

**EMPLOYEE PERCEPTION ON TALENT MANAGEMENT STRATEGY
AND STAFF RETENTION AT DELOITTE KENYA**

BY

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D61/67835/2013

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF
NAIROBI**

NOVEMBER, 2016

DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted for any academic award in any institution.

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SUPERVISORS APPROVAL

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

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ACKNOWLEDGEMENTS

I thank the Almighty God for His guidance throughout my studies and for giving me the grace not to quit when the tough times came. I would also like to express my sincere thanks to my supervisor Prof. Bitange Ndemo for offering guidance and support even while on overseas travels. Thank you for your time and availability.

I would like to thank my many accountability friends for their great encouragement as well as my family that reiterated the fact that it was unacceptable to leave this course incomplete.

To my husband Justus Mitambo and our Children, Mureithi, Makena and Munene, thank you for the great support. I would not have done this without you.

DEDICATION

This research project is dedicated to my husband Justus Mitambo and our Children, Mureithi, Makena and Munene for their support, encouragement and patience during the entire period of my study and continued prayers towards successful completion of this course. May God bless you.

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ABBREVIATIONS AND ACRONYMS

ERP	Employee Retention Program
HR	Human Resources
HRM	Human Resource Management
ICS	Internal Client Services
ICT	Information Communication Technology
KES	Kenya Shillings
SPSS	Statistical Package for Social Sciences
VIE	Valency Instrumentality Expectancy

ABSTRACT

In challenging times, organizations are under tremendous pressure to contain costs, at the same time, they must manage rapid change as globalized markets react so quickly and they must continue driving towards long-term business goals. Organizations that invest in talent management of their employees are unlikely to lose them to competitors. The objective of the study was to find out the employee perceptions on talent management strategy and staff retention at Deloitte Kenya. This study has adopted the form of a descriptive survey design. The population that was targeted for the study was the 400 employees that work in Deloitte Kenya offices. Therefore the sample size was 80 employees who were at the offices of Deloitte Kenya, who were selected using stratified random sampling which was done using R software. The study made use of primary data that was collected through the use of a questionnaire. Descriptive statistics which include mean and frequencies have been used for the purpose of performing data analysis. The mean scores have been used to rate the factors in order of their importance. After data collection which was carried out through the use of questionnaires, this data was prepared for purposes of analysis by having it edited, sorting out any blank responses that were noted, coding these responses, categorizing it as well as keying it into the statistical package for social sciences (SPSS) software so as to be able to analyse it. Conclusions including generalizations regarding the population were inferred from the analysis derived from SPSS emanating from the frequencies produced in the analysis as well as inferential and descriptive statistics. The descriptive statistics used in supporting these conclusions related to mean scores, frequencies as well as standard deviation. With regards to inferential statistics, these were correlation analysis and regression. From the findings above the study surmised that remuneration, organizational culture, reward and recognition, training and career development would be inferred to represent a significant and positive relationship that impacts on staff retention. From the findings of this case study, the recommendation is that both benefits and salaries of employees should be commensurate according to the efforts. In addition the bonus pay to employees should be structured in a manner to motivate employees. This will help in improving employee retention.

CHAPTER ONE - INTRODUCTION

1.1 Background of the Study

Talent is one of the critical success factors of an organization. Talent management in professional services firms is therefore one of those areas that challenges many organization. Being able to attract, find, develop and retain talent that is the right fit is time consuming exercise that continues to take up significant amounts of the efforts that management make in managing talent. Once the right talent is found, policies and significant efforts must be made to retain that talent. According to Bergeron (2004) talent management strategy is a conscious plan that is put into action, outlining how the organisation acquires, develops through learning, retains the employees and organises the talent needed to execute the strategy to meet its business needs. On the other hand retaining staff includes understanding what motivates them which in many organisations management are not able to identify. Talent management attempts to stimulate employee retention in organizations and this runs true for professional services whose main asset are the employees. In many instances, employees that are encourages and provided with opportunities to develop professionally as well as grow in their careers are many times more likely to become long-term loyalists of the firm. Retaining the best employees is of particular importance as it assist organisations retain workers who possess the relevant knowledge, requisite skills, and outstanding abilities. Any companies that do not embrace a strategy for their talent management that can be said to be effective are likely to experience significant employee exits in many instances to firms that are competitors. This can then lead loss of any competitive advantage as a result of inefficiencies from operations (Sun 2012).

This study was anchored on the broad theoretical perspectives of job embeddedness theory, social exchange theory and expectancy theory. According to Mitchell *et al.* (2001) job embeddedness theorizes that an employee will usually continue in the employ of the

organization so long as the incentives to stay there exceed or match what they expect. An employee's decision whether to remain in the company or exit from an organisation stems from the Job embeddedness theory. Saks (2006) indicated that the social exchange theory provided the theoretical rationale for engagement of employees in organisations. The theory contends that there are obligations which are generated within a succession of any interactions amongst parties who can be described as having reciprocal interdependence. In the goal theory, the performance of employees and their motivation is higher when individuals are able to set specific goals, as well as where goals are accepted even if they are difficult, and also in instances where there is feedback on performance (Armstrong, 2012). Expectancy theory underpins that people are highly motivated when they know what is expected of them to be rewarded, that the reward is achievable and that the expected the reward can be said to be worthwhile (Vroom, 1964).

Retention are initiatives or strategies that organisations put in place to encourage employees to continue working in the said organisation for as long as they can. A strategy on retaining employees can be said to be effective if there is a logical way in which the employers put in place an environment that that inspires the current employees to remain in the employ of the organisation, by ensuring that the diverse needs of these employees are catered for in the policies and practices of the organisation (Workforce Planning for Wisconsin State Government, 2005). These practices which include policies that are employed by organisations to inspire and encourage workers to remain in any organization are what are referred to as the employee retention strategies. Deloitte Kenya has a well-developed model for career development and employee retention program that commences from recruitment at the selection stage which aims to develop potential identified into performance. This model clearly describes how career development programs aim at improving employees' skills to enhance employee retention. Deloitte provides personal and professional support from

competent coaches both within the business and from externally recognized organizations. Deloitte Develop – Deploy - Connect model shows that retention tends to rise when an employee's talent are developed within the company, and when they are offered challenging jobs that connects to their colleagues and the company's larger goals (Deloitte, 2014).

1.1.1 Talent Management Strategy

Cobb (2008) stated that management of talent is a concept that that emanated from the struggles for the limited talent and has been based the foundations of Strategic Human Resource Management (HRM) and has been champions in the form of Human Resource (HR) practitioners. Barlow (2006) and Hughes (2008) have defined talent management as both a practice as well as a philosophy. Talent can be conceptualized in two broad ways: object and subject approach. In object approach, talent relates to personal characteristics or an inherent capability that is established in a specific field, whereas in the subject approach talent denotes a person or a group of persons who have talents that can be said to possess special skills or abilities.

