

**EMPLOYEE PERCEPTIONS OF FACTORS INFLUENCING  
NON-QUIT DECISION AT THE NAIROBI CITY COUNTY**

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## DECLARATION

This project is my original work and has not been presented for the award of a degree in this University or any other Institution of higher learning for examination.

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This project has been submitted for examination with my approval as the University Supervisor.

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## **DEDICATION**

This project is dedicated to my dearest dad Nahashon Nguru, my caring brothers Kevin and Eric and my loving boyfriend Jack for their support and encouragement.

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## ABSTRACT

Replacing employees may be costly, both in recruiting and training. High level of employee turnover may impede the quality, consistency and stability of services that organizations provide to clients and customers. The Nairobi City County recruitment policies have procedures to be followed in the recruitment and selection process of employees and the policies over equal employment opportunities to all people regardless of where one come from in Kenya. This has however been contradicted with the reality in the ground as most of the employees are recruited according to who they knew in the organization. However, examining the wider issues affecting individual employees can strengthen the ties between employees and the City County and enable the County to retain valuable skills and lower Human Resources costs. This study have objective to find out the factors which is more influence in employees retention, for this purpose these factors are categorized into organizational factor. The research objective was to establish employee perception of factors influencing non-quit decision at the Nairobi City County. The research design employed in this study was descriptive survey design because data was collected from a cross-section of employees at the Nairobi City County. The target population for the study was management staffs. The study adopted a stratified sampling. The study collected primary data. From the findings the study concludes that working condition affected the decision not to quit and that employees were not comfortable with the working environment provided by the Nairobi city county. The study disclosed that employees were only satisfied with the connection between pay and performance, overall relationship with the supervisor, flexibility of working hours, relationship with peers and understanding of organization mission. The study also revealed that reward affected the employees' decision to continue working at the NCC and the reward used at NCC is bonus, salary increment and fringe benefits and that a lot of emphasis was needed on training and working conditions. The study may be significant to management in making informed decision and also guide policy makers when implementing employee contracting in the various other Government ministries. It may further offer opportunity for reviewing and possible amendments and improvements of employee contracting within the civil service.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the study

Organizations today constantly wrestle with revolutionary trends: accelerating product and technological changes, global competition, deregulation, demographic changes, and at the same time, they must strive to implement trends towards a service and information society (Kane 2000). Due to this tumultuous business environment, one of the challenges facing many business organizations is the retention of critical (core) employees.

The loss of employee is a disruptive event. Replacing employees may be costly, both in recruiting and training (Collins &smith, 2006). High level of employee turnover may impede the quality, consistency and stability of services that organizations provide to clients and customers (Trevor and Nyberg 2008) and in turn increased customer dissatisfaction. Retention of core employees is crucial to businesses. When an employee leaves a company for a direct competitor, there is always a chance that they will take important business strategies and secrets with them to be exploited by the competition Leonard, (2001).

Mitchell, (1992) observes that what is new and a hot topic among employers is how to attract and retain qualified candidates in a highly competitive labor market while also preventing their own intellectual capital from winding up in the hands of competitors. One way for a company to prevent employees from giving valuable information is to make policies to enforce strict non-compete and confidentiality agreements amongst its employees. The existence of such agreements could in fact prevent a competitor from hiring core employee because they might not want to risk possible legal

entanglements with the other company. How to retain core employees is one of the biggest problems that plague companies in the competitive market place today. Okumbe (2001) cites that not too long ago, companies accepted the "revolving open door policy" as part of doing business and were quick to fill a vacant job with another eager candidate. This policy has not worked in solving voluntary employee turnover.

Employees recognize that the traditional psychological contract that existed between employer and employee is now dissolved (Hays and Kearney 2001). High talent personnel see the greatest opportunities by moving from one company to another. Increasingly, organizations will have to compete for the best talent (Porter 2001). Consequently, this will have a significant impact on the nature of recruitment and selection, training and development, performance management, retrenchment programs and performance management.

### **1.1.1 Concept of Perception**

The perception of an individual, when he or she looks at a target and attempts to interpret what he or she sees is heavily influenced by personal characteristics of the individual perceiver. Personal characteristics that affect perception include a person's attitudes, personality, motives, interests, past experiences and expectations. People in organizations are always judging each other; managers must appraise their employees' performances and evaluate how much effort they are putting into their jobs. A New person who joins a work team is immediately sized up by other members. In many cases, these judgments have important consequences for the organizations and one such specific application is the performance evaluation. An employee's performance appraisal is very much dependent on the perceptual process.

His/her future is closely tied to appraisal, rewards such as promotions, pay raises and continuation of employment is among the very most obvious outcomes.

The manager can successfully plan, organize the work of employees, help them to structure their work more efficiently, and effectively. All these efforts might not succeed due to the perception of employees towards those efforts. The issues such as fair pay for work performed, the validity of performance appraisals and the adequacy of the working conditions are not judged by employees in a way that ensures common perceptions, nor can there be assurance that individuals will interpret conditions about their jobs in a favorable light (Ulleberg and Rundmo, 2003).

### **1.1.2 Employee Quit and Non-quit Decisions**

Intention to quit is the psychological process that an individual goes through when they are considering alternative employment options due to some measure of dissatisfaction with their current employment situation. The ultimate decision to leave results when job dissatisfaction is at a level sufficient that the employee has reached a decision on the desirability of movement and the perceived ease of movement (March & Simon, 1958). Mobley (1977) suggested a heuristic model of intention to quit as being the last step prior to actual quitting. This intention to quit is preceded by several decisions that an individual would make prior to coming to the decision to quit. Low levels of job satisfaction lead to the initiation of the thought process. Mobley, Horner, and Hollingsworth (1978) viewed age and tenure as having an indirect effect on turnover through job satisfaction and the probability of finding an acceptable alternative. The model suggests job satisfaction has a direct influence on thinking of

quitting, intention to search, and intention to quit/stay, but an indirect influence on actual turnover.

Several empirical tests of this model have been conducted, concluding that the best predictor of turnover was intention to quit (Mobley, Horner, & Hollingsworth, 1978, Michaels & Spector, 1982, Mowday, Koberg, & McArthur, 1984). With an understanding of the primary issues involved in employee turnover decisions, quality research on employee turnover should include three key variables: organizational commitment, job satisfaction, and intention to quit. There are many potential causes for turnover; sometimes the causes are related to the HR practices of the organization and can be managed. These include such things as non-competitive compensation, high stress, working conditions, monotony, poor supervision, poor fit between the employee and the job, inadequate training, poor communications, and other organization practices (Mushrush, 2002). In order to address these issues, organizational leaders need to be aware of the needs and environmental circumstances surrounding their employees.

Retention management is a process in which the employees are encouraged to remain with an organization for the maximum period of time or until the completion of a project. Researchers on non-quit decisions have defined retention management as a strategic, coherent process that starts with an examination of the reasons that employees join an organization (Davies 2001; Fitz-enz) several key factors, which should be managed congruently: organizational culture and structure, recruitment strategy, pay and benefits philosophy, employee support programs, and career

corporate-wide initiative, career development and planning, as well as the more typical rewards and incentives, can be powerful retention tools.

An employee's decision not to resign from a company is due to events, such as being promoted, a plum assignment or for monetary reasons. One such event may however serve as a catalyst, but most employees leave because of multiple factors - the turnover drivers such as diminished job satisfaction, a tense work environment and better advancement opportunities elsewhere (Davies 2001; Oh 1996; Walker 2001). As turnover is a symptom of a larger systemic problem such as ineffective retention management, companies' ought to understand what causes people to commit themselves to being productive and loyal. They must design jobs, systems and organizations that support rather than inhibit it. Fostering commitment means an understanding that people need to have a stake in their work, and that employees respond when employers pay attention to their needs and involve them ( Dobbs 2001).

Therefore, to achieve quality retention programs, organizations ought to determine the retention factors relevant to each of their employee groups and then focus strategies on these factors. For each employee group, information can be gathered from current and former employees on their perceptions of why people stay or leave. Exit interviews and follow-up surveys with former employees are being adapted to yield more accurate, useful information. Interviews, focus groups, and surveys among current employees provide perceptions of the relevant factors and their importance. Finally, it is advocated that there may be a distinctive edge in simply doing all of the key things well. By providing a reasonably high level of attention to the factors important to employees, a strong organizational culture is built and maintained.

### **1.1.3 Factors influencing employee non-quit decisions**

The review of the related literature on the title unanimously acknowledges that successful organizations share a fundamental philosophy of valuing and investing in their employees (Maguire, 1995; Annand, 1997) and managing retention of promising employees is considered as fundamental of mean of achieving competitive advantage amongst organization (walker, 2001). Aliya and Fariduddin (2003) found the findings tend to prove the hypothesis that the factors leading to positive attitude leading to negative attitudes are different. It could also be said that the categories mentioned by the content analysis technique are mostly applicable in our environment.

Kehr (2004), explains that the implicit retention factors in spontaneous, expressive and pleasurable behavior and can be divided into three variables; power, achievement and affiliation. Power refers to dominance and social control. Achievement is when personal standards of excellence are to be met or exceeded and affiliation refers to social relationships which are established and intensified. Implicit and explicit retention factors relate to different aspects of the person, but both are important determinants of behavior.

