

**PERCEIVED FACTORS AFFECTING EMPLOYEE
RETENTION IN SAFARICOM LIMITED**

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FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF
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DECLARATION

This research project is my original work and has never been submitted to any other university for the award of a diploma, degree or master's degree.

SIGNATURE----- DATE-----

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D61/67462/2011

This research project has been submitted for examination with my approval as the university supervisor.

SIGNATURE----- DATE-----

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(UNIVERSITY SUPERVISOR)

DEDICATION

This project is dedicated to all those who helped me shape my academic life, whose love, support, understanding, sacrifice and encouragement have made it possible for me to get this far. I would as well dedicate this work in its entirety to my classmates and policy makers in the Government of Kenya. I wouldn't have made this far without their endless support.

Above all, I thank God for giving me good health; and to my entire family and friends for your motivation, support, encouragement and understanding throughout the research period.

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With profound humility and heartfelt appreciation, I wish to express my sincere gratitude and regards to my supervisor Florence Muindi for her guidance, support, advices, supervision, taking her time to go through this project I right from the preliminary levels and her constant advice and equipping me with the knowledge that enabled me to come up with this kind of write up. My appreciation also goes to the entire staff of university of Nairobi who indeed offered their best to me in order to see me succeed. To the entire Safaricom fraternity, I salute you for your continued support and cooperation for providing me with the information required for this research to be successful. I owe a great gratitude to my wife Jane and son Jayson for their unfailing support throughout my period of study through understanding and appreciating the demands of the course in terms of time and other resources.

ABSTRACT

The objective of the study is to investigate the perceived factors that affect employee retention in Safaricom Limited. Among the factors that influence employee retention includes; performance management practices, compensation, working conditions, rules and regulations, Manager-Employee Relationship and Career Growth. Employee retention in any organization is important as it assists in reducing the cost of recruitment, increased productivity and morale, retaining high performers, good organization image and keeping inside information more private. This study used descriptive survey in a context of one organization. The targeted population included the employees in all the departments of Safaricom Limited. Stratified random sampling procedure was used to arrive at a sample of the employees who took part in the study. Questionnaires with both structured and unstructured questions with rating scales were self-administered for purpose of collecting primary data. Quantative analysis was done using descriptive statistics such as percentages, means, standard deviation and tables to describe distributions. The research revealed that performance management practices are not transparent and unfair hence low retention and performance management practices are by objective, attainable and realistic, systematic, participative and regular. Career growth practices within Safaricom LTD leads to lower rate of employee retention. The availability of the manager and means of communication to employee is not well enhanced. Rules and regulation are a burden leading to low level of employee retention. Compensation is competitive and caters their needs leading to increased employee retention. Working conditions of the safaricom limited employees assisted in employee retention. The findings recommend that performance management practices needs to be reviewed to become fair and transparent. Career growth and development practices needs to be reviewed to increase employee retention. There is need for improved communication channels and manager availability within the organizations. The study recommends that the employees requires to be involved in drafting rules and regulations and reviewing them not to act as a burden to employee in turn increasing the rate of employee retention. Compensation equity and policy requires to be reviewed to increase rate of employee retention.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Employees in any organization are taken as core assets due to their level of input toward the existence, growth and development of an organisation. The nature and the pace of current changes in the business and economic environment have motivated managers and scholars to adopt new sources of competitive advantage and profitability. Organisations need to strive in acquiring human capital that is a unique resource, both difficult to replicate and substitute for.

Organizations develop various strategies and processes to ensure that the human capital acquires these conditions hence get retained in the organisation (Schuler et al 2007). Taylor (2000), the straightforward answer to the question of how best to retain staff is to provide them with a better deal, in the broadest sense than they perceive they could get by working with alternative employers. Terms and conditions play a significance role but other factors are often more important. According to him, there is the need to provide roles that are more satisfying, along career development opportunities to enhance their level of job satisfaction hence a higher rate of employee retention.

Locke and Latham (2004), to ensure the employee retention rate is high, employee satisfaction and motivation at workplace is paramount. The hierarchy of needs outlined in Maslow's (1948) theory is widely practiced in most of the organizations with an aim of ensuring high rate of employee retention. In his ladder of human needs – basic needs, security, social, self-esteem, and self-actualization. Self-actualization relates to the

current challenges and opportunities of employers and organizations. Its purpose is to provide true meaning of human capital development within the organizations as well as real life situation. Maslow (1948), was able to view these issues for over 50 years; the fact that employees have the basic human needs, they also have a right to strive for self actualisation just as the corporate directors and business owners to ensure their retention in any organization.

For organizations to acquire a high rate of employee retention, then they should understand, encourage and enable their human capital with personal growth to ensure they acquire self actualization. This is way beyond the traditional work-related training and development. Modern employers have now focused in building sustainable success through commitment by helping the human capital to identify, pursue, and reach their own unique potential leading to their retention. Acquired experience during working life leads to the development of new skills, attributes, characters, behaviors, and wisdom that can be translated to a strategy to acquire competitive advantage to the organization. Modern organizations recognize this as a way to retain potential employees that seek to grow by offering such development support in all directions which leads to an increase in the rate of employee retention. (Leighn, 2002).

1.1.1 Concept of Perception

Wendell (1998), Perception is a process of consciousness of an object. It is one of the means of valid knowledge in the world and consists in an inseparable relation of the perceptive consciousness with its content.. According to his research, employee

perception is a factor that can make a huge difference in the quality of the workplace and influence the employees stay in the organization. When employees view the employer, their work, and their relationships within that workplace as being positive, there is a good chance the employee will be productive and remain with the employer for a long time. Negative perceptions of the company and the working environment can cause qualified employees to seek opportunities elsewhere.

According to Schneider (1976), factors that can impact employee perception include how well the employer communicates with employees, the nature of the working conditions, the policies and procedures of the business in general, and how much trust and respect is present between managers, employees, and coworkers. In addition, the benefits paid and how they relate to the work assigned can also have a huge impact on the perception of an employee. In his research, once all these factors are catered for, then there is a high chance of high rate of employee retention

According to Parkinson (1990). Positive employee perception of the organisation portfolio is an important factor for existence growth and development of an organisation. What the employee perceives is generally what the employee believes and acts on. Employee perceptions are shaped by many factors, prominent among them organizational roles, supervisory styles, and communication styles. Employee perceptions cannot be ignored, even when they are known to be incorrect, because they are factual to the employees which in turn acts as a major factor to continued existence of the employee to the organisation.

According to Sperling. (1997). perceptions can be controlled to a considerable extent through effective supervision where the manager or supervisor maintains a constant explanation to the employee on the importance of the organization objectives, its existence, growth and development. According to his research, the supervisor needs to become aware of the power of perception, learn what circumstances are likely to cause incorrect perceptions, learn how to manage employee perceptions to the extent possible, and always approach perception as the perceiver's reality. This leads to employer investing on the managers and supervisors on training programmes that would assist them to administer the relevant assistance to the employee's perception hence higher rate of employee retention.