According to Barlow (2006) and Hughes (2008) management of talent is a phenomenon that is endorsed and garners support from leaders of organisation and within the supervisors and middle level managers in the organization, to implement HRM policies that can be deemed to be strategic in nature, are integrated throughout the organisation and take advantage of technology, paying particular attention on the planning of talent, recruitment of employees, retention of staff, development of the staff as well as succession policies. This should be done for all employees in the organisation but of paramount importance is for those who are identified as potentially highly performing or those that are or are expected to succeed key decision makers. The said commitment is derived partially from the recognition and universally shared belief that HR give rise to an organization's principal source of competitive advantage, which is an asset that can be said to be quite scarce.

Managing talent in an effective manner is a key driver to a successful business that is said to have achieved organizational excellence. When looking at effective strategies of managing employees, recruitment of the most talented employees may not be the best strategy and may also not be effective as these kinds of employees tend to change organisations much more often hence resulting in high employee separation and recruitment costs. Development of talent is a more intricate activity than many HR professionals in organizations realize (Tanton, 2007). Gandz (2006) proposes the use of ‘Talent Development Architecture’ system in the quest of developing talent. He states that the definitive purpose and objective of HR professionals and senior management is to build organizations that have a great wealth of talent by always having available talent for selection (Zero-Talent outages), having well defined succession plans (succession not replacement), and being able to attract the best talent (becoming a talent magnet) (Gandz, 2006). Barlow (2006), like Gandz (2006) emphasises development of talent rather than recruitment of talent, retention of the best employees and appropriate reward of talent. He determines that development of talent is a more intricate pursuit than many HR professional in organizations realize. A particular facet of development of talent espoused on by Barlow’s study is “succession development” (Barlow, 2006).

1.1.2 Staff Retention

Staff retention relates to those practices and policies which inspire and persuade employees to continue working in the organization for a longer period of time. Sandhya and Kumar (2011) view staff retention as a process in which talent is heartened to keep working with the organization for the longer term or until a specified project is completed. Workforce Planning for Wisconsin State Government (2005) defines staff retention as the effort that is logically made to build and nurture an environment that inspires employees to remain in the employ of the organisation by having policies and practices in place that encourage them to stay.

Staff retention is defined by Frank, Finnegan and Taylor (2004), as the efforts of the employer to keep its desirable employees and thereby reach company objectives. An effective Employee Retention Program (ERP) is a logical attempt to form and nurture an environment that inspires and supports employees to remain in the employ of the organisation by maintaining strategies and practices that address their varied needs. To train an employee to be delivery ready, organisation make investments in both resources and time to ensure he is ready to deliver on organisational goals and also to upscale them to the performance levels of existing employees. Buckingham and Vosbrgh (2001) stated that an organization are disrupted when they lose employees who are fully trained. Retention of staff therefore takes into account the various initiatives that organisations put in place to entice employees to stay and work in an organization for their most productive years. According to the Deloitte (2005), organizations that wish to have continued and consistent growth will need to embrace retention of key personnel as the most important aspect to plan for years ahead. The number one priority on the human resources department agenda of the 21st century organizations is to attract and retain key talent. In addition, Perrin (2004) state that among all the factors that could influence how effective of organisations on the future, the foremost drier is talent.

According to Herman and Gioia-Herman (2001) there are direct as well as indirect costs that can be attributed to the loss of employees due to the resultant disruption it causes on the workforce, which in turn leads to a reduction in the effectiveness of the said employees, low efficiency in the productivity of the staff and could imminently result in customer flight as well as reduced morale in the employees that are left in the employ of the organisation. The costs that can be deemed to be directly attributable could range between 50 to 60 percent of an employee's remuneration, while those costs that are not directly attributable would be a far more challenging approximation as found by Clayton (2006). Curtis and Wright (2001) outline the repercussions of high turnover of employee for organizations to include loss of

competitive advantage as a result of damage to quality and customer service which in turn could lead to shrinkage of business growth or declining levels of business activity. Curtis and Wright (2001), also state the nature of “commitment” and describe how employee retention can be a rapid approach to getting employees committed to an organisation. They further say that managing organizations should include an understanding of the value derived from retaining the best employees who are committed and how the achievement of this commitment can be structured.

1.1.3 Deloitte & Touche, Kenya

Amongst the professional accountancy firms in Kenya, Deloitte is one of those that has operated the longest. It started off with the formation of Ramsay & Gill in the year 1907 which later became Gill & Johnson in 1915, and today it still serves some clients under this name. Today, with 18 partners and more than 400 employees in its offices located in the cities of Mombasa and Nairobi, Deloitte is considered one of the largest professional services firms offering a wide variety of services in Kenya.

Clients that are served by this organisation include some of the largest as well as some prestigious organizations in the country, some sole proprietorships and family businesses as well as 30% of those companies listed at the Nairobi Securities Exchange. Clients are derived from a wide group of both indigenous and international organizations, which also include diverse industries such as financial services, distribution and retail, manufacturing, service, governmental and charitable bodies including non-governmental agencies and agricultural companies representing the complete range of the privately owned, development agencies, non-governmental organizations as well as parastatals (Deloitte, 2016). Deloitte Kenya has saved millions of dollars over turnover related cost as a result of its career development. The program also helps employees better navigate through the firm allowing for improved satisfaction and ultimately retaining valuable talents (Deloitte Kenya, 2014).

1.2 Research Problem

In challenging times, organizations are under tremendous pressure to contain costs, at the same time, they must manage rapid change as globalized markets react so quickly and they must continue driving towards long-term business goals. Organizations that invest in talent management of their employees are unlikely to lose them to competitors (Kataike, 2013). However employees who are committed to an organisation that also manages its talent provide organisations critical competitive advantages including lower separation through turnover as well as increased productivity. The most perpetual challenge in most organizations today is lack of a well-structured career development and training programs, reward and recognition programs in order to achieve talent management. In addition there are many organisations where employees feel intimidated and hence are unwilling to offer feedback to supervisors or senior management hence ineffective communication within the organisation at all the levels resulting in organisations not being able to achieve employee talent management (Hajieh, 2013).

Recent survey on staff retention by Deloitte Kenya found out that the biggest challenge facing most companies in Kenya is lack of employee retention within their firms. Poor employee engagement according to the survey is as a result of ineffective career development and training programs and ineffective recognition and reward programs (Deloitte Kenya 2014). In addition the survey showed that workers had strong dissatisfaction with their work with most indicating that they were not involved in the decision making processes affecting their work. There was also an indication of not being happy with the remuneration package despite being technically competent to perform duties. According to Mbae (2014) the decision making should be more inclusive so that relevant members of staff provide input to decisions that affect them.