Previous researches suggested several factors which play pivotal role in employee retention (Cappelli 2000). The factors which are considered and have direct affect are; career opportunities, work environment, work life balance, Organizational justice, and existing leave policy and organization image. Employee are stay and loyal with such organization where employee have value, sense of pride and work to their full potential Cole (2000). Glen (2006), describes another framework manager can use



when communicating with its employees to know that the cause of retention consist of nine different predictors; organizational processes, role challenge, values, work, life balance, information, stake/leverage/recognition, management, work environment and product or service.

Fitz-enz (1990) recognized that only one factor is not responsible in management of employee's retention, but there is several factors influenced in employee's retention which need to manage congruently i.e. compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice etc. Accordingly, organization utilizes extensive range of human resource management factors influence in employee commitment and retention (Stein, 2000; Parker and Wright, 2001). This study also have objective to find out the factors which is more influence in employees retention, for this purpose these factors are categorized into organizational factor i.e. supervisor support, organizational justice, organization image and work environment and Human resource factors i.e. employee value match, training & development, remuneration & reward, job security and employees promotion aspect.

#### **1.1.4 The City County of Nairobi**

Nairobi City County is one of the 47 Counties of Kenya. Its capital and only city is Nairobi, which is also Kenya's capital and largest city. Nairobi County was founded in 2013 on the same boundaries as Nairobi Province, after Kenya's 8 provinces were subdivided into 47 counties. The city is divided into 8 divisions which also serve as Parliamentary Constituencies. 55 City County representatives are elected to represent Wards in the 8 divisions. The County representatives are elected by registered voters

to serve five year terms after which they would seek re-election. After the elections, the party with the majority of County representatives got to nominate 12 County representatives while the minority party nominates 8 County representatives. The Nairobi city county is headed by the governor, his Excellency Dr. Evans Odhiambo Kidero with an office located in Nairobi county hall. The City County of Nairobi is responsible for providing services such as housing, healthcare facilities, primary education, emergency response, waste collection, water and sanitation among other services.

This study is based on NCC which has 6 departments and a population of 900 permanent employees in the management level; NCC is mandated to provide services to the Nairobi residents thus it will focus these departments which include Environment and Engineering, Health, housing and Treasury, Education and Planning, Legal and Procurement, as well as Human Resource as they are the key service rendering department ([www.nairobicity.go.ke](http://www.nairobicity.go.ke)).

## **1.2. Research Problem**

According to (Huang, Lin & Chuang, 2006) Putting in place effective human resources management practices may eliminate or reduce labour turnover of employees, whereas poor or lack of HRM practices may increase voluntary labour turnover. Employee retention is therefore the ability of the organization to keep its employees from leaving the organization by undertaking certain activities which encourage employees to stay on. Researchers on non-quit decisions have defined retention management as a strategic, coherent process that starts with an examination of the reasons that employees join an organization (Davies 2001; Fitz-enz) several key

factors, which should be managed congruently: organizational culture and structure, recruitment strategy, pay and benefits philosophy, employee support programs, and career corporate-wide initiative, career development and planning, as well as the more typical rewards and incentives, can be powerful retention tools.

Nairobi City County has ten operational ministries which are headed by Directors who report directly to the Government. Public service management is one of the most critical ministries to the County as it is involved in human resource management. Thus, development and success of any organization requires involvement of all its employees as they pursue organizational objectives. The vision and mission of companies give direction to all employees as they pursue organizational objectives. Local authorities in the country have been known for poor performance. In recent times, the trend has changed due to the introduction of performance contracts where employees must set and meet work target from their supervisors, thus the need to be enabled to perform. The local authorities' service provision would be largely improved with the implementation of employee satisfaction in these local authorities.

The Nairobi City County recruitment policies have procedures to be followed in the recruitment and selection process of employees and the policies over equal employment opportunities to all people regardless of where one come from in Kenya. This has however been contradicted with the reality in the ground as most of the employees are recruited according to who they knew in the organization (Nyangaresi etal 2013). However, examining the wider issues affecting individual employees can strengthen the ties between employees and the City County and enable the County to retain valuable skills and lower Human Resources costs. Other incentives can include

providing career development opportunities, training and flexible family-friendly work practices.

Locally, various studies have been carried out in the field of employee retention and turnovers. Njoroge (2007) did a survey of factors that influence employee retention in manufacturing firms in Nairobi while Lepilale (2009) investigated the relationship between employee retention management practices and voluntary labour turnover in Five Star Hotels in Nairobi. Masaba (2005) who conducted a survey of performance measurement systems used in Commercial Banks operating in Kenya. He found that most implement a performance measurement system to improve their performance. Orlale-Njenga (2008) did a study on employee performance management practices in the Kenya Local Government Sector the case of the City Council Of Nairobi. He found that performance management processes tend to be inflexible and subject to rapid classification and create a vertical linkage between corporate and business objectives and employees performance. These studies however, failed to address all the HRM factors influencing employee non-quit decisions. This study seeks to fill this gap guided by the following research question, what is the employee perception of factors influencing non-quit decision at the Nairobi City County?

### **1.3 Research Objective**

The research objective was to establish employee perception of factors influencing non-quit decision at the Nairobi City County.

### **1.4 Value of the Study**

This study will offer valuable source of information to the management of the Nairobi City County on the trends existing amongst its human resources. The management

will use the information to make informed decisions for instance, in forecasting its human resource supply. The recommendations of this study will also assist the management to take advantage of its strengths and weaknesses in a balanced format to develop the human resources which is thought to directly reduce the costs and enhance productivity. Other local authorities can also use the study to make informed decisions.

It will also guide policy makers when implementing employee contracting in the various other Government ministries. And will offer opportunity for reviewing and possible amendments and improvements of employee contracting within the civil service. Moreover this research will form a basis for further research in this area among academicians.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter is concerned with the review of pertinent literature which covers both theoretical and conceptual literature as advanced by different authors. Theoretical literature focuses on perception of employee to adapt to the rapid changes in the environment. On the other hand, conceptual literature lays emphasis on findings of conceptual studies on the employee quit and non quit decisions.

#### **2.2 Theoretical Foundation of the Study**

The theoretical foundation tends to focus on the various theories that explain how various employees perceive the rapid changes in the employment environment. The self-perception theory to be applied in this study explains attitudes people have towards employment.

##### **2.2.1 Self-perception theory (SPT)**

This is an account of attitude formation developed by psychologist Bem, (1967). It asserts that people develop their attitudes by observing their own behavior and concluding what attitudes must have caused it. The theory is counterintuitive in nature, as the conventional wisdom is that attitudes determine behaviors. Furthermore, the theory suggests that people induce attitudes without accessing internal cognition and mood states (Robak, & Ostolaza, 2005). The person interprets their own overt behaviors rationally in the same way they attempt to explain others' behaviors.

Perceptions play an important role in the unique relationship between supervisor and subordinate (Nahrgang, & Morgeson, 2007; Liden & Maslyn, 1998). How effective employees perceive their supervisor to be may also have a motivational impact on the subordinate. High core self evaluators gravitate toward favorable situations (Judge & Hurst 2007), and they may view an effective leader as being a key component of a motivational environment. Motivation comes from inside an individual rather than from any external or outside rewards, such as money or grades. The motivation comes from the pleasure one gets from the task itself or from the sense of satisfaction in completing or even working on a task. An intrinsically motivated person will work on a math equation, for example, because it is enjoyable. The motivating factors are external, or outside, rewards such as money or grades. These rewards provide satisfaction and pleasure that the task itself may not provide. An extrinsically motivated person will work on a task even when they have little interest in it because of the anticipated satisfaction they will get from some reward.

On the other hand, fulfilment of companies' promises lead to increased performance, but high performance is associated with lower perceptions of fairness (Parke and Wright 2001). Other variables such as organisational support and perceptions of being employable increases job performance. In contrast, violations of psychological contract and job insecurity decreased employees' performance. For intention to quit, the strongest relationships are with violation of psychological contract, employee obligations, employment prospects and organisational support. Perceived performance show a slight different pattern, with job characteristics, fairness and employee obligations as the main related factor (Luthans, 2005).

### **2.2.2 Motivation Theory**

Motivation has been defined as the psychological process that gives behavior purpose and direction (Kreitner, 1995); an internal drive to satisfy an unsatisfied need (Higgins, 1994); and the will to achieve (Bedeian, 1993). For this research, motivation is operationally defined as the inner force that drives individuals to accomplish personal and organizational goals. Employees may be motivated on the job by many things, such as a sense of achievement, recognition, enjoyment of the job, promotion opportunities, responsibility, and the chance for personal growth. Employee motivation and performance are tied directly to the style of management that is applied and to principles of positive or negative reinforcement.

Motivation can be induced by the employer or reside within the employee. Employees have higher levels of motivation when they perceive that management cares about their welfare, when they are involved in the management process, and when the management-labor environment is positive. Control stifles motivation while involvement creates a more productive environment. If the workers feel they are being treated fairly and with respect, this attitude will develop and guide their behavior in a positive direction.

