendation of the Study**

The study recommends that in order to enhance employees retention, Jubilee Insurance Company Limited should offer better fringe benefits, increase salary, a good reward scheme, staff participation in decision making, incentives to motivate staff, benefit policies that are

competitive and comparable with other organization, straight forwardness in issues identifying with staff benefits, foundation of dedication clubs/group building and great working conditions.

### **5.5 Suggestions for Further Research**

This study has investigated the influence of compensation on employee retention at Jubilee Insurance Company Limited, Kenya. This study was based on one private insurance company and the findings might not be conclusive to give a generalised information across all private insurance firms in the sector. It was therefore suggested that similar study be done in other private insurance companies. Given the study was done in a private company, it is important to compare the findings with a public insurance company. The study therefore recommends that further research should be done on the influence of compensation on employee retention in public organizations. This is because the private and public sectors have different strategic approach and thus allowing for comparison. Other studies should also be done on other public and private parastatals to allow for generalization on the effects of compensation on employee retention in Kenya.

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## APPENDICES

### **Appendix I: Questionnaire**

I am a student at the University of Nairobi conducting a research on the influence of compensation on employee retention at Jubilee Insurance Company of Kenya Limited. Data given in this survey will be utilized only for scholarly purposes and will be treated with most extreme secrecy. Your interest is very valued.

### **PART. A: DEMOGRAPHIC INFORMATION**

Tick (✓) the appropriate box

**1.** Gender (a) *Male* ( ) (b) *Female* ( )

**2.** Age group

(a) *Below 25 years* ( ) (b) *25-34 years* ( ) (c) *35-44 years* ( )

(d) *45-54 years* ( ) (e) *Above 55* ( )

**3.** Marital Status

(a) *Single* ( ) (b) *Married* ( ) (c) *Separated* ( )

(d) *Divorced* ( ) (e) *Widowed* ( )

**4.** Level of education

(a) *Secondary* ( ) (b) *Tertiary/College* ( ) (c) *Undergraduate* ( )

(d) *Postgraduate* ( )

## **PART B: COMPENSATION**

If it's not too much trouble demonstrate the degree to which you concur or can't help contradicting the underneath proclamations by ticking (✓) in the appropriate space on a five point Likert scale of 1-5 where;



S/No.	Statements regarding compensation at Jubilee Insurance Company of Kenya Limited	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
5.0	<b>Salaries and Wages</b>	1	2	3	4	5
5.1	My salary is commensurate to the work I do					
5.2	The company provides an effective wage administration program					
5.3	My compensation is over those paid by comparable organizations					
5.4	My pay is sufficient to repay me for my activity.					
5.5	My wage depends on the measure of additional work put past the standard required					
5.6	The company has an effective way of tracking my working hours					

<b>6.0</b>	<b>Incentives</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
6.1	There are yearly incentive plans					
6.2	The incentive rate provided by the company is standard with all other organisations					
6.3	I always receive merit pay for achieving specific goals set by the company					
6.4	I also receive a group incentives when we achieve goals as a team					
6.5	The company share a portion of its profits with the employees					
6.6	I receive a reward for extra achievement of my targets.					
<b>7.0</b>	<b>Employee Benefits</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
7.1	Incidental advantages gave by the organization are great					
7.2	My medical cover is well taken care of by the company					
7.3	The company has aligned my insurance benefit with my base pay					
7.4	I have been provided with dental check-ups periodically					
7.5	The company pays for my vocation annually					
7.6	I have access to paid leaves when I need them					
<b>8.0</b>	<b>Bonuses</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
8.1	I always receive a bonus for achieving specific goals set by the company					

8.2	I always receive a bonus for dedication to the company					
8.3	My monthly bonuses makes me receive over and above the amount of pay specified as a base salary					
8.4	I receive individual bonus based on my personal achievement					
8.5	I also receive group/departmental bonus based on group/department achievement					
8.6	Company bonus is the most effective financial incentive					
<b>9.0</b>	<b>Commissions</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
9.1	The company has competitive percentage for its commissions as compared to other companies					
9.2	I receive a commission based on percentage of sales					
9.3	The company gives me a commission based on percentage of profits made in a month					
9.4	The way I receive my commissions is specified in a written employment contract					
9.5	My employment contract determines when a commission is earned					
9.6	I earn a commission upon completion of the entire process and at certain points during the process					
<b>10.0</b>	<b>Additional Privileges</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

10.1	The company provides a company vehicle to its employees.					
10.2	The company pays for my club membership fees					
10.3	I receive travelling allowances from the company					
10.4	My employer recognises my performance in the company					
10.5	I have access to opportunities for training and development.					
10.6	The company provides long service awards and best employee of the year.					