Past studies have been conducted on staff retention. Internationally Sun, (2012) conducted a study on employee retention in Chinese state-owned enterprises. The study was conducted in China thus presenting a geographical gap. Netswera *at al.* (2007) conducted a study at the South African University ICT faculty on their strategies of staff retention and talent management. The study was conducted in South Africa thus presenting a geographical gap. Locally, Mandago (2014) conducted a study on effects of terms of employment on employee engagement and employee commitment of employees in coffee board of Kenya. The study focused on coffee board of Kenya while the current study will focus on professional service firms. Ndugo (2010) conducted a study on employee engagement in Afya Savings & Credit Co-operative Society (Sacco) Limited. The study focused on Afya Sacco while the current study will focus on professional service firms. Mbae (2014) conducted a study on the relationship that is deemed to exist between how employees performed and their engagement at the Kenya Medical Training College Headquarters. Jilani and Juma conducted a study at Williamson Tea Kenya Limited (WTKL) on how employee engagement could be influenced in manufacturing companies by the use of contingent rewards. The current study will be aimed at answering the question; how do the employees perceive the talent management strategy in relation to staff retention at Deloitte Kenya?

1.3 Research Objective

The general objective of this study was to find out the employee perceptions on talent management strategy and staff retention at Deloitte Kenya.

1.4 Value of the Study

This research is of academic significance as it will fill an existing research gap and add to the existing body of knowledge on the effect of talent management strategies on staff retention. The study will also build on the prevailing academic literature on challenges of employee retention. It will also provide a basis for tomorrow's researchers to borrow from while also fronting recommendations on any potential areas that may require further study.

Policy makers will also be informed on how to counter different challenges facing implementation of talent management strategies so as to ensure greater profit margins, survival and growth. From a theory point of view, the study will come up with a framework of the effect of the talent management strategy on staff retention. Such a framework will be available for future theory building and empirical testing. In particular, the applicability of various theories discussed in literature will be tested in this study.

The practitioners will have information to assist in making talent management policies that support staff retention for competitive advantage. For an organisation in the service industry, employees are the key assets and contribute greatly to organisation success hence strategies that enhance employee retention will contribute to an organisations competitive advantage by reducing resources spent on recruitment and training of new employees.

CHAPTER TWO - LITERATURE REVIEW

2.1 Introduction

This chapter focuses the newest literature that relates to the study variables. The theoretical and empirical literature related to remuneration, rewards and recognition, organisational culture as well as training and development which are the study variables upon which the study hypotheses are founded is also presented. In conclusion, there is a literature review summary which backs the gaps being addressed by the study and the proposed conceptual framework were provided.

2.2 Theoretical Foundations

A theoretical framework relates to a collection of interrelated conceptions. It is used to guide research by establishing what things should be measured and what statistical associations should be focused on (Defee *et al*, 2010). Esper, Mentzer and Stank (2008) emphasizes that a good research should be grounded in theory. This study was guided by job embeddedness theory, social exchange theory and expectancy theory.

2.2.1 Job Embeddedness Theory

According to Mitchell *et al*. (2001) job embeddedness theorizes that employees will continue in the employ of organization as long as the incentives to remain there equal or exceed their anticipated outcomes. Employee's decisions on whether remain in the company or leave are influenced by job embeddedness. When an employee is said to be embedded in a job, they are less likely to depart from the organization and as a result this has a positive impact on the staff performance. Organizations should put in place policies that encourage employees to have job embeddedness to reduce staff turnover and hence contribute to staff retention. HR professionals and should put in place policies that cover the three dimensions of job embeddedness; links, fit and sacrifice to create an environment that encourages job

embeddedness;. The links dimension depicts the relationship that the employee has with their fellow employees in the organization. By having healthy working relations in the workplace, job embeddedness is cultivated in the employee and is realised by ensuring employees have team work.

The second dimension which is fit, is the match between what an employee has and what they do and their workplace. Therefore, the HR practitioners and strategists should create policies that fit with the organizations goals and plans as much as possible to the individual staff needs such as career goals, personal values and plans for the future hence encouraging employees to feel tied that they belong in the organization and hence resulting in retention of staff who in turn have increased performance. The third dimension is sacrifice as is constituted in the job embeddedness theory. This dimension of sacrifice is defined as the loss that an employee will feel and bear when they make the decision to depart from the organisation. When the individual leaves the organization they feel the loss of stimulating projects, benefits that appealed to them, reasonable compensation, relationships built with colleagues who they have meaningful associations with as well as chances of career progression. Therefore, job embeddedness theory is relevant to this study since job embeddedness is beneficial to organizations in formulating their talent strategies specifically relating to employee retention as it empowers the organisation with information relating to the reasons why employees opt to continue in their employ and are therefore able to formulate retention strategies that suit the organisation (Mitchell *et al.*, 2001).

2.2.2 Social Exchange Theory

Saks (2006) submitted that the social exchange theory provides a strong theoretical justification for engagement of employees. The theory contends that there are obligations which will usually be generated within a succession of any interactions amongst persons who can be described as having reciprocal interdependence. According to the theory relationships

develop over a period of time into mutual fulfilling commitments that are loyal and trusting so long as the involved parties follow interact within the norms agreed upon. It involves an interchange or compensating interactions such that the responses or deeds of one of the parties in the relationship are as a result of those of the other party (Armstrong, 2012). This is in line with the description of engagement by Robinson et al (2004) who state that this is a mutual relationship that is made of trust and respect between an employer and employee. To be able to build this form of engagement, the senior executives as well as the management and supervisory team of an organisation should build channels that can be used to communicate expectations to employees that are clear and extensive and that are aimed at empowering the employees of their competence at whatever levels they serve in the organisation, as well as create a working environment and organisational culture that supports engagement success. According to Balain and Sparrow (2009), social exchange theory best describes engagement because it perceives the feelings of commitment as well as loyalty and discretionary effort as all being ways in which employees reciprocate that the employer is good.

2.2.3 Expectancy Theory

According to Vroom (1964), expectancy theory avers people will be motivated when they know what the actions they should undertake in order to get a reward, they anticipate that they are capable of getting the reward and that they also anticipate that the expected reward will be worthwhile. This concept of expectancy was initially included in the valency instrumentality expectancy (VIE) theory postulated by Vroom. Valency denotes value, instrumentality relates to the belief that an action results in a follow up action, and expectancy is the likelihood that an action or deed will result in some form of expected outcome. The theory suggests that although individuals may have differing goals or objectives, they can still be motivated if they believe that there is an affirmative correlation

between the efforts that they put in and the actual performance and that a favourable execution of the tasks will result in an anticipated reward. This reward will fulfil a vital need and the longing to placate the need is strong enough to make the effort worthwhile. For employees to be engaged, the makeup of the systems of contingent reward needs to be operational. Extrinsic policies to motivate employees financially through actions such as bonus schemes only bear fruit in instances where the connection between the effort expended and the reward is clear and the value of the reward is meaningful. Intrinsic motivation results are more within the power of individuals, who are able to put better reliance on their prior experiences to relay the extent of their own motivation. It thus denotes why intrinsic motivation which employees derive from the work that they do can be more influential than extrinsic motivation. (Vroom, 1964). Some of the factors which if well addressed will lead to better employee engagement relate to the composition of rewards in determining ways of influencing employee engagement as well as the implementation of the policies. When carried out in an equitable manner as perceived by teams or by individuals, expectancy is about perception of employees as to whether they will fulfil their desires and if it will satisfy their needs.