To be motivated, employees' must be excited and interested about their jobs. Activities that can gain interest on the part of workers include employee participation committees, task force efforts, training programs, opportunities for outside education, newsletters, contests, and congratulatory messages from management. Because each organization has a distinct personality, managers should try and remove barriers from their organization that cause job dissatisfaction and are a detriment to motivating



employees. Factors such as company politics, unproductive meetings, withholding information, and unfairness lead to low morale and overall job dissatisfaction.

### **2.3 Employee Quit decisions**

Research in the area of employee turnover traces back to the seminal work of March and Simon (1958). These researchers looked at antecedents to turnover and proposed that individual voluntary turnover decisions were influenced by the desirability of movement from the present position and also the ease of movement to another position (March & Simon, 1958). In 1977, Mobley took a closer look at the intermediate linkages that connect job satisfaction and the ultimate turnover decision. He specifically theorized that job satisfaction leads to the individual thinking of quitting, which in turn may lead to intention to search for alternatives and ultimately to an intention to quit and eventual turnover. In all of these decisions, the probability of finding an acceptable alternative is being considered (Mobley, Horner, & Hollingsworth, 1978).

In 1981, Steers and Mowday built on the previous research and proposed an alternative path to the actual decision to quit. In addition to job satisfaction, Steers and Mowday proposed that organizational commitment and job involvement contributed to an employee's affective response to the job and that affective responses were seen as influencing the desire to stay or the intent to quit (Steers & Mowday, 1981). In 1994, Lee and Mitchell proposed that the existing models of turnover were simplistic, (implying that turnover decisions are a linear, rational sequence) and did not describe all turnover decisions. They purport that decisions to leave an organization can take place in many different ways. Their unfolding model of voluntary turnover provided

an alternative theory about how and why people leave organizations, and proposing that individuals follow psychological and behavioral paths when quitting.

The decisions regarding which path they would follow are determined by what is referred to as a “shock” or something that causes a person to pause and think about the meaning of that event in relation to his or her job (Lee & Mitchell, 1994). Shocks can be categorized as expected or unexpected, positive or negative, and personal or organizational. Shocks can be job related or personal related. Job related shocks include things such as organizational restructuring, new management, and changes in work assignment. Personal shocks include things such as marriage, pregnancy, and becoming debt free (Lee, Mitchell, Holtom, McDaniel, & Hill, 1999).

Most recently, Maertz and Campion (2004) suggested four types of quitters that could be identified by the circumstances surrounding their decision to quit. The first type is impulsive quitters. These are employees who quit without any pre-planning and are usually motivated by a strong negative event. The spontaneous nature of this type makes it difficult for management to predict or prevent. The second type is comparison quitters. These employees are drawn away from their job through attractive alternatives and typically do not have strong negative affects toward their current employer. The third type is preplanned quitters. These employees have a goal in mind regarding when they will quit. This could be at the birth of a child or when a spouse retires, or even a decision to continue formal education. Ultimately, the decision to leave is firm, and there is little that management can do to prevent it. The final type of quitter is the conditional quitter. Conditional quitters make decisions to quit when an uncertain event or shock occurs. This type of event or shock includes the possibility of a better job offer, being overlooked for a promotion, or may be related

to work conditions such as the way they are treated by a supervisor. They typically experience some type of negative affect toward the organization (Maertz & Campion, 2004).

#### **2.4 Employee Non-quit decision**

Organizations make enormous efforts to attract handfuls of employees and sustain them in the organization. In today's business scenario only high salary and designation is not significant for employees to retain them in the organization, but others factors also play important role in their retention. From literature review it is recognized that human resource management play pivotal role in employee's retention. Researcher's finds that human resource management practices in compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice can help to reduce absenteeism, employee retention and better quality work (Meyer and Allen, 1991; MacDuffie, 1995; Ichniowski, Shaw and Prensushi, 1997). According to Accenture (2001) study on high performance issue find that organization strategy regarding employee retention primarily start from US, Europe, Asia than Australia.

According to Osteraker (1999), the employee satisfaction and retention are considered the Cornerstone for success of organization. Past study divided it into social, mental or physical Dimension. The grouping is based on social contacts at works, characteristics of the work task or the physical and material circumstances associated with work. The retention factors of the mental dimension are work characteristics, employees are retaining by flexible tasks where they can use their knowledge and see the results of their efforts. The social dimension refers to the contact employees have with other people, both internal and external. The physical dimension consists of

working conditions and pay order to retain employees the organization need to gain information about the dynamics that characterized the motivation to work.

Van Knippenberg (2000) suggested that employee become more loyal and stay in the organization when they identify themselves within a group and contribute to the performance as a group. This suggestion relies on work performed by Locke and the goal setting theory he developed. The goal is team performance and the individual feeling part of the group. Fitz-enz (1990) recognized that only one factor is not responsible in management of employee's retention, but there is several factors influenced in employee's retention which need to manage congruently i.e. compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice etc.

Accordingly, organization utilizes extensive range of human resource management factors influence in employee commitment and retention (Stein, 2000; Beck, 2001; Parker and Wright, 2001). This study also have objective to find out the factors which is more influence in employees retention, for this purpose these factors are categorized into organizational factor i.e. supervisor support, organizational justice, organization image and work environment and Human resource factors i.e. employee value match, training & development, remuneration & reward, job security and employees promotion aspect.

## **2.5 Factors influencing Non-quit decisions**

The literature considered that compensation one of the largest factors for the retention of employees. Compensation plays significant role in attracting and retaining good employees specially those employees whose gives outstanding performance or unique skill which is indispensable to the organization because company invest more

amounts on their training and orientation. According to Lawler (1990) company adopt the strategy of low wages if the work is simple and requires little training and companies compete in high labor markets adopt the high wages strategy. Some researchers argue that on the company side competitive compensation package is the only strong commitment and also build strong commitment on the workers side.

Nevertheless, the contribution of compensation towards retention, help in retention of employee irrespective of their skill and contribution to the company and it likely affect both turnovers desirable and undesirable. The total amount of compensation offered by other companies also affects the turnover. Organization offered high compensation package is compared to others a large numbers of candidates applying for induction and have lower turnover rate. Moreover high compensation package organizations also create culture of excellence (Lawler 1990), According to Smith (2001) money bring the workers in the organization but not necessary to keep them. According to Ashby and Pell money satisfies the employee but it is not sufficient to retain the employee means it is insufficient factor.

The literature meaning of word “reward” as it is something offered by the organization to the workers in response of their performance and contributions which are expected by the workers (Agarwal, 1998). The amount of pay, benefits, or equivalents employee received in return for service which employee render to organization. A reward can be intrinsic or extrinsic, it can be in form of cash i.e. bounces etc or reward can be in form of recognition / certificate such as commendation certificate or worker of the month etc. In business environment rewards are offered in several forms e.g. recognition, cash bonuses, awards, free trips and free merchandise etc.

Organizations that are more committed to their workers typically made more investment as compared to similar organization in progressive Human Resource practices i.e. education, training & development and compensation package (Huselid, 1995). These organizations also adopt deserving practices on rewards distribution and distribute the rewards more generously and equitably. According to Walker (2001), compensation offer recognition, but non-monetary forms of recognition are also not ignored and important. Recognition from bosses, team members, coworkers and customer enhance loyalty. Employee participation in decision making and influence in actions are also important (Davies, 2001; Gold, 2001). Research studies highlighted the linkage between rewards and employee retention (Watson Wyatt, 1999; Tower Perrin, 2003; Mercer, 2003) and give insights into what workers want to do, their words about the rewards and their feeling regarding the work and reward matters. The recent research studies on talent management also support assumption that well and broad implemented reward practices help in talent retention and management.

Investment on employee Training and career development is considered important factor in employee retention. Organization has the incentive to make investment in form of training & development only on those workers, from whom organization expect to return and give output on its investment (Messmer, 2000). According to Clark (2001), organizations are intensification development for talented employees, through proficiency analysis, input on employee interests, need development and multisource appraisal of capabilities and formulate plans for action. Wetland (2003) suggest that firms and individual made investment on human capital in the form of training. Training enhances the skills of employees. When employees are hired to enhance the skill, organization needs to start training program (Goldstein, 1991). According to Noe (1999), employees have perception to acquire new knowledge &

skills which they apply on the job and also share with other employees. Research studies found that organization often delay employee training program to determine that workers personal value good matches with organization culture or otherwise, therefore to peter out the employee turnover intention (Lauri, Benson & Cheney, 1996).

Bishop (1998), survey on training found that established, larger, manufacturing and unionized firms have tend to provide training to employee as did multi established firms with flexible production approach or high performance. Research study finds that, larger companies, high performance establishment and those organizations which spend more physical resources were usually more probably to retain their talent (Black and Lynch, 1996). Firms in market with prompt technical advancement and output progress trained more and those firms which have not confronted any competitor in last decade. According to Frazis et at, (1998), firms that offer more benefits as compared to others and train their workers by adopting innovative job practices.

Storey and Sisson (1993), recommend that training is sign of organization commitment to employees. Training also reflects organization strategy that is based on value adding rather than cost lowering. Leading firms of the industry recognize that comprehensive range of training, skill and career development is the key factor of attraction and retention the form of flexible, sophisticated and technological employees that firms strategy to succeed in the computerized economy.