### PART C: EMPLOYEE RETENTION

Kindly demonstrate the degree to which you concur or can't help contradicting the underneath articulations by ticking (✓) in the appropriate space on a five point Likert scale of 1-5 where;

(a) *Strongly Disagree - 1*

(d) *Agree - 4*

(b) *Disagree – 2*

(e) *Strongly Agree - 5*

(c) *Neutral -3*

S/No.	<b>Statements regarding employee retention at Jubilee Insurance Company of Kenya Limited</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>11.0</b>	<b>Employee Attitude</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
11.1	I intend to do everything in my power to support change in the company					
11.2	The company helps me to develop my skills					
11.3	I do not hesitate to try new ideas to make the organisation remain competitive in the market					
11.4	Employees in the company co-ordinate in all aspects					
11.5	I'm looking forward to the change happening in my field of insurance					
11.6	Promotion is given according to the performance of the employees					
<b>12.0</b>	<b>Employee Loyalty</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
12.1	I feel a strong loyalty and long-term commitment to the company					
12.2	It is very difficult for me to leave work in this company					
12.3	I think every person should keep his or her loyalty to the					

	company					
12.4	I feel I am a member of the family of this company					
12.5	I will not leave this company now since I feel I have a duty towards its course					
12.6	This company deserves my full interest and loyalty.					
<b>13.0</b>	<b>Work Environment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
13.1	The working environment is open and trustworthy.					
13.2	Supervisors do invest great arrangement of energy in tuning in to worker's thoughts					
13.3	My physical space allows me to work efficiently					
13.4	Safe working environment is provided					
13.5	Association gives extension to better profession improvement designs					
13.6	I am happy with the consolation and expert regard I get in the organization.					
<b>14.0</b>	<b>Passion to Work</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
14.1	I am passionate about my work and the organization					

14.2	I feel valued and respected and know that what I do makes a real difference					
14.3	I am passionate the way my immediate manager or supervisor trusts me and treats me with respect					
14.4	I have a passion to increase my knowledge and develop new skills in my job					
14.5	The mission or purpose of my organization gives me passion to and makes me feel proud to work here.					
14.6	I am passionate the my team is focused on continually improving our performance					

## **Appendix II: Letter of Introduction**

Henry Kirika Mwangi,  
C/O University of Nairobi,  
P.O Box, 30197,  
Nairobi, Kenya.

Dear Sir/Madam

### **RE: REQUEST TO COLLECT DATA FROM YOUR ORGANIZATION**

I'm a student at the University of Nairobi currently undertaking Master of Science (MSc), in Human Resources Management. I have successfully completed my course work and as part of the university requirements, I am supposed to undertake a research study. My research focused on "**Influence of Compensation on Employee Retention at Jubilee Insurance Company of Kenya Limited.**"

The purpose of this letter is to request your permission to collect data for research purposes. All information collected is preserved with extreme privacy and used only for academic tenacities.

I highly appreciate your support and consideration.

Yours Sincerely,

Henry Kirika Mwangi

### **Appendix III: List of Insurance Firms**

	<b>List of Insurance Firms</b>
1	AAR Insurance Kenya
2	APA Insurance
3	Africa Merchant Assurance Company (AMACO)
4	Allianz Kenya
5	Apollo Life Assurance
6	AIG Kenya Insurance Company
7	British-American Insurance Company Kenya Limited
8	Cannon Assurance Company Limited
9	Capex Life Assurance Company
10	CIC General Insurance
11	CIC Life Assurance
12	Continental Reinsurance
13	Corporate Insurance Company
14	Directline Assurance Company
15	East Africa Reinsurance Company
16	Fidelity Shield Insurance Company
17	First Assurance Kenya Limited
18	GA Insurance Company
19	Geminia Insurance Company
20	ICEA LION General Insurance Company
21	ICEA LION Life Assurance Company
22	Intra Africa Assurance Company
23	Invesco Assurance Company
24	Kenindia Assurance Company
25	Kenya Orient Insurance
26	Kenya Reinsurance Corporation
27	Liberty Life Assurance Kenya Limited
28	Madison Insurance Company Kenya
29	Mayfair Insurance Company
30	Mercantile Insurance Company
31	Metropolitan Life Insurance Kenya
32	Occidental Insurance Company
33	Old Mutual Life Assurance Company
34	Pacis Insurance Company
35	Phoenix of East Africa Assurance Company
36	Pioneer Assurance Company
37	Real Insurance Company

38	Resolution Insurance Company
39	Sanlam Kenya plc – was Pan Africa Life Assurance
40	Takaful Insurance of Africa
41	Tausi Assurance Company
42	Heritage Insurance Company
43	Jubilee Insurance Company Limited
44	Monarch Insurance Company
45	Next Insurance Kenya
46	Trident Insurance Company
47	UAP Insurance Company
48	UAP Life Assurance Company
49	Xplico Insurance Company