2.3 Types of Talent Management Strategies

Talent management strategy is a conscious action plan, which summarises how one attracts, acquires, develops, retains and organises the talent required to execute the organisational strategy. Bergeron (2004) is of the opinion that an effective talent management strategy does not focus only on permanently engaged employees, but also on strategic partnerships, temporary employees or agents, consultants, as well as other organisations or parties that provide outsourced services. The beginning step for any system that manages talent should be the methodical identification of the critical positions which distinctively make the differentiating contribution to an organisation's long term sustainable competitive advantage

(Collings & Mellahi, 2009). This is line with the acknowledgement that roles in any organisation should be greatly differentiated, with a larger focus being placed on those jobs that are strategic in nature as compared to those roles that are operational in nature (Becker & Huselid, 2006), or between those roles in an organisation with potential for only marginal impact in comparison with those whose impact is deemed to be above average (Boudreau & Ramstad, 2007). This differs with the situation in a number of organisations where investments roles that are not of a strategic nature is quite common (Boudreau & Ramstad, 2008; Huselid, Beatty & Becker, 2005).

Collings and Mellahi (2009), indicated that the creation and growth of a collection of high potential talent who are employees said to be high performing provides for the roles that would make a high impact in the contribution towards an organization's competitive advantage that is sustainable in the long run. The policies adopted in the organisation should clearly distinguish between those employees that make a contribution to the strategic performance of the organisation versus those who are not and to ensure that such vacancies are held by employees who are rated as being high performers or possess high potential to deliver on those roles. This view is different from the McKinsey consultants proposed approach, who advocate in their war for talent approach that an organisation should manage its "C players", or those deemed to be consistently below average performers out of the organization (Michaels, Hadfield-Jones & Axelrod, 2001). It also diverges from some of the earlier views that all roles within the organization should be held by "top grading" or what are called "A performers" (Smart, 1999). The study advanced that any systems adopted for talent management should be focused on those employees with high -potential and those that are high-performing that serve in fundamental roles in the organisation and not every employee in the organization. In this approach, HR practitioners are able to foster a more efficient and well thought out plan of utilising the scarce resources of the organization.

Another component of talent management places importance in a set apart human resource architecture that is aimed at facilitating the filling of critical or strategic vacancies within the work place with proficient internal candidates and therefore safeguarding their commitment into the future and embeddedness to the firm. The study brings in understandings from the strategic HR literature in evaluating this concept (Becker & Huselid, 2006; Huselid *et al*, 2005; Lepak & Snell 2002). This element facilitates the recognition of high potential and high performing employees, and the growth of the organisation's pool of desirable talent (Lepak & Snell 2002). Once identified, the difficulty now lies in the firm being able to deploy suitable human resource programs to ensure these persons are placed in those strategic positions and supported with right HR policies and practices.

2.4 Measures of Staff Retention

Organizations need to have in place effective retention strategies put in place so as to ensure that the best employees are retained. Having effective retention strategies requires the talent management leaders to have an ongoing diagnosis of the nature and causes of turnover. By an organisation having an understanding of the reasons and factors that lead to employees leaving or wanting to leave their employ, talent strategists can formulate and implement effective retention policies to aid in reducing turnover (James & Mathew, 2012). Employee retention can be enhanced by taking the time to create a retention strategy for the organization and placing it in the policies. Having good relations with the employees and creating a feeling of security that in return brings commitment and loyalty to the firm is one way of retaining employees in the organization. Recruiting employees the right way that is by having in mind what sort of individual will fit into the organization and wants to grow with the company ensures that the right staffs are recruited from the beginning and whose goals match with the firm's.

Paying employees high wages in relation to their job will enable employees to remain in the firm and avoid them searching for jobs in other organisations. Remuneration schemes that include bonus payments to employees based on performance metrics as well as employee stock options increase loyalty and commitment to the firm. Having self-managed teams that make employees solve problems and experience greater autonomy reduces turnover as employees are challenged and get to realize their potential. Having training and career development platforms can result in better skilled employees who are knowledgeable and as a result influence the individuals to be committed to the organization. Having career progression policies whereby employees are promoted provides a sense of fairness in the company compared to when the company just brings in outsiders. Managers should establish an effective two way communication with operatives as this result in employees to remain in the organization (Taplin & Winterton, 2007). In organizations where there is no career growth, employees tend to leave and work elsewhere. Therefore, having in place promotion opportunities is essential in retaining staff as they are looking at advancing their career goals. Providing employees with career paths and steps on how they can reach their goals and achieve them will ensure that they stay in the organization and stay loyal (Rawat, 2013)

2.5 Talent Management Strategies and Staff Retention

Staff retention is an important component of an organization's more broad style to talent management. Lockwood (2006) described it as the implementation of cohesive strategies or structures aimed at increasing the productivity of workers in the organisation by coming up with improved practices aimed at attracting, developing, retaining, and making the most of its people who possess the requisite aptitude and abilities to meet the organisations current goals and its future aspirations. Programs relating to management of talent management should be geared towards those who carry the greatest responsibility for the organisation's success. Those employees who are rated as highly performing in all likelihood possess the requisite

skills, experience and knowledge required to impact greatly on the overall achievement of the organisational goals and objectives. They therefore need to be developed and retained in the organization. Talent management is meant to stimulate employee retention in organizations especially in professional services firms.

The reasoning behind this loyalty to the organisation can be built by providing employees with opportunities to grow in the careers as well as develop professional skills. It is critical that organisations retain those employees who hold vital, skills, and abilities as well as the knowledge to give superior performance outcomes. Organisations that neglect to develop a compelling talent management strategy are likely to experience significant employee turnover, in many instances to competing organisations. For firms whose talent is a major component of their competitive advantage, loss of these high performing employees could result in operational inefficiencies. For an organization to remain competitive and meet its revenue growth plans, it needs to get the most out of their top talent. An organisation is only able to better its operational performance through being innovative, coming up with new products and services, marketing and branding as well as superior client service which is mainly driven by the high performing employees. The current business environment is highly competitive and talent is a critical factor required in any successful strategy for revenue growth. Hence organisation strategies should incorporate attraction, development retention and commensurate reward policies for high performing employees (Mowday, Porter & Steers, 2013).