Employees career advancement is a phenomenon which is formalized, organized and it is planned effort to accomplish the balance between requirement of organization workforce and individual career needs. The rapidly rising awareness makes it

evidence that employees can give leading edge to the organization in market place. It is challenge for today HR Managers to identify the organization developmental strategies which enthuses the employee commitment to the organization vision and values to motivate the employees and help the organization to gain and sustain the competitive advantage (Graddick, 1988). Greller (2006) states that people always work for a reason and the cause should be provided by work, organization, co-workers or from within. Findings show that when employees want to advance in their careers, a motivational factor, it does not matter how old one is, a lot of stay in the organization as a way to advance.

A numbers of studies have conduct to explain the work environment with different aspects such as job satisfaction (Iaffaldano & Muchinsky, 1985) and employee retention, employee turnover, organizational commitment and job involvement. Work environment is considered one of the most important factors in employee's retention (Zeytinoglu & Denton, 2005). According to Hytter (2008) work environment is generally discussed as industrial perspective, focus on aspect i.e. noise, toxic substances exposure and heavy lifts etc. The interesting part of work environment is; work environment characteristics in services sector is differ from production sector, because services sector directly deal with consumers / clients. The interaction between employees and client / consumer move from physical to Psychological dimension.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. Introduction**

This chapter explains how the study was carried out. It covers the design that was used to conduct the study, how data was collected and eventual analysis of the data in order to be adopted thus generates research findings for reporting.

#### **3.2 Research Design**

The study was carried out through a descriptive survey. A descriptive study describes or defines a subject, often by creating a profile of a group of problems, people, or events, through the collection of data and tabulation of the frequencies on research variables or their interaction as indicated by Cooper and Schindler (2003).

The descriptive survey research design was preferred based on the fact that in the study, the research was interested on the state of affairs already existing in the field and no variable would be manipulated. Also, this design was appropriate because data was collected from many individuals at one point in time. This research design was chosen so as to provide adequate data useful for future analysis and drawing accurate conclusions.

#### **3.3 Population**

The target population of the study was 900 staffs in the management of Nairobi City County. The target population for the proposed study was management staffs who were involved in strategic decision making as well as human resource decisions. The distribution of population by rank is presented in Table 3.1.

**Table 3.1: Target Population**

<b>Department</b>	<b>Population</b>
Health	120
Environment and Engineering	170
Education and Planning	170
Housing and Treasury	163
Legal and Procurement	150
Human Resource	127
<b>Total Employees in management</b>	<b>900</b>

Source: <http://www.nairobi.go.ke/>

### 3.4 Sample Design

The study used stratified sampling; where for each of the six departments, questionnaires were given to the directors who distributed them to the various section heads in their departments. The size selected was 20% of the target population and thus conforms to the statistical provision, (Mugenda and Mugenda, 2004). Mark and Thornhill (2003), defines a fraction as a proportion of the population size of those employed. The study utilized a sample of 180 chosen using the frame below. The sampling frame was the employees in various categories as shown in Table 3.2.

**Table 3.2: Sample size**

<b>Department</b>	<b>Population</b>	<b>Sample size (20%)</b>
Health	120	24
Environment and Engineering	170	34
Education and Planning	170	34
Housing and Treasury	163	33
Legal and Procurement	150	30
Human Resource	127	25
<b>Employees in management</b>	<b>900</b>	<b>180</b>

Source: (Author 2014)

### **3.5 Data Collection**

The researcher relied on primary data to carry out the study. The primary data was collected through a self administered questionnaire. The questionnaires were structured and had closed and open ended questions. The respondents were employees in the management drawn from the various departments. The questionnaire had two sections. Section A was seeking to establish the respondent's background information, while Section B was on factors influencing non-quit decision.

### **3.6 Data Analysis**

Data was analyzed using quantitative methods. For quantitative data descriptive statistics was used. Tables and graphs were used to explain and summarize data as well as indicate levels of respondent's concurrence. The statistical package for social sciences (SPSS) was used. Data was analyzed using descriptive statistics whereby frequencies, percentages, mean and standard deviations generated from the various data categories was computed and presented in figures and tables.

## CHAPTER FOUR

### DATA ANALYSIS AND FINDINGS

#### 4.1 Introduction

This chapter contains research findings and discussion of the same. The purpose of the study was to assess employee perceptions of factors influencing non quit decision at Nairobi City County. Frequency distributions and percentages were used to represent the findings of 180 respondents. However, out of 180 questionnaires distributed only 155 were fully filled and returned. This constituted 86% response rate.

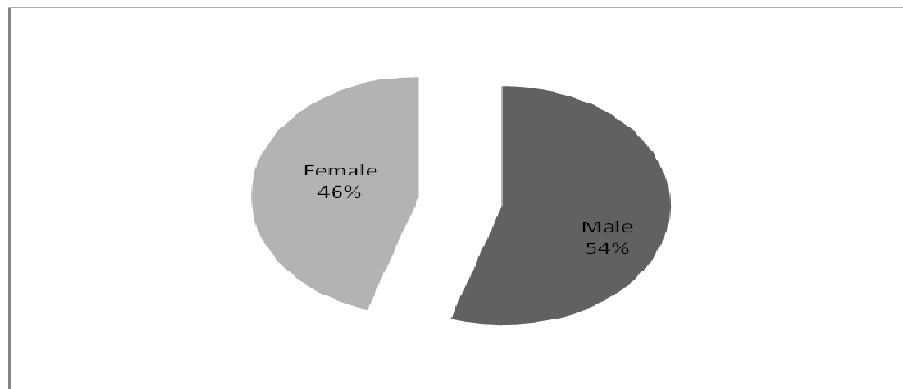
#### 4.2 Demographic Data

The respondents were asked to answer a series of questions about themselves and the organization. The findings are reported below.

##### 4.2.1 Gender of the Respondents

The study sought to determine the gender distribution of the respondents across the various departments within the county on issues pertaining non-quit decisions. The responses are as summarized in Figure 4.1

**Figure 4.1: Gender composition of the Respondents**



Source: (Author 2014)

As shown in Figure 4.1, majority (54%) of the respondents were male while the rest (46%) were female. This implies that though there is gender distribution in managerial positions at the Nairobi City County most of the positions are occupied by the male.

#### 4.2.2 Age of the respondents

The study also sought to determine the age brackets of the respondents. Age was considered to be a key factor in influencing non-quit decisions at the county.

Age distributions of the respondents is presented in Table 4.3

**Table 4.3: Distribution of the respondents by age**

Age bracket in Years	Frequency	Percentage
25 years and below	11	7.1
26-34 years	27	17.4
35-44 years	63	40.7
45 years and above	54	34.8
<b>Total</b>	<b>155</b>	<b>100</b>

Source: (Author 2014)

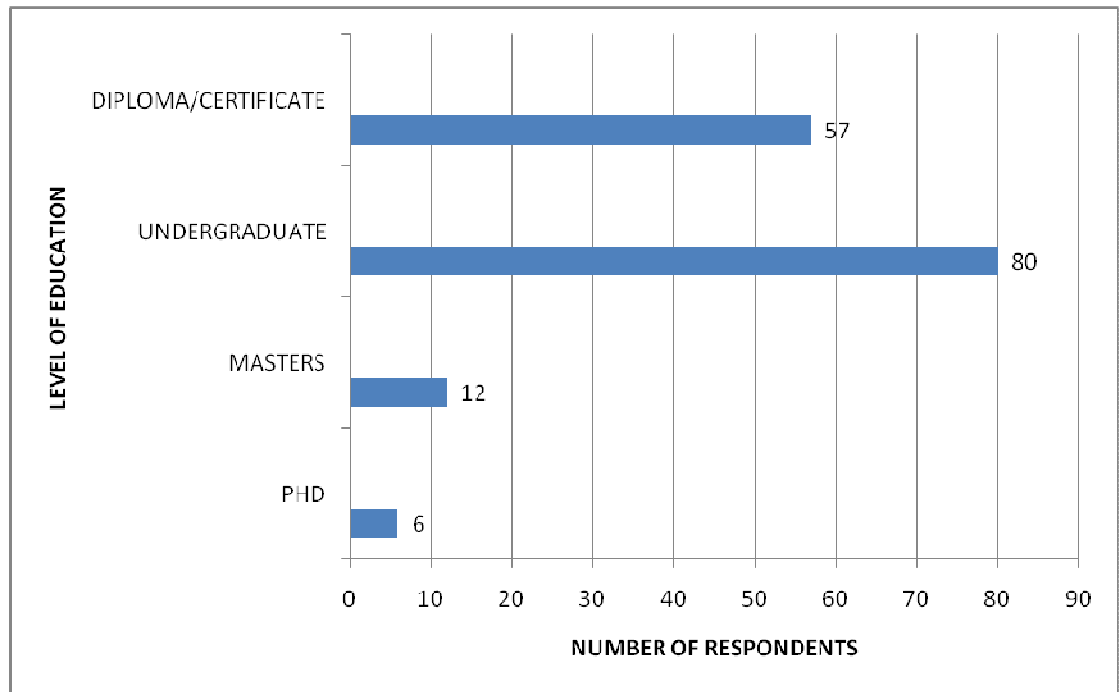
Table 4.3 summarizes the findings on the age bracket of the respondents'. From the findings, most (40.7%) of the respondents were within the age bracket of 35-44 years, 34.8% were over 45 years, 17.4% were between 26-34 years while the rest (7.1%) were below 25years. This indicates that most of the employees in managerial positions at the Nairobi City County were in the age bracket of between 35-44 years. This means that the non-quit decisions were highly implemented.