1.1.2 Concept of Employee Retention.

Siggler(1999), employee retention refers to organization's ability to retain its employees which can be represented by a simple statistics. Leighn (2002),defines employee retention as keeping those employees that keep the organizations in business. Abraham (2007), it is important that the organization hires the right employee and strives to safeguard them to avoid losing them. It's the duty of organizations to focus on reducing employee turnover with an aim of decreasing recruitment cost, training costs, accidents of new employee are often higher, wastage is often higher with new employees, avoiding time wastage as a resource, and loss of talent and organizational knowledge. According to his research, organization can seek "positive turnover" whereby they aim to maintain only those employees who they consider to be high performers. Hiring employees is just the beginning of creating a strong work force. There follows new hire engagement and

retaining them. Employees can be available and get attracted to an organization, but retaining these employees lies within the organizations abilities.

On the other hand, Parkinson (1990) defines employee retention as the efforts by which employers attempt to retain employees in their workforce. In this sense, employee retention becomes a strategy rather than an outcome. Organization's strategists develop employee retention as a strategy with focus of gaining competitive advantage which is aligned with the overall organization strategy. There are various high performance environments that share a serious devotion to results after employees are retained. This calls for examining approaches that can be used to retain critical employees. Nurturing employee from new entrant, new hire engagement and then to high performing and committed employees requires organization to understand requirements of positive work environment.

Schuler et al (2007), programmes are developed and highlighted theories of employee retention that enable organization to reduce the rate of turnover. Recognizing that employee turnover is a symptom but not a problem assists in detecting the root cause and getting solution before it goes out of hand. Turnover, just like absenteeism or conflict either at top, middle or lower level of management is the result of deeper issues that have to be resolved. They can be low morale, no career path, lack of recognition, poor employee-manager relationships, which may exist in the organization. In case the root causes are not highlighted and solutions developed then the rate of employee retention goes down.

1.1.3 Factors Affecting Employee Retention

Mike Poskey (2000), Employee retention is a function of both the employee and the employer which can either be personal or the ability of organization to provide employee needs and wants in the workplace. According to his research, an employee looks for a change when the job becomes monotonous and does not offer anything new. It is essential for everyone to enjoy whatever they do. The responsibilities must be delegated according to the individual's specialization, abilities, talents and interests. It is the responsibility of the team leader to assign challenging work to his team members for them to enjoy work and do not treat it as a burden, which in turn leads to a higher rate of employee retention.

Yellen (1984), organizations with higher pay levels are able to attract, retain and motivate the best performers. High pays levels generates larger applicants pool which allow organizations to be more selective when hiring and retaining qualified employees. Therefore, organizations that offer a higher pay experiences a higher rate of employee retention. Reilly et al (2000) found that employee retention is highly affected by lack of growth and advancement opportunities where the employee performs a similar set duties and responsibilities for a long period of time without movement along his/her line of career. Research studies done by Mitchell et al(2001), showed that rules and regulations within the organization affects the employee working life in an organization as they can be a burden to the employee and feel like they are in a "prison like" environment. They must be well elaborated to the employee with more emphasis on their importance to the employee and the business.

Lawler (1971), Manager-employee relationship affects the employee where employees claim that they do not leave organization but they leave the managers. Managers have the role of developing a relationship that is conducive for all the employees. Schneider (1976) suggests that remunerations and benefits offered to the employee affect their motivation depending on which level they satisfy their needs. Benefits offered to the employee should be competitive enough to enable the employees to be retained. According to Weiss (1980), Performance management process is another factor that affects employee retention. Employee appraisal systems may act negatively if the set goals are not SMART and not discussed fully by both appraisee and the appraiser.

1.1.4 Safaricom Limited

It started as a department of Kenya Posts & Telecommunications Corporation, the former monopoly operator. It launched its operations in 1993 based on an analogue network and was upgraded in 1996 (license awarded in 1999). It is one of the leading integrated communications companies in Africa with over 17 million subscribers most of whom are in the major towns - Nairobi, Mombasa, Kisumu and Nakuru among others. Its headquarters are located in SafaricomHouse, Waiyaki Way in Westlands, Nairobi. It has other offices in Nairobi city center which includes; I&M building along Kenyatta Avenue, along Kimathi Street and at Shankardass House among others. Safaricomemploys 3,500 employees mainly stationed in Nairobi and other major towns in which it manages retail outlets. It has also three contact Centre's; Mlolongo, westlands and Thika. (Safaricom2012).

Safaricom's range of products and services include Voice services, M-pesa, M-shwari, Mobile banking, M-kesho, mobile and fixed Internet services, Simuya Jamii, Voicemail, Get-it 411, 191 Directory services, 24 hour customer service, Roaming service (to prepay and PostPay customers), Get-it 411 channels, Third party top-up. Safaricom's vision is "To be the best company in Africa" – enriching customer's lives, helping individuals, businesses and communities and be more connected in the mobile world. Its departments includes; human resource management, customer care, corporate affairs, consumer business unit, finance, technology, enterprise business unit, financial services. Safaricom values include; Passion for our People, customers, world around us, and results. Safaricom employee creates, sustain and maintain the winning team. Safaricom strives for the right people at all levels, the right culture and the right values to drive it. Its responsibility is to provide good working condition to retain the employees. (Safaricom2012)

1.2 Research Problem

Torrington et al (2005) point out that throughout employees working life, they increase their levels of knowledge, experience and skills that increase performance, opens up opportunities, and personal development. According to them organization's needs to identify individual employees abilities, talents and education background to enable them administer the relevant motivating factors and growth leading to increased rate of employee retention which is more beneficial to the organization. According to Simon and Hinkin (2001), many companies are making concerted efforts to control employee turnover through enhanced pay, benefits and incentive systems, participatory

performance management practices, improving working conditions. Morgan (1992), there is the need of offering benefits to employees which are normally touted as to the ability to attract and retain employees, however perceived benefits inequity could result in the converse which may lead to dissatisfaction, absenteeism, lower level of performance and ending up to a lower rate of employee retention.

Safaricom Limited has put various measures and programmes to increase the rate of employee retention. These measures includes creating a division to harness employee talents and retain them whose core responsibility is to evaluate employee needs and wants with an aim of retaining them and aligning Safaricom values in a way to recognize their employees. In the recent exit interviews conducted by the human resources department reveals that employees leave organisation due to; lack of growth within the organisation, working environment, benefits, employee - manager relationships, remuneration differences among job hierarchies among others. In the recent employee survey by their resources department, most of the employees feel that their needs are not adequately addressed hence their level of frustrations and demotivation is high. As a result the rate of employee retention in year 2012 was 70% hence a need to get solution in order to improve the rate of employee retention. Different employees have different needs that motivate them leading to a high rate of employee retention hence better results. (Safaricom2012)

Various studies related to employee retention as an outcome and/or a strategy have been carried out. Allen, (2000) did a research on talent management as an organization

strategy to increase the rate of employee retention and concluded that organizations needs to analyze employees talents and abilities to align them with roles and responsibilities assigned to them. As a result the rate of employee retention will increase. Mulwa (2010), carried out a research on benefits as a factor that affect employee turnover in World vision and recommended that a review of existing benefits plan is needed to address the staff expectation. Otieno (2010) studied employee compensation as a cause of staff turnover in private primary schools and recommended that employees should be well compensated as an indicator for the management appreciation of the employee's contribution and abilities. However, most of the researchers focus on a few components that lead to employee satisfaction hence retention leading to creation of a gap in the understanding and study of employee retention. Arising out of this, there is a need to carry out a study on the factors that affect employee retention in Safaricom Limited. To the best of my knowledge, no study has been done on this topic and a case study of Safaricom Limited. This study therefore seeks to bridge this gap by establishing the factors that affect employee retention in Safaricom Limited.