For organisations to survive in the foreseeable future, those in charge of talent management need to refocus the process of recruitment from one that is entwined with the organisational culture and whole role is the entire employee spectrum and just not the HR professionals. For organisations that do not have a well-defined career progression path, employee turnover and loss to competitors is imminent. Organisations are not prioritising resources for employee

development and are spending resources on reactive recruitment and training of new employees to fill up vacant positions. Where vacancies require specialist skills, filling them can be an expensive process that is time consuming which could negatively impact on the performance of the organisation. Loyalty from employees is best developed through recognition and nurturing of employee aspirations that resonate with those of the organisation (Kataike, 2013).

2.5.1 Remuneration

The focus of any recruitment process is to match the right people, with the right jobs at right time (CIPD, 2010). Employees define a good employer and a great place to work as one that has an effective employer brand. With recruitment, some companies are more successful than others in their efforts to attract and retain talented people. Potential employees receive and evaluate information available to them and develop a multidimensional view of these employers (Keller 1993). The process of recruitment and selection of employees should be structured in such a manner to influence positive image of the organisation (CIPD, 2010)

Wilden *et al.* (2010) surmised that candidates with extensive prior working experience were more critical of business signals relating to their brand yet on the other hand they appreciated specific organizations' commitment to their profession advancement more than less experienced candidates. These findings emphasise the fact that employers need to convey suitable messages about the organisations brand to the market which encompass the potential recruits and that general information is unlikely to be believed whereas specific information provided to the market is more likely to be more convincing (Fyock 1993; Huang *et al.* 2011; Wilden *et al.* 2010).

2.5.2 Organizational Culture

The definition of corporate culture is a set of values, norms, behaviour patterns and attitudes which form the central identity of an institution or operating unit (Denison 1984). Aycan *et al.*, (2000); Schein (1990) have defined it as a combination of values, assumptions and beliefs influencing management methods and processes in the institution. According to Martins and Terblanche (2003) the values and those beliefs shared by employees in an institution can be deeply associated with its culture. Organizational culture links the employees to the organisation's beliefs, values, principles, stories, and norms and integrates these conventions into the employees every day activities and behavioural set of standards.

Stanislavov and Ivanov (2014) conducted a study on building employee engagement and how the organizational culture in the Bulgarian gaming industry was shaped by its leaders. The objective of this study was to explore how leadership styles impacted employee engagement as well as organizational culture. It was also aimed at gaining an understanding of how these variables affected the performance of organisations. Through in-depth interviews, the participants from three Bulgarian gaming enterprises enumerated their views of how their former and present casino managers formulated organizational culture and built employee engagement. The findings from the study were that levels of employee engagement as well as organisational culture was significantly impacted by any changes in leadership. Visionary management styles resulted in high levels of employee engagement whereas commanding and pacesetting management styles created the lowest. The impact on employee engagement in a succeeding management style was impacted by the preceding style. For example an affiliative style had a controversial influence where it followed a visionary leadership style having a negative impact on engagement, and if it followed a commanding style, it had a positive impact. The research concluded that there existed a flaw in the Goleman's leadership model.

Naidoo and Martins (2014) conducted a study on whether there existed any relationship between engagement of employees and organizational culture. The outcomes of the study were that employee engagement had significant influence on a number of success outcomes in organisations. Although there are numerous studies on whether there exists any linkage between employee engagement and other variables that influence organisational success, there is limited scientific research on what impact the culture of an organization has on employee engagement. There was a quantitative study carried out in an ICT firm in South Africa that involved the completion of the South African Culture Instrument and the Utrecht Work Engagement Scale by 455 employees. The results showed that all dimensions of organisational culture have a positive correlation with engagement of employees. The outcomes of the regression analysis insinuated that the variables that have the strongest statistical influence on employee engagement were processes, objectives and goals of management and the leadership. Since there is a direct relationship between the performances of organisations with employee engagement, it is only sensible for management to put in place policies that support growth in employee engagement by proactively building a progressive organizational culture.

2.5.3 Reward and Recognition

Employees get rewarded for services they provide to the organization (Khan, 2012). Recognition and commensurate rewards are critical factors that influence the attraction and retention of capable employees in any organisation. There have been various studies that show that there exists a relationship between the rewards given to employees and their retention (Chew & Girardi, 2008). According to Som (2008) the role of HR in many organisations is to attract, develop, retain and motivate talent taking into consideration the current and future requirements of the organisation. This was confirmed by Katua, Mukulu and Gachunga (2014) who carried out a study on bank employees and found out that that

strategies and policies that address rewards and recognition of employees have a larger role in inducing employees who contribute heavily to the performance of commercial banks in Kenya. They further recommended that HR managers should prioritise those compensation systems that result in employee motivation and those that encourage productivity and innovation in the workforce.

Where employees feel they are challenged in their everyday activities in the workplace and are rewarded financially they are more likely to be influenced to continue in the employ of the organisation for a longer term (Proper, Deeg & van der Beek 2009). Conclusions reached were statistically were that there was a significant positive relationship relating rewards offered to employees and their motivation thereby implying that if rewards given to employees were to be changed, then there would be a matching adjustment in the perceived satisfaction levels and motivation at the work place. Salary increments offered periodically, allowances as well as bonuses, non-financial benefits and other forms of compensation on regular basis impacts on the employee morale levels and keeps them motivated (Danish & Usman 2010).

Jilani and Juma conducted a study at Williamson Tea Kenya Limited (WTKL) on influencing employee engagement using contingent rewards as a strategy for manufacturing companies. According to this study employees provide crucial competitive advantages when they are involved in what they do and are committed to their organisations resulting in higher productivity and lower employee turnover. The study was done at WTKL, Kericho County. The main objectives included, investigating how employee engagement affected the structure of contingent rewards, assessing how employee engagement was influenced by the implementation of contingent rewards and establishing how employee engagement is influenced by the employees' viewpoints of contingent rewards. This was a descriptive research study. According to the findings, it was noted that all variables had a strong

relationship with the independent variable Employee engagement; however, how the implementation of the said rewards was carried out had a stronger connection with the employee engagement variable.

Bartlomiejczuk (2015) did a research on the effect of recognition programs on employee engagement and how multinational companies organised such programs to drive results. According to the study as the competition for the best talent continues to heighten, one of the critical components of an organisations rewards strategies includes employee recognition. Many HR practitioners are now prioritising and giving top attention to employee engagement with many believing that recognition has a vital role in nurturing engagement. While it is not a new phenomenon that recognition is critical for employee engagement, it is now becoming a strategic priority as many organisations work towards the alignment of organisational objectives and goals including desired behaviours to employee recognition. The surmises that an organisation can exert positive change in its working environment through recognition programs. This practice is no longer a nice-to-have practice but one that if executed well, is a driver for a high performing organisation aiming to grow its bottom line which also results in a case of improved engagement of employees. To have these strategies make the greatest impact on the return on investment, they should be programs that are strategic in nature having executive and top management buy in as well as leverage on peer-to-peer recognition.