#### 4.2.3 Highest level of Education

The respondents were asked to indicate their highest level of academic qualification

The findings are presented in Figure 4.2 below.

**Figure 4.2: Distribution of respondents by highest level of education**



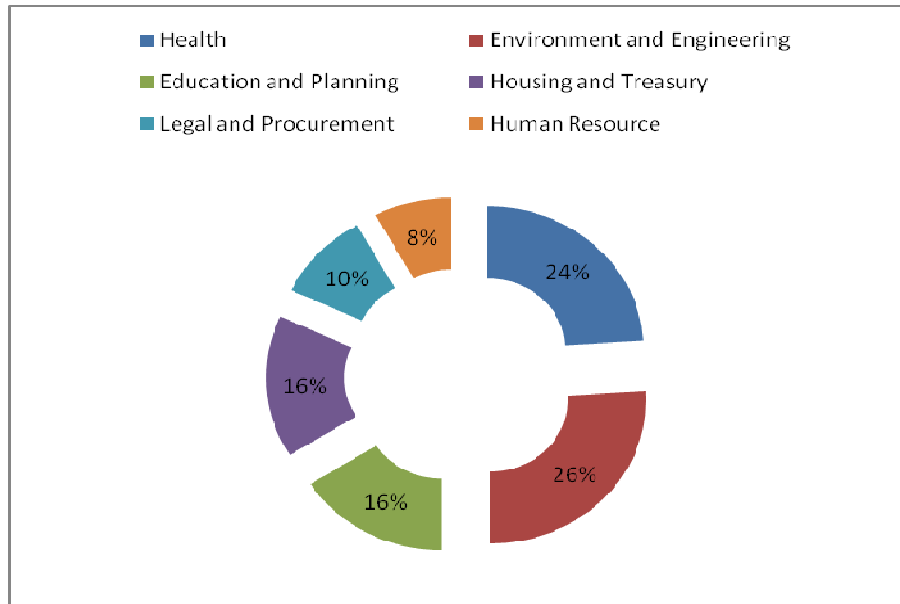
Source: (Author 2014)

Figure 4.2 shows the findings of the study on respondents' level of education. From the figure above majority (80) of the respondents had acquired university degree as their highest academic qualification; 57 had a diploma/certificate as their highest level of education, 12 had masters while the least (6) had a PhD. This indicates that most of the managers at Nairobi City County are well educated hence are capable of formulating and implementing decisions.

#### **4.2.4 Distribution of Respondents by Department**

The respondents were asked to indicate their respective departments. The findings are summarized in Figure 4.3 below.

**Figure 4.3: Distribution of respondents by department**



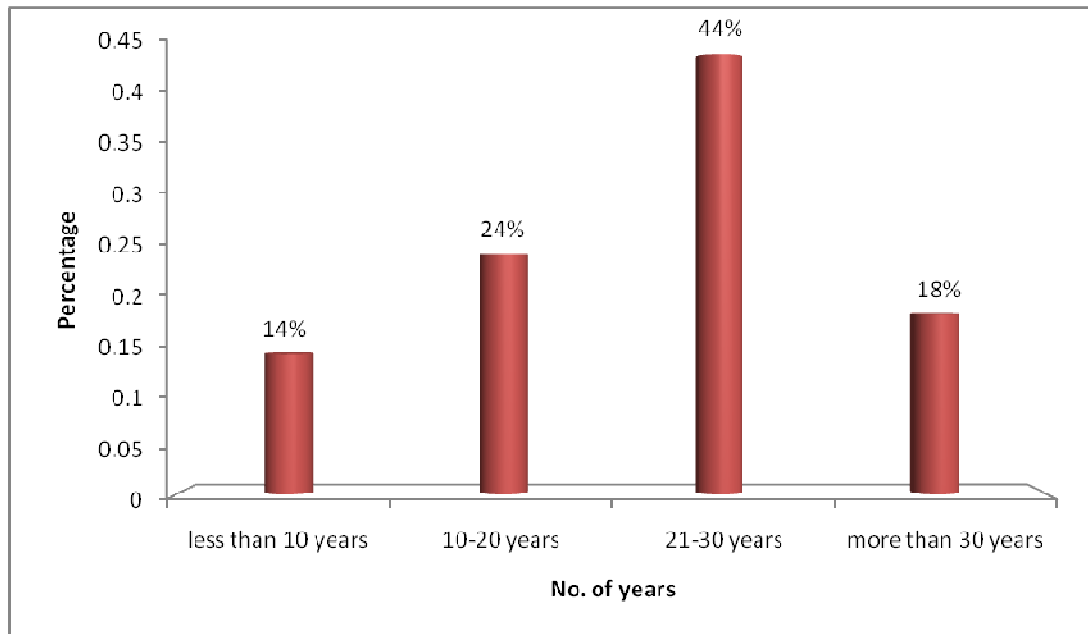
Source: (Author 2014)

Figure 4.3 depicts the findings on the departments to which the respondents belong. It is evident from the figure that the respondents were approximately evenly distributed amongst the different departments with Environment and Engineering at 26%, Health at 24%, Education and Planning at 16%, Housing and Treasury at 16%, Legal and Procurement at 10%, and human resource at 8%.

#### **4.2.5 Number of years worked in the Organization**

The researcher further sought to assess the period of years bracket the respondents had worked for the NCC. It is expected that the longer the period one works for an organization the favorable the organizations factors are hence the non-quit decisions. The responses are in Figure 4.4.

**Figure 4.4: Classification of respondents by number of years worked in the NCC**



Source: (Author 2014)

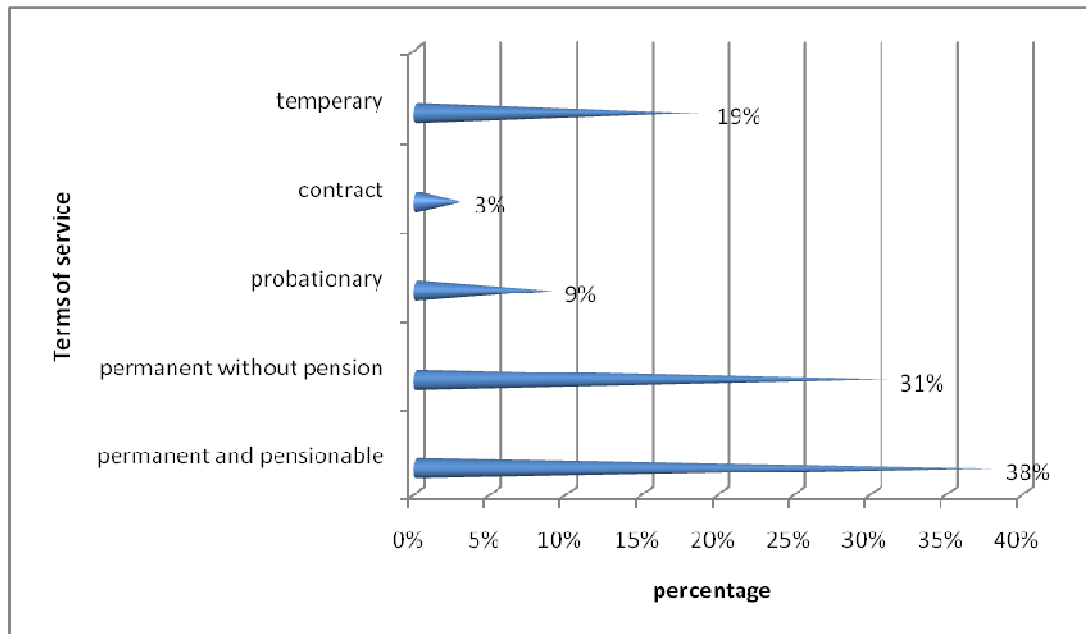
From the findings in Figure 4.4, most (44%) of the respondents had worked for 21-30 years, 24% had worked for 10-20, 18% had worked for more than 30 years while the rest 14% had worked for less than 10 years. This illustrates that the managers have worked at the NCC for a reasonably long period of time, thus being able to make decisions on leaving the job.

#### **4.2.6 Terms of Services/Employment**

The researcher further sought to assess the terms of services for employers at the NCC. The responses are in Figure 4.5.



**Figure 4.5: Terms Of Service/Employment**



Source: (Author 2014)

As illustrated in Figure 4.5 above majority of managerial employees in Nairobi city county (38%) were permanent and pensionable, 31% were permanent without pension, 19% were temporary, 9% were on probation while the rest (3%) on contract. This implies that majority of management workers were guaranteed of their job continuity and therefore this could influence their non-quit decisions.

### **4.3 Factors Influencing Non-Quit Decisions**

Key among the factors influencing non-quit decisions are career advancement, work environment, training among others. The researcher therefore sought to identify these factors within the city county of Nairobi among the management.