1.3 Research Objective

To establish perceived factors that affect employee retention in Safaricom Limited.

1.4 Value of the Study

The management of Safaricom Limited will benefit from the research through understanding their employee retention rate, benefits of employee retention, challenges of retaining employees and the shortcoming of retaining the employees. This will increase

their understanding on the employee's needs and wants in the workplace, administer them to the employee and achieve a higher rate of employee retention. Other organizations will learn and understand more on the employee retention, understand what employee requires for retention, understand employee retention as an outcome and organization strategy to ensure competitive advantage is acquired.

Those in academic realm will also benefit from the findings through acquiring the materials for reference when conducting similar or related research projects. It will assist the academicians in broadening the syllabus in respect to the study hence providing a deeper understanding of the factors that affect employee retention in Safaricom Limited.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents literature, theories and empirical studies that were studied, analyzed and brought forward in order to provide basis of the study. It helps the researcher to avoid duplication of previous studies and help the researcher to improve the research methodology comparing with the previous ones.

2.2 Employee Retention

Abraham (2007), retaining the best employees is paramount to a firm's long term success. By taking proactive approach to develop an effective employee retention program, the anxiety of high turnover can be reduced. The best employee retention practices take time, effort and resources, but the rewards can prove valuable. In his research, one of the major drivers for investing in a retention programme is the financial impact of recruiting and training valued employees. There are two general categories of forces that operate in employee retention; engagement and coercion. Engagement occurs when an employer connects emotionally with his/her work while coercion occurs when forces outside the employee ability encourage either attachment to or disengagement from an employer. Good managers help the employee stay engaged but bad ones push them towards disengagement (Glen, 2007).

Mike Poskey, (2000), many organizations are now realizing the bottom-line effect on retaining quality employees. Retaining quality performers quite simply adds to increased

productivity and morale, while reducing the associated costs of turnover. He conducted a research to companies with the subject of identifying and retaining top talent which is always one of the critical items that the executives always like to improve upon. According to his research, the recommended steps that lead to increased retention are; Conduct job analysis audits to provide realistic job previews. Conduct job analysis audits to objectively define the core competencies required for success in each role (competency modeling). Implement a well-designed assessment and selection process, Include behavioral assessments and structured behavioral interviewing techniques. Provide good employee orientation, Improve manager and employee relationships, Concentrate on the people that stay with you to learn what makes them happy, Provide an equitable or fair pay system. Be competitive and finally encourage succession planning.

Carrell (1995), as business grows, it oftenly focuses with the attracting and retaining good employees. According to him, human resource management is challenged with the way to attract, retain, motivate and develop individual talent. The impact of turbulent business environment presents difficulty in managing the diverse and ever changing legal climate and government regulations. Employee retention encompasses talent management which is the use of an integrated set of activities to attract and retain employees it needs now and the future. Abraham (2007), Understanding what motivates an employee is a key note when developing and implementing an effective retention programme. According to him rewards and recognition are crucial components to the success of any employee retention programme because they confirm to the employees that their efforts are meaningful and appreciated. This can be through congratulating an

employee on work well done, congratulatory/promotion letters signed by top executives, service awards. According to him, exit interviews are conducted to help managers identify the current practices, trends and challenges affecting the workforce. They assist in revealing how employees feel about the company pay structure, growth potential, benefits plan and culture among other factors

Kochanski (2001), the employee retention rate determines a quantifiable figure to explain the rate at which the company is able to retain its employee. According to him, calculating employee retention requires; to find the total number of employees employed at the end of a particular period of time. Find the total number of employees that quit or were fired during the time period. Subtract the total number of employees that quit or were fired during the time period from the total number of employees employed at the end of that period. Divide the figure you calculated in Step 3 by the total number of employees employed at the end of the time period. Multiply the figure from Step 4 by 100 to get a percentage. The higher the figure the low the turnover and viceversa.

Jeffery (1994), employee retention has become a major concern to the organizations as it might have a negative impact the organization. Whenever a talented employee expresses his willingness to move on, it is the responsibility of the management and the human resource team to intervene immediately and find out the exact reasons leading to the decision. According to him, an organization invests time and money in grooming an individual and make him ready to work and understand the corporate culture: A new joinee is completely raw and the management really has to work hard to train him for his

overall development. It is a complete wastage of time and money when an individual leaves an organization all of a sudden. The human resource division has to start the recruitment process all over again for the same vacancy; a mere duplication of work. Finding a right employee for an organization is a tedious job and all efforts simply go waste when the employee leaves.

Okumbe (2001), when an individual resigns from his present organization, it is more likely that he would join the competitors: In such cases, employees tend to take all the strategies, policies from the current organization to the new one. Individuals take all the important data, information and statistics to their new organization and in some cases even leak the secrets of the previous organization. To avoid such cases, it is essential that the new joiner is made to sign a document which stops him from passing on any information even if he leaves the organization. This is an effective way to retain the employees. Susan and Schuler (2000), the employees working for a longer period of time are more familiar with the company's policies, guidelines and thus they adjust better: They perform better than individuals who change jobs frequently. Employees who spend a considerable time in an organization know the organization in and out and thus are in a position to contribute effectively.

Graham and Bennett (1995), it has been observed that individuals sticking to an organization for a longer span are more loyal towards the management and the organization: They enjoy all kinds of benefits from the organization and as a result are more attached to it. They hardly badmouth their organization and always think in favor of the management. For them the organization comes first and all other things later. It is

essential for the organization to retain the valuable employees showing potential. Every organization needs hardworking and talented employees who can really come out with something creative and different. No organization can survive if all the top performers quit. It is essential for the organization to retain those employees who really work hard and are indispensable for the system. Wendell (1998), the management must understand the difference between a valuable employee and an employee who doesn't contribute much to the organization. Sincere efforts must be made to encourage the employees so that they stay happy in the current organization and do not look for a change.

2.3 Concept of Perception

According to Brooke (2006), honesty in communication will also have a significant impact on employee perception. Employees who are confident that employers and supervisors are being truthful and forthcoming in what they say are more likely to support the company and its officers, even during periods when sales are down and production is temporarily curtailed which is coupled to higher rate of employee retention. When management develops a reputation for making statements that are later proven to be untrue, employees lose confidence in the leadership and are more likely to begin looking for an employer they can trust in which it in turn leads to lower rate of employee retention.

According to Locke,(1976). Setting reasonable policies and procedures in place, and applying them to all employees will also make a difference in employee perception hence affect the rate of employee retention. When employees know what is expected and can

trust that anyone who is not contributing adequately to the operation will be addressed according to those company policies are much more likely to be as productive as possible and hence higher level of retention. At the same time, if company policy is applied haphazardly, this is often noticed and will likely prompt qualified employees to turn their attention to more ethical employers. In such a case then the employee may have to; Decrease inputs (give less time, do less work), Push for more output from the company (more pay, authority), Go into survival mode (do their job and little more), Become resistant (act out on other issues), Become overly competitive (focus on reducing the outputs of others), Quit

2.4 Factors Affecting Employee Retention

Achieng' (2011), employee retention is the ability of an organisation to retain its employees. According to her, many are times that organisations focus on the business performance at the end of year results but forget all the factors that influence employee retention needs to be enhanced for better performance. Nzuve, (1997), Job dissatisfaction can cause labor turnover. Labor turn over can be high in organizations with poor working conditions, undesirable jobs, pay inequities, and Limited opportunities for advancement.