2.5.4 Training and Career Development

According to (Chew, 2004), training provides employees with specific skills that may be lacking or those that may have been identified through shortcomings in their performance, whereas development relates to equipping employees with capabilities identified as being critical for the future performance of the organisation.

According to (Cole 2002), training can be defined as a learning activity purposed at obtaining some particular know how and skills aimed at improving an occupation or performing a task. Training and development assists the organisation to achieve its goals by ensuring that its talent is utilised in an optimal manner and this in turn helps the employee to achieve their individual objectives and goals (Adeniji, Osibanjo, and Abiodun, 2013).

According to Dockel (2003) training is one approach an organisation can use to demonstrate to its employees that they are a critical component of the organization. Training and development is also a solution to bridging the gap between existing performance gaps as well as anticipated or planned future performance goals. One method of adapting to the ever changing and competitive environments is to equip the workforce with sufficient and requisite skills through interventions geared towards training and development of the staff (Greenhalgh & Mavrotas, 1996). Implementing general training programs as well as tailkored job specific training programs, increases the brand component of the organisations and also results in highly engaged employees (Barrow & Mosley, 2005). Employee retention and commitment can be enhanced through training programs that are tailored to the job (Torrington *et al.*, 2005).

Hammer (2000) avows that an employees are motivated to perform and complete tasks if they have the mental capability as well as the requisite skills. He states that training employees gives them the know how to complete tasks and challenging activities. It's a confirmed fact, that when employees are not properly trained, they are incapable of providing good quality service. For successful organizations to gain a competitive advantage and perform better than their competitors, their employees should go through appropriate training and development programs. When employees are trained, they tend to display a more positive attitude towards what they do, as well their organisation. These employees are able to accomplish much more effectively, have outputs with fewer errors, and require less supervision time.

Ahmed (2015) conducted a study on career development and employee commitment and engagement at Nairobi City County Government. The study was based on a descriptive survey research design. The study found that career development practices which include career planning, coaching, counselling and mentoring greatly influenced employee commitment and engagement at Nairobi County Government. The study concludes that that the County government has a policy that governs career development for its staff and has put in place coaching practices in developing staff for future positions as an organization. Career counselling which is also a fundamental HR policy is applied to a greater extent in the County. In the county management suggests specific strategies to accomplish work objectives by providing junior employees with specific guidance for achieving career goals. The study recommends that the County Government should formulate appropriate career development policies to adequately address the training needs.

Foday (2014) carried out a research on the relationship between career development and employee retention at Deloitte Kenya. The study used descriptive, correlation and regression survey designs. The population of this study was a total of 120 employees. A structured questionnaire was used for purposes of data collection and analysis through the use of inferential statistics. Results indicated that generally, a majority of respondents are satisfied with career planning at Deloitte Kenya as most respondents exhibit conformity to career planning best practices. Training and development was also found to be satisfactory in the study area according to most respondents as indicated by support given to the programs both by the participants and the firm's management. Coaching and mentoring is further found to be moderately to highly practice at the firm, to which respondents expressed satisfactory levels. The study further found to have well established career counselling services catering for employees counselling needs both during service and when leaving for a variety of reasons. Respondents further expressed high satisfactory levels with succession

planning and talent management. The finding also implies that employees at Deloitte Kenya are satisfied and intend to stay with the firm. Against this background, inferential results further revealed that among other factors, coaching and mentoring, talent management, career planning, career counselling, training and development and succession planning are key influences of employee retention at Deloitte Kenya. Together these career development practices facilitate employee engagement and job retention. This in turn reduces turnover and increase productivity at Deloitte Kenya.

CHAPTER THREE - RESEARCH METHODOLOGY

3.1 Introduction

This section addresses the research methodology adopted in this study. This includes the adopted research design, the target population, sample, sampling methodology, data collection and data analysis.

3.2 Research Design

Research design can be described as the plan that directs the research in the process of collecting the data, analysing the collected data and interpreting the observations derived from the analysis. It is the researcher's plan for the methods to be used as well as the instruments used to gather information and to evaluate it so as to be able to respond to the research question of the study (Mugenda & Mugenda, 2003). A research design is a roadmap of how one goes about answering the research questions. Orodho and Kombo (2002) definition of research design is that it is as a framework that is used for the collection and analysis of data which is suited to the research question.

This study adopted a descriptive survey design. Upagade and Shende (2013) state that a descriptive survey is mainly concerned with description of facts only. It is a report that gives views that have been obtained through the collection of equitable information from a sample (Orodho, 2005). Descriptive survey is appropriate for this study whose intention is to show a situation, what the individuals presently believe in, what the individuals are currently doing and so forth with no control of the variables under the study which is a constraint. The design is considered suitable as it allows an in-depth study of the perceptions of employees towards talent management strategies and staff retention at Deloitte & Touche, Kenya.

3.3 Target Population

Mugenda and Mugenda (2003) describe population as comprising of all the elements that meet the criteria of what should be included in a study. Population is thus the whole group of objects, defined events, individuals or persons having a shared characteristic that is observable. The unit of analysis of this study was Deloitte Kenya Employees. There are approximately 400 employees in the offices of Deloitte Kenya who make up the target population of this study.

Table 3.1: Target Population

3.4 Sample Size and Sampling Technique

Department	Number of employees	Percentage
Audit	150	37.5%
Advisory	140	35%
Tax	60	15%
Internal Client Services	50	12.5%
Total	400	100%

A sample is a subset of a population (Kothari, 2004). The Fisher et al, (2003) formula was employed since the population is less than 10,000.

The Fisher formula is as follows:

$$n = \frac{z^2 p(1-p)}{d^2}$$

Where;

n = represents the sample size

z = represents the standard normal deviate value for the level of confidence, for instance 95% level of confidence =1.96.

d = represents the margin of error or level of precision at 0.1 for CI at 90%

p = represents the proportion to be estimated, Israel (2009) recommends that if you don't know the value of p then you should assume $p=0.5$

Therefore, the sample size has been arrived at using the following formula:

$$n = \frac{(1.96^2)(0.5)(1 - 0.5)}{(0.1)^2}$$

$$n = 96$$

The sample size is further adjusted as follows as the population is less 10,000,:

$$n_0 = n / (1 + ((n - 1) / N))$$

$$n_0 = 96 / (1 + ((96 - 1) / 300))$$

$$n_0 = 73$$

7 respondents were added so as to take care of non-response rate. Therefore the sample size was 80 employees who were the offices of Deloitte Kenya who were chosen based on a stratified random sampling which was done using R software. This method was employed since the sample represented the population that was targeted and eliminated bias in the sampling.