#### **4.3.1 Training and Development**

##### **4.3.1.1 Employee Training Policy**

The respondents were asked to indicate whether an employee training policy was formulated in the organization. The response is as shown in the Table 4.4 below

**Table 4.4: Employee Training Policy**

<b>Response</b>	<b>Percentage</b>
Yes	71
No	29
<b>Total</b>	<b>100</b>

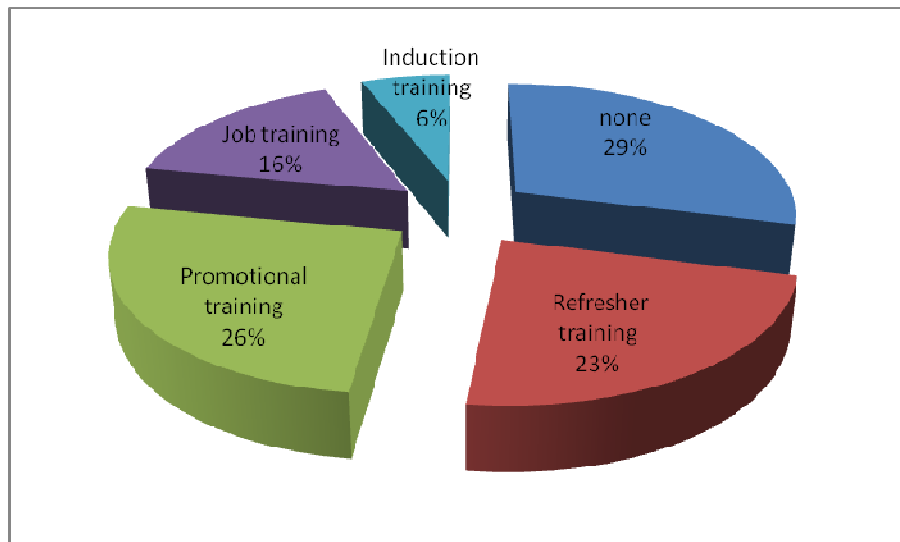
Source: (Author 2014)

The above Table 4.4 shows that 71% of respondents indicated that employee training policies were formulated while the rest (29%) indicated that the policies were not formulated. The variation could have been brought about by the presence of several departments within the county such that the policies were only formulated in some departments and not in others.

#### **4.3.1.2 Methods of Training**

The respondents were further asked to indicate the methods of training employed by the Nairobi city county. Their response was summarized by Figure 4.6 below.

**Figure 4.6: Methods of Training**



Source: (Author 2014)

From the findings in Figure 4.6, majority (29%) indicated that there were no employment training policies. 26% indicated promotional training, 23% for refresher training, 16% for job training while the rest 6% were for induction training. The type of training used by NCC was found to be influenced on the type of department as well as individual qualification.

#### 4.3.1.3 Factors Affecting Performance of Employees at NCC

The respondents were required to indicate the extent at which the stated factors affected the performance of employees at the Nairobi city county. The response is as shown in Table 4.5 below.

**Table 4.5: Factors Affecting Performance of Employees at NCC**

	<b>Mean</b>	<b>STD</b>
Frequency of training	4.23	0.123
Quality/ Content of training	3.46	0.241
Relevance of training	3.25	0.298
Approach of training	4.31	0.098
Opportunities for training and development	2.36	1.003

Source: (Author 2014)

As shown in Table 4.5 a mean of 4.31 indicated that the approach of training was seen to affect performance of employees affected performance of employees to a great extent, followed by frequency of training which affected the performance to a great extent with a mean of 4.23, quality/content of training affected performance to a moderate extent having a mean of 3.46, relevance of training affecting to a moderate extent with a mean of 3.25 while opportunities for training and development affected performance to a low extent with a mean of 2.36. The findings show that frequency of

training and approach of training had an influence on the performance of employees at the NCC.

#### 4.3.1.4 Staff Training and Development

The study sought to get information on the use of various aspects of staff training and development at NCC. The respondents were required to indicate the extent at which they agreed with the provided aspects. The level of agreement was provided on a scale of 1-5 with 1 representing strongly disagree, 2 for disagree, 3 for undecided, 4 for agree and 5 for strongly agree. The response is summarized in Table 4.6 below.

**Table 4.6: Means and standard deviation for measures of staff training and development**

	<b>Mean</b>	<b>STD</b>
Supervisory assistance and mentoring	3.23	0.123
Job instructions	4.56	0.241
Apprenticeship / internship	3.45	0.298
Consultants	2.66	0.052
Training courses and seminars	4.21	0.622
Coaching	2.23	0.423

Source: (Author 2014)

Table 4.6 shows that the respondents strongly agreed on the use of job instructions as it had a mean of 4.56, they also agreed on the use of training courses and seminars with a mean of 4.21, they were however undecided on use of apprenticeship/internship indicated by a mean of 3.45, they were further undecided on

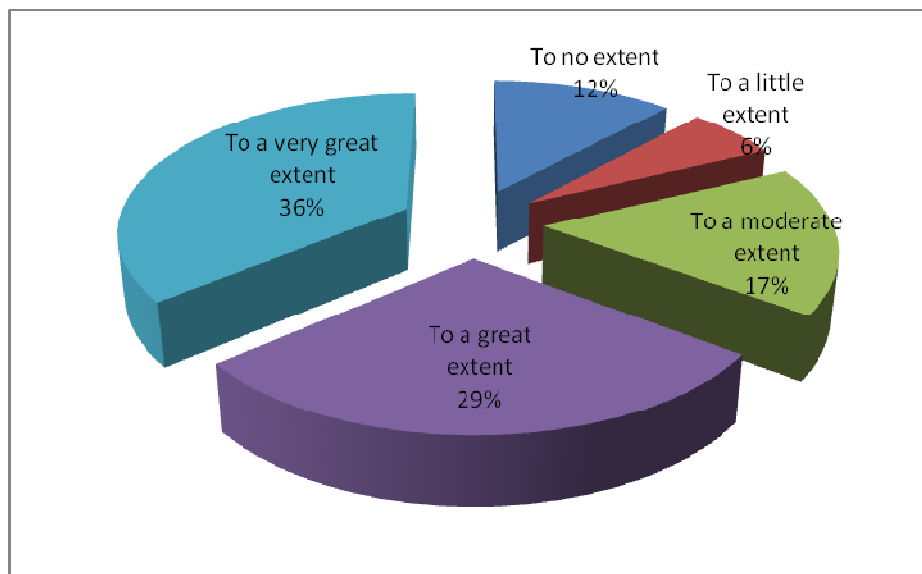
use of supervisory assistance and mentoring with a mean of 3.23, and consultants with a mean of 2.66 and also disagreed on use of coaching with a mean of 2.23. It can be deduced from the findings that NCC uses job instructions and training courses and seminars in staff training and development.

### 4.3.2 Working Environment

#### 4.3.2.1 Effect of Working Conditions on Decision Not To Quit

The study sought to determine the extent at which the working condition affected the decisions not to quit the NCC. The response is as shown in Figure 4.7 below

**Figure 4.7: Effect of Working Conditions on Decision Not To Quit**



Source: (Author 2014)

Majority of respondents indicated that it affected to a very great extent (36%), 29% to a great extent, 17% to a moderate extent, 12% to no extent while 6% to a little extent.

It is clear therefore that decision not to quit was affected by working conditions.

#### 4.3.2.2 Working Environment and Decision to Continue Working

Respondents were asked to indicate the extent to which they agreed with the stated statements on working condition coupled with their decision to continue working at NCC. The level of agreement was provided on a scale of 1-5 with 1 representing strongly agree, 2 for agree, 3 for neutral, 4 for disagree and 5 for strongly disagree. The response is summarized in Table 4.7 below.

**Table 4.7: Response on Working Environment and Decision to Continue Working**

	<b>Mean</b>	<b>STD</b>
I find that my values and the organizations values are very similar	3.23	0.309
I am proud to tell others that I work for this organization	4.06	0.293
I could just as well be working for a different organization as long as the type of work was similar	2.45	0.298
This organization really inspires the very best in me in terms of job performance.	4.66	0.057
My biggest frustration on the job is inequality of the reward system	2.21	0.622

Source: (Author 2014)

From Table 4.7 the respondents strongly disagreed with the statement that the organization really inspired the very best in them in terms of job performance as shown by a mean of 4.66, they disagreed that they were proud to tell others that they worked for the organization with a mean of 4.06, a mean of 3.23 indicated that they were undecided on whether their values and those of the organization were very similar, they however agreed that they could as well be working for a different

organization as long as the type of work was similar as shown by a mean of 2.45 and also agreed that their biggest frustration on job was inequality of the reward system with a mean of 2.21. From the findings it can be deduced that the employees were not comfortable with the working environment provided by the Nairobi city county.

#### 4.3.2.3 Effect of Work Conditions on Decisions Not To Quit

The study aimed at finding out the extent at which the stated factors about work conditions affected their decisions not to quit the Nairobi City County. The respondents were required to indicate given a scale of 1-5 where 1 represented very satisfied, 2-somewhat satisfied, 3-neutral, 4-dissatisfied, and 5-very dissatisfied. The response is as shown in Table 4.8.