Knudson (2006), working conditions for any employee must be conducive to enable employee retention. His argument is that an organization would better invest on the employee working conditions other than spend in replacing employees who burn out and quit which increases the organization level of expenditure. Armstrong (1999), performance management practices must be participative, transparent and regular to

ensure that the employee have a feeling that s/he is appraised fairly. Employee may quit on the basis that the performance management was unfairly conducted. The relationship of the employee and the manager is another factor that affects employee retention. The team leader must strive in acquiring the best environment for better performance of the employee leading to good organization image. Hodgetts and Hegar (2008).

2.4.1 Performance Management Practices

Jackson and Werner (2009), behavior is goal oriented and that employees require to be given performance feedback so that they can evaluate and adjust their performance in light of the organisation strategic objectives and goals articulated by the management. This calls for the management to set SMART objectives, managers to have timely evaluation of the employee performance so that the employees can adjust with an aim of meeting their individual objectives.. According to their research, once the management process is continuous and goal oriented, then the employee feels a sense of participation hence satisfaction and in return they get retained within the organisation. According to Taylor (2000), the management should make greater effort to ensure that they provide meaningful and realistic feedback of the employee performance feedback; moreover stronger aspect is the management to instill to the employees a sense of commitment both in achieving continuous improvement in performance and having employees to fully participate in achieving their work place individual and organizational goals which lead to increased employee retention.

Kristof (1996), says that the more employees understand that their performance management process is realistic, regular and by objective, the more they feel secured, they feel a sense of growth within the organization, they feel the need to advance for more studies and acquire skills to assist in achieving better results. According to him, the net result after the facet above is fulfilled is higher rate of employee retention. Managers use employee assessments and surveys to allow them to scope job requirements, evaluate how potential employees fit jobs, and identify changes that will keep employees engaged.

2.4.2 Career Growth

Tucker (2003), says that it's easy to focus on the near-term when managing people in a high performance environment. In case organization hires "A" players with the expectation that they'll succeed in the role for which they are hired and unrealistically assume they will stay in that role forever. The top performers are thinking about their career, and the management should be thinking about it too. According to him, "best-practice organizations work to help individuals plan to stay with the organization — to plan their careers with the organization," says Tucker. The key is to guide your employees in mapping out how they can attain their career goals within your company leading to increased employee retention. Career experts Timothy Butler and James Waldroop, (1999) found that by using the technique of matching people to jobs that resonate with the activities that make them truly happy, employee turnover decreased dramatically and performance increased exponentially. By identifying the characteristics that match people with the work they do, you can effectively identify the key components that will motivate individual employees, provide jobs that suite them and manage their performance based on them hence higher rate of retention.

Workforce Mood Tracker Survey(2000), 69% of employees would work harder if their line managers assisted them in career development and hence increased higher rate of employee retention. Utilizing rewards and recognition tactics is a great way to improve employee retention. Setting goals within their line of their career and rewarding employees who reach those goals will identify the employees that are most engaged and keep them working hard. Also, 65% of employees who classified themselves as “satisfied” stated that they would work harder if they had more challenging tasks hence higher rate of employee retention.

Poskey (2000), there are a couple of flaws with this line of reasoning. According to him, if a recruiter has sent your top-level talent doesn't mean that employee is going to stay and prosper with your organization, many talented employees leave organizations because they were either miscast for the job, management style, or corporate culture which is not aligned to their career development. Never assume a turnover problem exists just because the employee was no good to begin with but if their career line of career is not enhanced then there could be higher rate of employee retention.

2.4.3 Manager-Employee Relationship

Hodgetts and Hegar (2008), “Employees don't quit jobs, they quit managers.” He estimates that 80 percent of turnover is driven by the environment a manager creates for an employee (compared to 20 percent resulting from issues with company culture). Because of this, any investments in training and development for your line managers are well-spent. The success of any retention strategy is ultimately subject to the line

managers' ability to deliver on initiatives put in place. According to Tucker (2003), "Whatever your company values, you have to be sure your managers are executing on it. Help them for them to help reduce turnover. Teach them how to empower employees to succeed and grow, rather than just drive performance." Which in turn increase in employee retention

It's also critical to keep the line of communication about careers wide open between employees and managers, especially because career goals change over time. Build more opportunities for employee check-ins (formal and informal) with managers. As Tucker points out, "Individualized conversation needs to happen on a regular basis." Kristof (1996). There should be a higher level of availability of the managers and the employees where the employees have access to line managers to argue their ideas and feedback across the organizations which will lead to a higher satisfaction hence high rate of employee retention.

2.4.4 Rules and Regulations

Armstrong M (2006), Rules and regulations are formulated for the benefit of the employees and thus should not be too rigid which increase employee retention. An organization must have employee friendly policies for the individuals to stay motivated that assist to increased employee retention. The management must take into consideration the genuine problems of the employees to make the organization a better place to work. According to him, the rules and regulation formulated by the employee must have a room to involve the employee to enable them recognize their input in their development

leading to satisfaction thus the rate of employee retention is high. According to Armstrong, for employee to be comfortable in the workplace, the rules governing them must be clear and well explained to them to enable them to abide.

Graham and Bennett (1995), the company's rules and regulations should be made to assist the employees to acquire the organizational objectives. It is important for the management to understand the employees to gain their trust and confidence. The consistent performers must also have a say in the company's decisions for them to feel important leading to being motivated hence a high rate of employee retention. According to him, rules and regulation should be attainable and realistic hence higher rate of employee retention. By so doing the employee will not feel burdened with following the rules and regulations leading to satisfaction hence high rate of employee retention.

2.4.5 Compensation

Knudson (2006), 70% of employees would be more engaged at work if they received a pay raise. The caveat is that the employee must perceive the pay raise as significant and it must be delivered in a manner that motivates. The salary hike should be directly proportional to the hard work put by the employees. Partiality must be avoided as it demotivates the talented ones and prompt them to look for a better opportunity leading to lower employee retention. According to his research, the salary of the employees must be discussed at the time of the interview. The components of the salary must be transparent and thoroughly discussed with the individuals at the time of joining to avoid confusions later. The individuals should be made to join only when the salary as well as other terms

and conditions are acceptable to them. According to him, compensation structure should be designed in a manner to cater the needs of the employees which lead to increased employee retention.

Yellen (1984), retaining talent is essential for companies and the actions that a leader takes to promote retention must be ones that are meaningful to the employee. The solution of giving money to people is not a bad problem for employees. But his research shows that if pay meets two qualities, it no longer serves as a retention tool; Pay must be fair. Pay must be fair relative to what others in similar positions in the organization and outside the organization are receiving. If the pay is fair, a higher pay does not tend to be what most people are looking for to be happy at work. Pay must be adequate. If an employee is able to live as he or she wants to live with the pay received, then an increase in pay will not typically be a meaningful retention tool. A policy guiding the pay and employee benefits should be formulated to give employee point of reference, review processes and procedures, bonus wards which leads to increased employee retention. (Katz 1996). Flippo (1984), there is the need of offering benefits to employees which are normally competitive and needs to be touted as to the ability to attract and retain employees.