Table 3.2: Sample Size

Department	Total employees	Percentage	Sample
Audit	150	37.5%	30
Advisory	140	35%	28
Tax	60	15%	12
Internal Client Services	50	12.5%	10
Total	400	100%	80

3.5 Data Collection Instrument

The study utilised primary data that was gathered through the use of a defined questionnaire. A questionnaire is a pre-defined written set of questions to which the targeted respondents document the responses usually within rather closely selected alternatives. For this study a questionnaire was settled on as the information gathering instrument on the grounds that a high response rate was expected. The questionnaires were deemed not to be time and energy consuming as they were personally disseminated to respondents for completion and were collected by the respective researchers in person. This also offered the required anonymity as respondents did not need to record their names on these completed questionnaires. The questionnaire contained short and precise questions to avoid ambiguity and save time. The questionnaire also comprised of closed ended questions. Ample time and assistance was given to respondents to complete them. One of the main advantages of using questionnaires is that respondents completed them in at their own convenient time, thereby encouraging a higher response rate.

3.6 Data Analysis

Data analysis is an exercise where the raw data that was gathered via the questionnaire is analysed, ordered and arranged so that valuable information can be obtained from it (Gall, Gall & Borg, 2007). Descriptive statistics such as, mean and frequencies will be put to use to perform data analysis. The mean scores will be used to rate the factors in order of their importance.

After the gathering of data through the administered questionnaires, it will be prepared to make it ready to be analysed by editing it, handling and sorting blank responses, thereafter coding the information, categorizing it and entering this information into the SPSS computer software for analysis. This will thereafter be used to come up with frequency tables, descriptive as well as inferential statistics that will be used to derive conclusions and extrapolations concerning the population from which the sample was derived. The particular descriptive statistics to be used are mean scores as well as standard deviations and frequencies. The specific inferential statistics to be carried out are regression as well as correlation analysis.

The analysis of variance (ANOVA) will be used to determine the general model significance of the model. Specifically, the computed f statistic and the tabulated f statistic will be compared. The probability (p value) of five per cent will also be used to determine the significance level of the overall model. A multivariate regression model will be employed to link the identified independent variables to the dependent variable as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu$$

Where;

Y = Staff Retention

X₁ = Remuneration

X_2 = Organizational Culture

X_3 = Reward and Recognition

X_4 = Training and Career Development

In the model, β_0 = is the constant term while the coefficient $\beta_i = 1 \dots 4$ will be employed to measure the sensitivity of the dependent variable (Y) to the unit change in the predictor variables X_1 , X_2 , X_3 and X_4 . μ are the error terms which will capture the unexplained variations in the model.

CHAPTER FOUR - DATA ANALYSIS, RESULTS AND DISCUSSION

4.0 Introduction

This chapter summarises the outcomes of the data analysis, the findings of this analysis and interpretation of those results. Results are presented diagrammatically as well as in the form of tables. The analysed data is also arranged in groupings that are a reflection of the objectives of the research.

4.1 Response Rate

The total number of prepared questionnaires that were distributed to the employees in Deloitte was 80. A total of 69 questionnaires were appropriately completed and returned. The overall successful response rate attained was therefore 86.25% as shown on Table 4.1. According to Kothari (2004) an achieved response rate that exceeds 50% is adequate for the purposes of a descriptive study. Babbie (2004) also emphasised that if a 50% return rate is achieved, this can be deemed acceptable for analysis and publishing, a 60% return rate is deemed good, and a 70% return rate is said to be very good whereas an above 80% return rate can be deemed to be excellent.

Based on the assertions of these renowned scholars, an 86.25% response rate has been deemed to be excellent for the purpose of this study.

Table 4.1: Response Rate

Responses	Frequency	Percentage
Returned questionnaires	69	86.25%
Unreturned questionnaires	11	13.75%
Total questionnaires	80	100%

4.2 Reliability

The cronbach alpha has been computed for the purpose of measuring the reliability of the administered questionnaire. This was achieved through the subjection of eight questionnaires to a randomly selected eight employees of Deloitte. The conclusion reached is that all the variables could be relied upon as the cronbach alpha achieved was above 0.7 which is what has been used as the hurdle rate of reliability for the study. Table 4.2 summarises the reliability results.

Table 4.2: Reliability

Variable	No of items	Respondents	α =Alpha	Comment
Remuneration	5	8	0.7543	Reliable
Organization	5	8	0.7987	Reliable
Culture				
Reward and recognition	5	8	0.7112	Reliable
Training and career Development	7	8	0.8211	Reliable
Staff Retention	3	8	0.7342	Reliable

4.3 Demographic Characteristics

This section consisted of data that defines basic characteristics such as the gender of the respondent, service line, age of the respondent and number of years worked in Deloitte.

4.3.1 Gender of the Respondents

One of the questions required the respondents to indicate their gender. 45% were male and 55% of the respondents were females. This implies that most of the respondents are women.

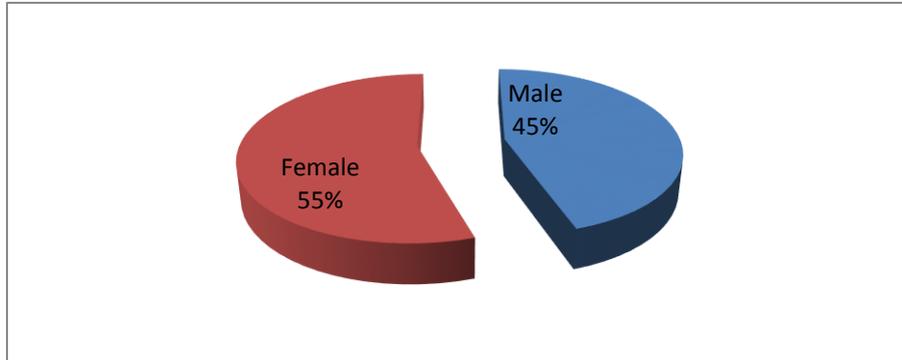


Figure 4.1: Gender of the Respondents

4.3.2 Service Line

The next question required the respondents to indicate their service line. The results showed that 36% of those who responded were in audit, 32% in advisory, 16% in tax and 16% in Internal Client Services (ICS).