**Table 4.8: Factors about Work Conditions Affecting Decisions Not To Quit**

	<b>Mean</b>	<b>STD</b>
Salary	4.02	0.024
Benefits	3.23	0.123
Connection between pay and performance	2.43	0.618
Workload	3.12	1.032
Flexibility of working hours	2.17	0.067
Physical working environment	4.56	0.241
Opportunity for advancement	4.14	0.482
Job security	4.62	0.298
Ability to influence decisions about you	3.19	0.007
Ability to use new technologies	4.61	0.381
Promotion and advancement opportunity	4.25	1.003
Overall relationship with your supervisor	2.36	0.052
Your relationship with your peers	1.24	0.673
Your understanding of the organization mission	1.21	0.622

Source: (Author 2014)

From the findings in Table 4.8 respondents were very dissatisfied with job security as shown by a mean of 4.62, they were also very dissatisfied with ability to use new technologies indicated by a mean of 4.61 and physical working environment which had a mean of 4.56. A further mean of 4.25 indicated that the respondents were dissatisfied with promotion and advancement opportunity, were also dissatisfied with opportunity for advancement indicated by a mean of 4.14, and a mean of 4.02 for salary. They were neutral on benefits as depicted by a mean of 3.23, neutral on ability to influence decisions about them shown by a mean of 3.19 and workload with a mean of 3.12. They were however somewhat satisfied with connection between pay and performance represented by a mean of 2.43, overall relationship with their supervisor with a mean of 2.36 and flexibility of working hours shown by a mean of 2.17. Additionally a further mean of 1.24 and 1.21 indicated that they were very satisfied with their relationship with their peers and their understanding of the organization mission respectively. From the finding satisfaction with the connection between pay and performance, overall relationship with the supervisor, flexibility of working hours, relationship with peers and understanding of organization mission influenced the decision not to quit the employment.

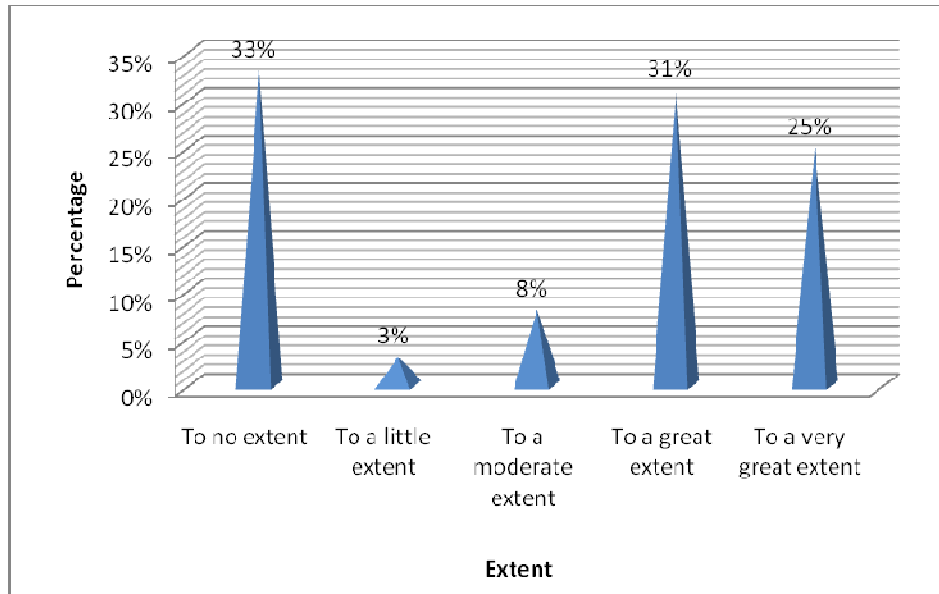
### **4.3.3 Motivation and Reward System**

#### **4.3.3.1 Effect of Reward on Decision to Continue in Employment**

The respondents were required to indicate the extent to which reward affected their decision to continue their employment at the Nairobi city county. The response is shown in Figure 4.8.



**Figure 4.8: Effect of Reward on Decision to Continue Employment**



Source: (Author 2014)

As shown in Figure 4.7 majority of the respondents (33%) indicated that reward system affected their job continuation to no extent, followed by 31% who indicated to a great extent, 25% to a very great extent, 8% to a moderate extent and 3% to a little extent. From the findings it can be seen that reward affected the employees' decision to continue working at the NCC.

#### **4.3.3.2 Method of Reward**

The study sought to know the respondents agreement on the extent to which each of the stated methods of reward was used at the Nairobi City County. The level of agreement was provided on a scale of 1-5 with 1 representing strongly disagree, 2 for disagree, 3 for undecided, 4 for agree and 5 for strongly agree. The response is summarized in Table 4.9.

**Table 4.9: Response on Method of Reward**

	<b>Mean</b>	<b>STD</b>
Salary increment	4.02	0.009
Promotion	3.23	0.123
Transfer	2.05	0.817
Social reinforcement	1.27	0.912
Recognition	3.06	1.001
Bonus	4.19	0.241
Fringe benefits	3.67	0.503
Autonomy/ Independence	3.45	0.298
Awards	2.47	0.213
Opportunities to pursue new challenges	3.38	0.341

Source: (Author 2014)

Table 4.9 indicates respondents agreed on the use of bonus as indicated by a mean of 4.19, also agreed on salary increment shown by a mean of 4.02 and fringe benefits which had a mean of 3.67. they were however undecided on use of autonomy/independence shown by a mean of 3.45, also undecided on opportunities to pursue new challenges with a mean of 3.38, promotion with a mean of 3.23 and recognition with a mean of 3.06. A mean of 2.47 indicated that they disagreed on use of awards and transfer with a mean of 2.05. They strongly disagreed on use of social reinforcement as indicated by a mean of 1.27. It can be stated as indicated by the findings that the NCC uses bonus, salary increment and fringe benefits as their reward system in an aim to motivate the employees and thereby affecting their non-quit decisions.

#### 4.3.3.3 Emphasis by NCC

The study sought to know the much emphasis that NCC should place on the following factors in future. The respondents were required to indicate the emphasis on a scale of 1-5 with 1 for very little, 2-little, 3- about the same, 4-slightly more and 5-a lot more.

The response is summarized in Table 4.10

**Table 4.10: Ratings on Factors that Nairobi City County should Emphasize**

	<b>Mean</b>	<b>STD</b>
Leadership	4.23	0.153
Training	4.66	0.741
Communication	2.25	0.291
Working conditions	4.51	0.298
Recognition	3.36	0.703

Source: (Author 2014)

As indicated in Table 4.10 the respondents felt that a lot more emphasis was needed in training and working conditions as shown by a mean of 4.66 and 4.51 respectively. A further mean of 4.23 indicated that slightly more emphasis was needed on leadership and about the same emphasis was needed on recognition as indicated by a mean of 3.36 while a mean of 2.25 indicated that little emphasis was needed on communication. From the findings it appears that the respondents would like to see a lot of emphasis on training and working conditions.

#### **4.4 Discussion of the findings**

The study found out that factors influencing non quit decision by employees were training and development, working environment and motivation and reward system. Researcher's finds that human resource management practices in compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice can help to reduce absenteeism, employee retention and better quality work (Meyer and Allen, 1991; MacDuffie, 1995; Ichniowski, Shaw and Prensushi, 1997).

The study found that all departments have been involved in the implementation of non-quit decisions on the Environment, Public Health, City Treasurer and Education departments. These are the key departments. In addition, to the number of years worked in the organization, the study found that the managers have worked at the NCC for a reasonably long period of time, thus enabling them to make better non-quit decisions.

The study further found out that most of the managers at Nairobi City County are well educated hence are capable of making non-quit decisions. This is in line with Noe (1999), who suggested that employees have perception to acquire new knowledge & skills which they apply on the job and also share with other employees. It was also found out that majority of workers were employed on a permanent basis and therefore guaranteed of their job continuity. This as a result influenced their non-quit decisions. With regard to employee training policy, the study established that the policies were formulated in the organization. This concurs with Goldstein, (1991) who suggested

that when employees are hired to enhance the skill, organization needs to start training program. The methods of training employed by the NCC varied from promotional training, refresher training, job training and induction training.

On the extent at which working conditions affected decision not to quit, it was found out that working condition affected the decision not to quit. This corresponds to a study by Zeytinoglu and Denton, (2005) which says that work environment is considered one of the most important factors in employee's retention. From the findings employees were not comfortable with the working environment provided by the Nairobi city county.

The employees were satisfaction with the connection between pay and performance, overall relationship with the supervisor, flexibility of working hours, relationship with peers and understanding of organization mission influenced the decision not to quit the employment. The findings agree with a study by Nahrgang, & Morgeson, 2007; Liden & Maslyn, 1998 that perceptions play an important role in the unique relationship between supervisors and subordinate. They also correspond to those of Van Knippenberg (2000) which suggested that employee become more loyal and stay in the organization when they identify themselves within a group and contribute to the performance as a group.