2.4.6 Working Conditions

Armstrong (1999), working conditions of an employee acts as factors affecting employee retention. According to her, if the expected conditions are missing, they will create dissatisfaction and lead to an employee quitting the organizations to another one that can

provide the best working conditions. Among those of the working conditions that affect the employee are; working space, lighting and security factors. Employers must utilize positive reinforcement methods while maintaining expected working conditions to maximize employee satisfaction leading to a high rate of employee retention.

Okumbe, (2001), every individual expects peace and clean working conditions so that s/he can deliver his or her level best. According to him, the environment that provides conducive working environment includes; physical cleanliness and clean air, which enables the employees to perform to his/her level best, feels satisfied hence increase their rate of retention. According to him, employees feel comfortable in case they are involved to give ideas on the environment they should work in. Once their desire is met in line with the organization objective, then their rate of employee retention is increased.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the procedures and methods employed to carry out the study. It's a section that is an overall scheme, plan or structure conceived to aid the researcher in answering the raised research question. The section comprises of research design, target population, sample and sampling procedure, data collecting procedures and the method of data analysis.

3.2 Research Design

This study used descriptive survey in a context of one organization. The survey method was used to get detailed information of the factors that affect employee retention in Safaricom Limited. This was characterized with systematic collection of data from members of a given population through the use of questionnaires. According to Mugenda and Mugenda (1999), a research design is the conceptual structure within which research is conducted.

3.3 Target Population of the study

This study targeted all the employees in all the departments of Safaricom Limited. The total number of employees in Safaricom Limited is 3,500 (Oracle, employee directory). This number includes all levels of management and departments. It carries also those on permanent and contract tenure so that all the employees within the organization are involved and the desired results are acquired.

3.4 Sample Design

Stratified random sampling procedure was used to arrive at the sample of the employees who will take part in the study. The researcher classified the employees into strata based on the departments. The researcher the selected the sample of 5% in all the selected sections (strata). This is shown in the table 3.1 below.

Table 3.1 Sample Size of the respondents

Category of Strata	Target population	Sample (5%)
Human Resource dept	50	3
Technology	310	16
Customer care	1500	76
Finance	50	3
Consumer business unit	350	17
Enterprise business unit	490	25
Sales and marketing	750	38
Total	3500	178

Source; Author (2013)

3.5 Data Collection

In this study, emphasis was given to primary data. The primary data was collected through the use of questionnaires which had both open and close-ended questions.

Respondents of these questionnaires are Safaricom employees from all levels of management and departments.

3.6 Data Analysis

Quantitative data was analyzed using descriptive statistics, which comprised of frequencies, percentages or proportions and tables. Frequency tables were used to reveal the extent to which some of factors influenced the rate of employee retention in Safaricom Limited. Similar studies by Otieno (2002) were done and used the same data analysis methods.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.0 Introduction

In this chapter, the data collected during the research was analyzed and reported. The study was executed with an aim to achieve the stated objective which was perceived factors affecting employee retention in Safaricom Limited. The respondents of the study are Safaricom Limited employees. From the study population target, a sample of 178 questionnaires was distributed to all Safaricom departments. Of these, 102 questionnaires were successfully completed and returned by respondents from all the departments, giving questionnaire response rate of 76.74 %. This kind of response rate is good considering the nature of the research and difficulties involved in making a follow up of questionnaires.

4.1 Demographic Characteristics

This section discusses the results of the demographic characteristics of the respondents. It captured the general characteristics in a bid establish if they were well suited for the study. Specifically, this captured the gender of the respondents, age of the respondents, level of education, number of years in employment and the departments of the respondents.

4.1.1 Gender of the Respondents

The research study sought to establish the gender distribution of the respondents. Gender statistics of the study was an important aspect in order to understand the trend and the patterns of each gender in terms of the employee retention. The findings were presented in table 4.1 below.

Table 4.1: The Gender Composition of Respondents

Gender	Frequency	Percentage
Male	53	51.8
Female	49	48.5
Total	102	100

Source; Author (2013)

From the study, 51.5% of the respondents were male and 48.5% for female hence certifying gender equality. The responses obtained are therefore representative of both genders because of gender balance achieved in the sampling and implying that the study was not influenced by gender imbalance.

4.1.2 Age distribution of the Respondents

The research study sought to establish the age bracket of the respondents. Age is an important aspect of the study as perceptions depends on the level of maturity of the respondents. The findings were presented in table 4.2.

Table 4.2: Respondent Age Distribution

Age	Frequency	Percentage (%)
18-24	20	20.4
25-34	47	47.0
35-44	22	22.2
45 and above	13	12.4
Total	102	100

Source; Author (2013)

As per the age distribution, majority (47.0 %) of the respondent were in the 25-34 years bracket followed by 35-44 age bracket who were 22.2 % while 18-24 age bracket were had 20.4 % and finally the age bracket of 45 years and above had 12.4%. This finding implies that the perception is not influenced by the age bracket as all the age brackets are all represented and majority were in 25-34 age bracket which is the working age.

4.1.3 Department of the Respondents

The study sought to establish the departments of the respondents in the organization. Departments of the respondents were important aspects of the study because the researcher wanted to know that the respondents were spread across the departments for the response generalizations and avoiding biasness of the respondents. The findings were presented in table 4.3.

Table 4.3: The Departments from where the Respondents were drawn

Age	Frequency	Percentage (%)
Human Resource dept	3	1.68
Technology	16	8.98
Customer care	76	42.69
Finance	3	1.68
Consumer business unit	17	9.55
Enterprise business unit	25	14.04
Sales and marketing	38	21.34
Total	175	100

Source; Author (2013)

The study revealed that the participants were drawn from Human Resource dept (1.6%), Technology (8.9%), Customer care (42.6%), and finance (1.6%), Consumer business unit (9.5%), Enterprise business unit (14%) Sales and marketing (21.34%).The findings implies that all the departments are represented hence there is no biasness. The majority of the employees are from the customer care and sales and marketing. This is in line with the nature of business in Safaricom Limited.

4.1.4 Education Level of the Respondents

The study sought to establish the level of education of the respondents. The level of education was important in the study because it showed whether the respondents have adequate level of education to understand the concept and the language of the study. The findings were presented in table 4.4.

Table 4.4: The Educational Level of the Respondents

Education Level	Frequency	percentage
master's degree	62	60.6
Bachelors Degree	31	30.6
College Diploma	9	8.8
	102	100

Source; Author (2013)

On the education level of the respondents, the study revealed that the majority of respondents with 60.6% were graduates with a master degree, 30.3% were bachelors degree holders, while 9.1% of the respondents reported that they had diploma certificates. This indicates that majority of the respondents are well educated and understands the concept relating to employee retention.

4.1.5 The Number of Years the Respondents has worked for Safaricom Ltd

The study sort to establish the number of years the respondents have been employed in Safaricom Limited. The number of years of employment played a role in determining whether the respondents have been there long enough to give accurate information for the study. It is also important as it will show the trend of years of experience hence indicate the pattern of employee retention in terms of years of experience. The findings were presented in table 4.5.