From the findings reward affect the employees' decision to continue working at the NCC. This is in line with Storey and Sisson (1993), who recommend that training as sign of organization commitment to employees. The study also established that NCC uses bonus, salary increment and fringe benefits as their reward system in an aim to motivate the employees and thereby affecting their non-quit decisions. In addition the study found out that a lot of emphasis was needed on training and working conditions.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary of the data findings on employee perceptions of factors influencing non quit decision at Nairobi City County, the conclusions and recommendations are drawn there to. The chapter is therefore structured into summary of findings, conclusions, recommendations and area for further research.

#### **5.2 Summary**

The objectives of this study were assessing employee perceptions of factors influencing non quit decision at Nairobi City County. The study found out that factors influencing non quit decision by employees were training and development, working environment and motivation and reward system.

The study established that most of the employees in the managerial positions in Nairobi City County were of flexible age brackets, implying that they were highly capable of making non quit decisions within the departments and hence improving on the working environment, training programs and reward and motivation system with an aim of avoiding unnecessary leaving of jobs.

The study further found out that most of the managers at Nairobi City County are well educated hence are capable of making non-quit decisions. Additionally, on the number of years worked in the organization, the study found that the managers have worked at the NCC for a reasonably long period of time, thus the decision not to quit was high. It was also found out that majority of workers were employed on a permanent basis and therefore guaranteed of their job continuity. This as a result influenced their non-quit decisions.

With regard to employee training policy, the study established that the policies were formulated in the organization. The methods of training employed by the NCC varied from promotional training, refresher training, job training and induction training. The type of training used by NCC was found to be influenced on the type of department as well as individual qualification. Factors that mainly affected the performance of employees at the county were approach of training, frequency of training, and quality/content of training. On issues pertaining staff training and development the Nairobi city county used job instructions and training courses and seminars.

On the extent at which working conditions affected decision not to quit, it was found that working condition affected the decision not to quit. The study also found out that employees were not comfortable with the working environment provided by the Nairobi city county. The study further found that employees were satisfaction with the connection between pay and performance, overall relationship with the supervisor, flexibility of working hours, relationship with peers and understanding of organization mission influenced the decision not to quit the employment.

The study also established that reward affected the employees' decision to continue working at the NCC. The study further established that NCC uses bonus, salary increment and fringe benefits as their reward system in an aim to motivate the employees and thereby affecting their non-quit decisions. In addition the study found out that a lot of emphasis was needed on training and working conditions.

### **5.3 Conclusion**

The study concludes that factors influencing non quit decision by employees were training and development, working environment and motivation and reward system.

With regard to employee training policy, the study concludes that the policies formulated in the organization were the various methods of training employed which are promotional training, refresher training, job training and induction training. The study further concludes that factors that mainly affected the performance of employees at the county were approach of training, frequency of training, and quality/content of training. Job instructions and training courses and seminars were mainly used for staff training and development.

The study further concludes that working condition affected the decision not to quit and that employees were not comfortable with the working environment provided by the Nairobi city county. The study also concludes employees were only satisfied with the connection between pay and performance, overall relationship with the supervisor, flexibility of working hours, relationship with peers and understanding of organization mission. The study also concludes that reward affected the employees' decision to continue working at the NCC and the reward used at NCC is bonus, salary increment and fringe benefits. In addition the study concludes that a lot of emphasis is needed on training and working conditions.

#### **5.4 Recommendations**

It is recommended that Nairobi City County should incorporate people of all ages in the managerial positions especially involvement of the youth. Regarding Environment, Public Health, City Treasurer and Education departments as the key service rendering departments the study recommends that all employees should be treated well since they are a key asset in organization survival. The study further recommends that terms of service should be improved to enhance non quit decisions.



The study also recommends use of more training method in all the departments at the Nairobi City County. The study also recommends more training to enhance performance of employees. In addition the study recommends better working environment for all employees especially on salary, physical working environment, use of technologies and job security. Additionally the study recommends tackling of the known challenges by Nairobi City County in order to achieve optimum job satisfaction and further research to be done on emerging challenges.

#### **5.6 Recommendations for further studies**

A comparative study is recommended on employee perceptions of factors influencing non quit decision in others counties such as Mombasa, Kisumu and Nakuru which operate in highly competitive environment, to ascertain the validity of the research findings. The study also recommends a thorough exploration of factors influencing non-quit decisions.

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# APPENDICES

## Appendix i: Letter of introduction

  
**UNIVERSITY OF NAIROBI**  
SCHOOL OF BUSINESS  
MBA PROGRAMME

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Telephone: 020-2059162  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 30197  
Nairobi, Kenya

DATE... 13/8/2014

**TO WHOM IT MAY CONCERN**

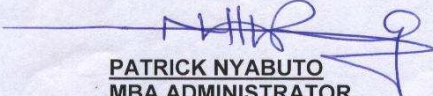
The bearer of this letter ... CHARITY MUTHONI NGURU  
Registration No. ... D61/62019/2010


is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

  
**PATRICK NYABUTO**  
MBA ADMINISTRATOR  
SCHOOL OF BUSINESS

  
UNIVERSITY OF NAIROBI  
SCHOOL OF BUSINESS  
13 AUG 2014  
P.O. Box 30197 - 00100, NAIROBI

## Appendix ii: Questionnaire

### Section A: Demographic and Respondents Profile Information

Please give answers in the space provided and mark (x) in the boxes provided for all suitable responses to the questions.

1. Gender : Male  Female
2. Age : 25yrs and below  26 - 34 yrs   
35 - 44 yrs  45yrs and above
3. Highest academic qualification   
PHD  Masters  Diploma/ College Certificate   
Undergraduate
4. Which is your department in the County?  
Health   
Environment and Engineering   
Education and Planning   
Housing and Treasury   
Legal and Procurement   
Human Resource
5. Period of service in the council  
Less than 10 years  10-20 years  21-30years   
More than 30years
6. What are your terms of services/employment?  
Permanent and pensionable  Permanent without pension   
Probationary  Contract

Temporary [ ]

**Section: B Factors Influencing Non-Quit Decision**

**TRAINING AND DEVELOPMENT**

1. (a) Has the Organization formulated an employee training policy?

Yes  No

2. What methods of training are employed by NCC?

Refresher training

Promotional training

Job training

Induction training

None

3. What is the extent to which the following training factors affect the performance of employees at NCC? (tick the relevant box )

<b>Factors</b>	<b>Very great extent</b>	<b>Great extent</b>	<b>Moderate</b>	<b>Low extent</b>	<b>Very low extent</b>
Frequency of training					
Quality/ Content of training					
Relevance of training					
Approach of training					
Opportunities for training and development					

4. To what extent does NCC use the following aspects of training and development to enhance employee performance? Use a scale of 1 to 5 where 1 is strongly disagree and 5 is strongly agree.

<b>Staff Training and Development</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Supervisory assistance and mentoring					
Job instructions					
Apprenticeship / internship					
Supervisory assistance and mentoring					
Consultants					
Training courses and seminars					
Coaching					
Other (Specify ..... ..... .....)					

**SECTION C: WORKING ENVIRONMENT**

1. To what extent do working condition affect decisions not quit the Nairobi City County?

- To no extent [ ]
- To a little extent [ ]
- To a moderate extent [ ]
- To great extent [ ]
- To a very great extent [ ]

2. The following are statements about the working environment and your decision to continue working at the Nairobi City County. Please indicate to what extent you agree or disagree,



<b>Statement</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
I find that my values and the organizations values are very similar					
I am proud to tell others that I work for this organization					
I could just as well be working for a different organization as long as the type of work was similar					
This organization really inspires the very best in me in terms of job performance.					
My biggest frustration on the job is inequality of the reward system					

3. Please indicate the extent to which each of the following factors about work conditions affect your decision not to quit the Nairobi City County.

	<b>Very</b>	<b>Somewhat</b>	<b>Neutral</b>	<b>Dissatisfied</b>	<b>Very</b>
Salary					
Benefits					
Connection between pay and performance					
Workload					
Flexibility of working hours					

Physical working environment					
Opportunity for advancement					
Job security					
Ability to influence decisions about you					
Ability to use new technologies					
Promotion and advancement opportunity					
Overall relationship with your supervisor					
Your relationship with your peers					
Your understanding of the organization mission					

**SECTION D: MOTIVATION AND REWARD SYSTEM**

1. To what extent do rewards affect your decision to continue your employment at the Nairobi City County?

- To no extent [ ]
- To a little extent [ ]
- To a moderate extent [ ]
- To great extent [ ]
- To a very great extent [ ]

2. To what extent are the following methods of rewards used at NCC? Use a scale of 1 to 5 where 1 is strongly disagree and 5 is strongly agree.

<b>Rewards</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Salary increment					
Promotion					
Transfer					

Social reinforcement					
Recognition					
Bonus					
Fringe benefits					
Autonomy/ Independence					
Awards					
Opportunities to pursue new challenges					
Others (please specify)					

3. Which factor among the above factors are the key in influencing your decision to continue working at the NCC?

.....

.....

.....

4. Using the following scale please indicate how much emphasis NCC in future should place on the following factors: 5= A lot more, 4 = slightly more, 3= About the same, 2= Little and 1= Very little

	5	4	3	2	1
Leadership					
Training					
Communication					
Working conditions					
Recognition					
Remuneration					

**THANK YOU FOR PARTICIPATING IN THE STUDY**