Table 4.5: Years of Employment

Years	Frequency	Percentage (%)
0-5 Years	54	53
6-10 Years	26	27
10-and above	20	20
Total	102	100

Source; Author (2013)

On years of experience, the empirical results indicated that 54% have been in the organization for a period five years and below. Those who have been working in Safaricom Limited for between six to ten years were 26% while those working in Safaricom Limited for over ten years were 20%. This suggests that there more recruitment of new employees which may be occasioned by expansion programmes of opening new retail centres and innovations strategies of new products.

4.2 Perceived Factors Affecting Employee Retention.

The research study sorts to establish the extent in which the factors influencing employee retention affects the Safaricom Limited employees. These perceived factors includes performance management practices, career growth, manager-employee retention, rules and regulations, compensation, and working conditions. The respondents were asked to rate the factors influencing employee retention in Safaricom Limited on a scale of 1-5; (5; I strongly agree, 4; I agree, 3; indifference, 2; I disagree, 1; I strongly disagree). Averages of the factors were established in order to provide generalized feelings of the respondents.

Means less than 1.5 implied that respondents strongly disagree that the factor influenced employee retention. Means more than 1.5 but less than 2.5 implied that respondents disagree that the factor influenced employee retention. Means greater than 2.5 but less than 3.5 implied that respondents had an indifference response that the factor influenced employee retention. Means greater than 3.5 but less than 4.5 implied that respondents agree that the factor influenced employee retention and means greater than 4.5 implied that respondents strongly agree that the factor influenced employee retention. The standard deviation on the other hand describes the distribution of the response in relation to the mean. It provides an indication of how far the individual responses to each factor vary from the mean. A standard deviation of more than 1 indicates that there is no consensus on the responses obtained, while less than 1 indicates that there is consensus on the response obtained.

4.2.1 Performance Management Practices

One of the factors that affect employee retention is performance management practices. The respondents were asked to indicate which extent do they agree that the performance management practices lead to employee retention. These performance management practices includes; transparent nature, Fairness in performance management, participative, systematic, regular, Management by objective, attainable and realistic. The results are indicated in the table 4.6 below.

Table 4.6 Performance Management Practices

Statement	Average	Std. Deviation
i)The transparent nature of performance management leads to employee retention	2.37	1.835
ii) Fairness in performance management leads to employee retention	2.43	1.756
iii) Performance management is participative leading to employee retention	3.80	1.714
iv) Systematic and regular Performance management leads to employee retention	3.78	1.69
v) The performance management is Management by objective leading to employee retention.	3.93	1.447
vii) Objectives set are attainable and realistic leading to employee retention.	4.17	1.481

Source: Author (2013)

From the data analyzed, table 4.6 reveals that respondents agreed that objectives are attainable and realistic leading to employee retention which scored a mean of 4.17. They also agreed that performance management is by objective and systematic as well leading to their retention in Safaricom Limited and scored a mean of 3.93 and 3.80 respectively. The employees also agreed that performance management practices are also participative and regular scoring a mean of 3.79 and 3.69 respectively which lead to their retention in Safaricom Limited.

However, respondents disagreed that practices in performance management are fair and transparent scoring a mean of 2.43 and 2.37 respectively leading to lower rate of employee retention. In conclusion, employees of Safaricom Limited view performance management practices to be attainable and realistic leading to employee retention. They also view that performance management practices are by objective, systematic, participative and regular leading to employee retention. It can also be concluded that Safaricom Limited employees view performance management practices as not transparent and unfair leading to low rate of employee retention. The findings agrees with Kristof (1996), whereby according to his research, the performance management practices needs to be realistic, regular and by objective for high employee retention.

4.3 Career growth

Career growth is one of the factors that affect employee retention. The respondents were asked to indicate to which extent do they agree that their career growth affect employee retention in Safaricom Limited. The career growth aspects asked included; line of career, career development and manager assistance to career development leading to employee retention. The results were indicated in the table 4.7 below.

Table 4.7 Effects of Career Growth to employee retention

Statement	Average	Std. Deviation
i) Your line of career assists in employee retention.	2.78	1.788
iii)There is career development leading to employee retention	2.65	1.953
iv)Your manager assistance on your career development leads to employee retention	1.97	1.574

Source; Author (2013)

Results from the table 4.7 indicate that Safaricom Limited employees were not sure if their line of career and career development in Safaricom Limited influenced their retention as they gave a feedback of indifference and therefore scoring a mean of 2.78 and 2.65 respectively. The respondents disagreed that manager assistance to career development assisted in employee retention and therefore scoring a mean of 1.97. In conclusion, It can be concluded that Safaricom Limited employees are not sure if their line of career and career development influenced their retention. It can also be concluded that Safaricom line managers do not equip Safaricom Limited employees with enough assistance for their career growth and development in order to be retained. The findings agrees Poskey (2000), where by according to his research, better career growth practices leads to high employee retention.

4.4 Manager – Employee relationship

Manager-employee relationship is another factor that affect employee retention. The respondent were asked to indicateto which extent do they agree that their manager – employee relationship assists in employee retention. The aspects involved included;manager availability, manager communication, manager encouragement to high performance. The results were indicated in the table 4.8 below.

Table 4.8: Effects of Manager-Employee Relationship to employee retention

Statement	Average	Std. Deviation
i) Your manager assists in employee retention.	2.58	1.581
iii) Your manager availability assists in employee retention	2.04	1.617
iv)Your manager communication channels assists in employee retention.	2.40	1.816
v) Your manager encouragement to high performance leads to employee retention.	2.60	1.583

Source; Author (2013)

From the table 4.8, the research finding reveals that Safaricom employees were not sure if the manager encouragement to high performance and assistance increases their retention as they gave an indifference feedback scoring a mean of 2.60 and 2.58 respectively. The employees disagreed thatmanager availability and communication assists in increasing employee retention which scored a mean of 2.40 and 2.04 respectively. In conclusion,

employees are not aware if manager encouragement and assistance increase employee retention. It can also be concluded that the mode and means of communication from manager to employee is not enhanced to ensure employee retention. As well, the availability of the manager to the employees in Safaricom Limited is not well enhanced to ensure employee retention. The conclusion agrees Kristof (1996) where by according to his research, manager availability to the employees and communications affects in employee retention

4.5 Rules and regulations

Rules and regulations is another factor that affect employee retention. The respondents were asked to indicate to which extent do they agree that rules and regulations assists in employee retention. The respondents were to give a feedback on the aspects of rules and regulations which include; attainability, if they are a burden, realistic, their involvement in drafting and developing rules and regulations leading to employee retention. The results are indicated in the table 4.9 below.

Table 4.9: Effects of Rules and Regulations to employee retention

Statement	Average	Std. deviation
i) Rules and regulation are attainable leading to employee retention	2.31	1.792
ii) Rules and regulations are not a burden leading to	2.18	1.823
iii)rules and regulation are realistic which assists in employee retention	2.30	1.803
iv) Your involvement drafting and development of rules and regulations leads to employee retention.	2.15	1.528

Source; Author (2013)

From the research results, table 4.9 reveals that the respondents were not sure if the Rules and regulation are attainable and realistic leading to employee retention as they gave indifference feedback scoring a mean of 2.31 and 2.30 respectively. Safaricom Limited employees disagreed that rules and regulation are not a burden and their involvement in drafting affecting their retention in Safaricom Limited and therefore they scored a mean of 2.15 and 2.04 respectively. In conclusion, employees of Safaricom Limited are not sure if rules and regulation are attainable and realistic leading to low employee retention . It can also be concluded that the organization has rules and regulations that are not owned by employees and they act as a burden to the employees leading to lower rate of employee retention. The findings agrees with Graham and Bennett (1995), where by according to his research, employees needs to be involved in drafting the rules and regulations which increases employee retention.

4.6 Compensation

Compensation is another factor that affect employee retention. The respondents were asked to indicate to which extent do they agree the aspects of compensation assists to retain them. Among the aspects included; compensation catering for their needs, competitive compensation, Pay equity, need for review of compensation and Policy on Remunerations and Benefits assists employee retention. The results were indicated in the table 4.10 below.

Table 4.10 Effects of compensation to employee retention

Statement	Average	Std. Deviation
i) Compensation caters for your needs leading to employee retention.	4.18	2.194
ii) Compensation are competitive leading to employee retention.	4.21	2.275
iii) Pay equity assists in employee retention.	1.92	1.478
iv) Compensation needs to be reviewed to increase employee retention.	2.35	2.312
v) Compensation policy assists employee retention.	2.34	1.825

Source; Author (2013)

Results from the table 4.10 above revealed that employees in Safaricom Limited agreed that compensation is competitive and caters for their needs leading to employee retention therefore scoring a mean of 4.28 and 4.18 respectively. The employees were not sure if the compensation needs to be reviewed and if the compensation policy assisted in employee retention whereby they gave an indifference feedback scoring a mean of 2.35

and 2.34. The respondents disagreed that there is pay equity in Safaricom Limited leading to low employee retention and therefore scoring a mean of 1.92. In conclusion, compensation of employees in Safaricom Limited is competitive and caters for employee needs. It can as well be concluded that employees of Safaricom Limited are not aware if the compensation policy assisted in employee retention. It can also be concluded that there is a difference on the salary scale in different job grades leading to pay inequity which needs to be harmonized to ensure employee retention. According to Flippo (1984), the compensation needs to be competitive and equity to increase employee retention.

4.7 Working conditions

Among the factors that influence employee retention is working conditions. The respondents were asked to indicate to which extent do they agree on various working conditions of Safaricom Limited that lead to increased employee retention. These conditions includes; lighting systems, working space, cleanliness and the Security at work.

Table 4.11: Effects of Working Conditions to Employee Retention

Statement	Average	Std. Deviation
i) Lighting systems assists in employee retention.	4.30	1.954
ii) Employee working space leads to employee retention.	4.23	1.872
iii) Cleanliness in working place leads to employee retention	4.28	1.892
iv) Security at workplace leads to employee retention	4.54	1.956

Source; Author (2013)

From table 4.11 above, Safaricom Limited employees strongly agreed that security is well enhanced to them leading to employee retention and therefore scoring a mean of 4.54. They also agreed that the lighting systems within the organisation is well catered for, leading to employee retention scoring a mean of 4.34. The cleanliness and working space of the Safaricom Limited employees was agreed upon by the employees that they were well taken care of leading to employee retention which scored a mean of 4.28 and 4.23 respectively. In conclusion, the working conditions which includes; security, lighting systems, cleanliness and working space of the employee are well catered for in Safaricom Limited leading to high rate of employee retention. According to Okumbe, (2001), the working conditions of employees needs to be clean, secured and enough working space leading to increased employee retention.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The purpose of this chapter is to discuss and summarize the findings of the study and finally give conclusions and recommendations for improvement or practice. It is also important to note that all this will be done with justification from the data that was collected and analyzed

5.2 Summary of the Findings

The objective of this study was to establish the perceived factors that affect employee retention in Safaricom Limited. A population of 102 respondents from Safaricom Limited employees was taken. For the purposes of collecting the primary data, the researcher developed and administered questionnaires and the results obtained were analyzed using Microsoft Excel and statistical packages for social sciences (SPSS).

Study findings indicated that, gender equity was achieved. The male were slightly more than female but the difference was not significant hence the results were not influenced by gender imbalance. With regards to age, the research revealed that majority of the respondents were mature enough hence giving accurate information. The findings also implied that the majority of Safaricom Limited employees have got university level of education and therefore had a good understanding of the concept of employee retention. In terms of working experience, majority of the respondents had worked for less than five years in Safaricom Limited hence justifying the need for the study.

The study sought to establish to which extent the Safaricom Limited employees agree on performance management practices influencing employee retention. The research revealed that there was a challenge of performance management practices indicating that they are not transparent and unfair hence low retention. They also gave a feedback that performance management practices are attainable and realistic, MBO, systematic, participative and regular.

As per the career growth, research results revealed that the level of career growth within Safaricom LTD leads to lower rate of employee retention. Further results indicates that Safaricom Limited employees were not sure if their line of career and career development in Safaricom Limited influenced their retention as they gave a feedback of indifference. The research revealed that that challenging work in Safaricom Limited and manager assistance to career growth did not assist in employee retention.

Results further revealed that the Manager – employee relationship does not greatly lead to increased employee retention. The availability of the manager to the employees in Safaricom Limited is not enhanced to ensure employee retention. The mode and means of communication from manager to employee is as well not well enhanced. The research finding revealed that Safaricom employees were not sure of their level of manager assistance and encouragement to high performance as they gave an indifference feedback. Safaricom Limited employees gave a feedback that the rules and regulation are a burden leading to low level of employee retention. Employees indicated that they are

not involved in the drafting the rules and regulations leading to low level of employee retention.

Research results revealed that compensation is competitive and caters their needs leading to increased employee retention. The employees were not sure if the compensation needs to be reviewed and if the compensation policy assisted in employee retention. There is a significant difference on the salary scale in different job grades which needs to be harmonized to assist in employee retention. According to the research results, security and lighting systems within the organisation is well catered for leading to increased employee retention. Cleanliness and working space of the Safaricom Limited employees was were well taken care as well leading to increased employee retention.

5.3 Conclusions

From the findings and the discussions, it's possible to conclude that there is a great effect of the perceived factors affecting employee retention in Safaricom Limited. In gender representation, both sexes are well represented since each had almost equal in representation of the sample taken. In terms of the educational level, Safaricom Limited has a higher percentage of those who have done up to university degree hence a good education level. There is a higher population of employees in Safaricom within the customer care division and sales and marketing as compared to other departments which is occasioned with the line of business in Safaricom Limited.

It is possible to conclude that employees of Safaricom Limited view performance management practices to be attainable and realistic leading to employee retention. They also view that performance management practices are by objective, systematic, participative and regular leading to employee retention. It can also be concluded that Safaricom Limited employees view performance management practices as not transparent and unfair leading to low rate of employee retention. It can be concluded that managers do not equip Safaricom Limited employees with enough information for their career growth and development in order to be retained. As well Safaricom Limited employees were not sure if their line of career and career development influenced their retention. As per the manager–employee relationship, it can be concluded that the availability and communication channels of the manager to the employees in Safaricom Limited is not well enhanced to ensure employee retention.

The rules and organization in the organization can be concluded as not owned by the employees and they act as a burden to the employees leading to lower rate of employee retention. It can also be concluded that employees of Safaricom Limited were not sure if rules and regulation are attainable and realistic leading to their retention. It can as well be concluded that there is a significant difference on the salary scale in different job grades leading to pay inequity which needs to be harmonized leading to increased employee retention. There is a difference on the salary scale in different job grades leading to pay inequity which needs to be harmonized to ensure employee retention. Compensation of employees in Safaricom Limited is competitive and caters for employee needs. As well, the working conditions which includes; security, lighting systems, cleanliness and

working space of the employee can be concluded as well catered for in Safaricom Limited leading to high rate of employee retention.

5.4 Recommendations

From the data analysis and the conclusions made from the research work, it's prudent to ensure that all the perceived factors of employee retention are well availed to the employees to enable higher rate of employee retention. The findings recommend that there is a need to review a number of perceived factors of employee retentions which includes but not Limited to; performance management practices. There is need to review that the performance management practices to make them fair and transparent. Career growth and development practices needs an overhaul as the employees gave a feedback that it does not assist in employee retention, the tasks assigned are not challenging, low career development and the manager have a low level of assistance to the employee to enhance a higher rate of employee retention. There is a need for training of the managers to areas of career growth and development to enable higher rate of employee retention.

Manager – employee relationship requires a review to enhance a higher rate of employee retention. There is need for improved communication channels within the organizations and in all the directions to enable higher rate of employee retention. Mechanisms to enable manager availability to the employee should be enhanced to enable higher rate of employee retention. As per the findings, there is a need to review and improve on the rules and regulations of the organization. There is a recommendation that the employees

requires to be involved in drafting rules and regulations and reviewing them not to act as a burden to employee in turn increasing the rate of employee retention.

Compensations equity as a perceived factor affecting employee retention requires to be reviewed as the majority of the respondents gave a reply that there is pay inequality leading to lower rate of employee retention. The policy governing the level of compensation requires to be improved to enhance a higher rate of employee retention. There is a general need to maintain the working condition as the research revealed that they are well enhanced and conducive to the employee leading to a higher rate of employee retention.

5.4.1 Recommendations for Further Research

This study established perceived factors affecting employee retention within Safaricom Limited which is in communication industry. Therefore, there is a need for further research geared toward establishing perceived factors affecting employee retention in other industries like banking sector, manufacturing industries, as well as educational institutions so that the area of study is equipped with more information.

Again, this study focused on the perceived factors affecting employee retention, further research need to be done on other factors that affect employee retention for example employees behavior and attitude, institutional policy on IT and data security training, working hours and staff security awareness. Methodologically, the future studies can employ different techniques for data analysis such as triangulation method to get

complementary insights of study findings. Further research can also be conducted by including the international organizations, Non-governmental organizations and public sector to compare different factors affecting employee retention.

5.5 limitations of the study

Safaricom limited retail centres and network sites are spread all over the country hence the population of the study was also spread all the over the country leading to time constraint in giving out and collecting the questionnaires from the respondents. This also led to questionnaire response rate of 76.74 % which was occasioned by some of the respondents being unable to send back the questionnaire due to their distance of their work station from Nairobi. However the data provided was sufficient to get the results required.

Another possible limitation is that the research was only carried out in one organization. By conducting a larger study that incorporates a few more organizations, the researcher could avoid this limitation and assist in making the results more generalizable. In addition, employee retention is a very complex concept since definitions cannot be defined to certain variables affecting the employee retention listed by the researcher. Any attempt to define these variables would not be easy as each individual has their own perception of what employee retention means to them. Therefore, determining what exactly retains employees can be considered to be somewhat subjective.

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APPENDICES

Appendix I: Cover Letter

Letter to the Respondent

Ref: QUESTIONNAIRE

I am a student of University of Nairobi, School of Business, pursuing a Master's of Business Administration (HR option). I am requesting for information on attached questionnaire to facilitate my research on "*Factors Affecting Employee Retention In Safaricom Limited*". I am kindly requesting you to assign some time on your busy schedule to assist me achieve this objective.

The results of the questionnaires will be used purely for academic purposes and will not impact your current jobs in any way or form. All information obtained will be treated with maximum confidence.

I am looking forward for your favorable response and I'm sincerely thankful for your time.

Yours faithfully,

Patrick Nyabuto

MBA Administrator

School of Business

Appendix II: Questionnaire

TOPIC: FACTORS AFFECTING EMPLOYEE RETENTION AT SAFARICOM LIMITED

This questionnaire is for research purposes only. It aims to collect data on the factors that affect employee retention at Safaricom Limited. Your response will be highly appreciated and kept confidential.

Section A: Personal Data

Direction: Please tick your answer to the relevant boxes

1)Age	
a) 18-24	
b) 25-34	
c) 35-44	
d) 45 and above	
2)Sex	
a) Male	
b) female	
3)Academic Qualifications	
a) College diploma	
b) Bachelor's Degree	
c) Master's degree and above	
4)Marital status	
a) Married	
b) Separated	
c) Single	
5) Number of yrs worked in Safaricom LTD	
a) 0-5	
b) 6-10	
c) 10-15	
6)Please indicate your department	
a) Human Resource department	
b) Technology	
c) Customer care	
d) finance	
e) Consumer business unit	
f) Enterprise business unit	
g) Sales and marketing	

SECTION B: QUESTIONS RELATED TO FACTORS THAT AFFECT EMPLOYEE RETENTION

1) The following are factors that affect employee retention.

Direction; Please rate the following statement in terms of: I strongly agree (5), I agree (4), indifference (3), I do not agree (2), I strongly disagree (1)

1) Performance management practices	I strongly agree	I agree	indifference	I do not agree	I strongly disagree
i)The transparent nature of performance management leads to employee retention					
ii) Fairness in performance management leads to employee retention					
iii) Performance management is participative leading to employee retention					
iv) Systematic Performance management leads to employee retention					
vi) The performance management is Management by objective leading to employee retention.					
vii) Objectives set are attainable and realistic leading to employee retention.					
2) Career Growth					
i) Your line of career assists in employee retention.					
ii)There is career development leading to employee retention					

iii) Your manager assistance on your career development leads to employee retention					
3) Manager-Employee Relationship					
i) Your manager assists in employee retention.					
ii) Your manager availability assists in employee retention					
iii) Your manager communication channels assists in employee retention.					
iv) Your manager encouragement to high performance leads to employee retention.					
4) Rules and Regulations					
i) Rules and regulation are attainable leading to employee retention					
ii) Rules and regulations are not a burden leading to employee retention.					
iii) rules and regulation are realistic which assists in employee retention					
iv) Your involvement drafting and development of rules and regulations leads to employee retention.					
5) Compensation					
i) Compensation caters for your					

needs leading to employee retention.					
ii) Compensation are competitive leading to employee retention.					
iii) Pay equity assists in employee retention.					
iv) Compensation balance your input leading to employee retention.					
iv) Compensation needs to be reviewed to increase employee retention.					
v) Compensation and Benefits assists employee retention.					
6) Working Conditions					
i) Lighting systems assists in employee retention.					
ii) Employee working space leads to employee retention.					
iii) Cleanliness in working place leads to employee retention					
iv) Security at workplace leads to employee retention					

7) Please add any other contribution or factor(s) that affect employee retention.