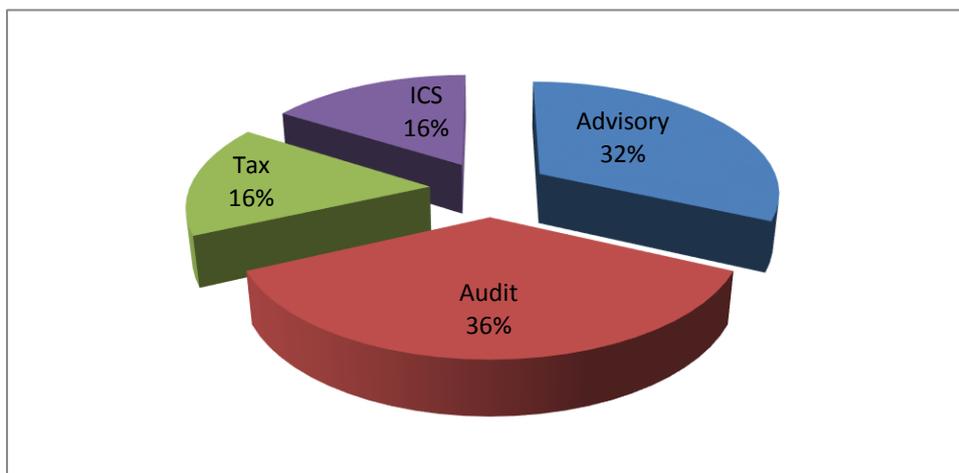


Figure 4.2: Service Line

4.3.3 Age of the Respondents

The respondents were additionally requested to specify what age range they belong to. The results revealed that 52.2% were between ages 25 – 30 years, 17.4% were between ages 30 – 35 years, 13% were younger than 25 years, 8.7% were aged between 35 – 40 years while another 8.7% indicated they were aged 40 years or older.

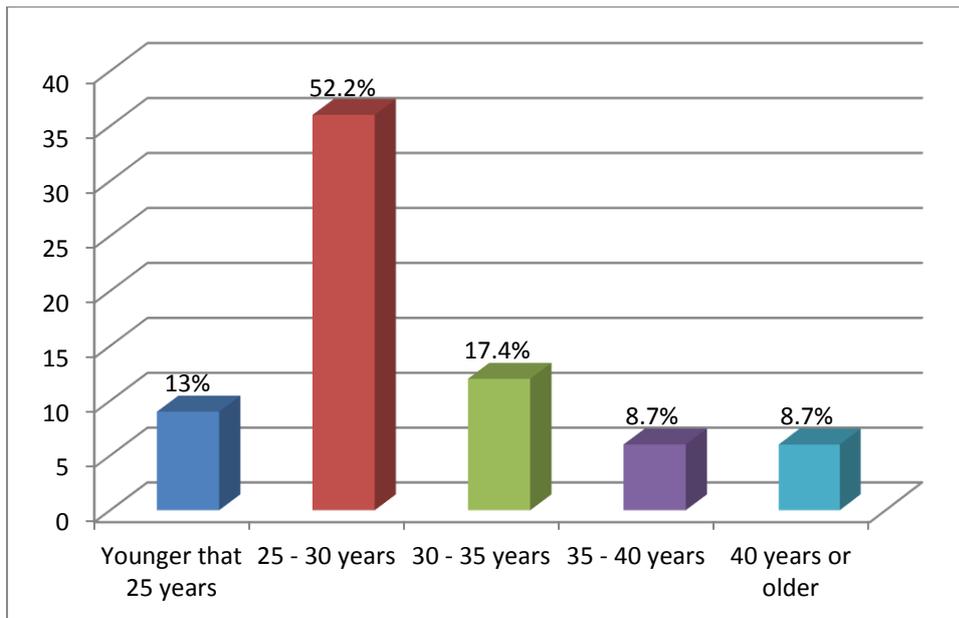


Figure 4.3: Age of the Respondents

4.3.4 Duration of Work

The next question required respondents to indicate how long they have worked in Deloitte. The results showed that 30.4% of those who responded had worked for 4 – 7 years, 29% had worked for 1 – 3 years, 23.2% had worked for less than on year, 8.7% had been in the employ of the firm for 8 – 10 years, 7.2% had served the firm for 11 – 20 years and 1.4% had served for over 20 years. From the responses received, there was a number of employees whose service at Deloitte exceeded 8 years and therefore had valuable information to share on the talent and staff retention strategy over a period of time.

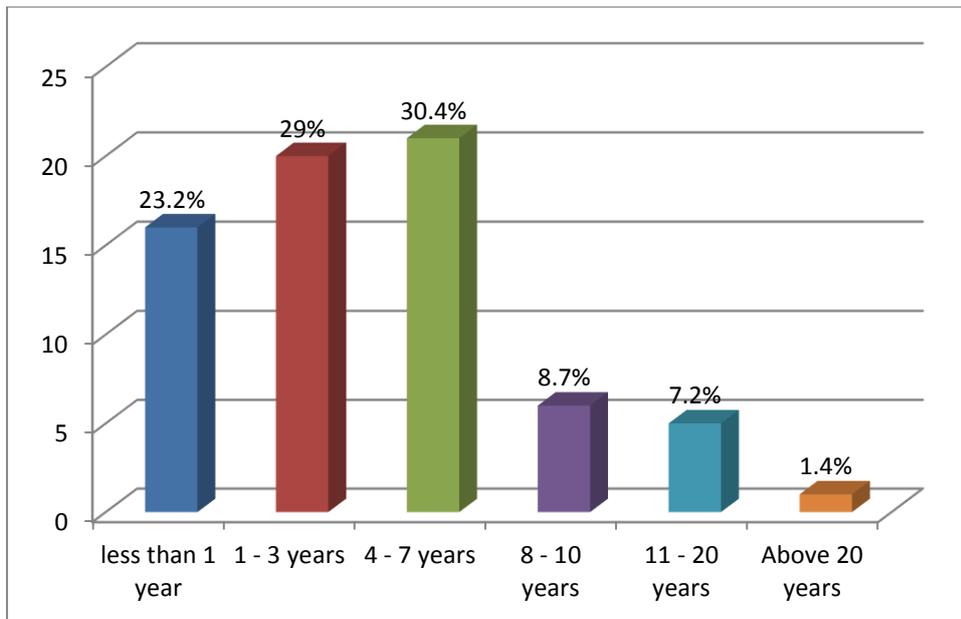


Figure 4.4: Duration of Work

4.4 Descriptive

4.4.1 Remuneration and Staff Retention

Table 4.3 summarises the respondents' views on remuneration and staff retention with 66.7% of those who responded agreeing with the statement that the salary and benefits were commensurate to efforts. 71.00% of respondents indicated that they agreed with the statement that the firm offers good remuneration to all staff. The results further revealed that 59.4% of respondents agreed with the statement that bonus pay is satisfactory and commensurate to effort.

On the five point Likert scale, the average mean of the responses was estimated at 3.58 indicating that majority of the respondents at a minimum agreed with most of the statements.

These responses were however varied as is shown by a standard deviation of 1.04.

Table 4.3: Remuneration on staff retention

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
The salary and benefits are commensurate to efforts	5.80%	11.60%	15.90%	55.10%	11.60%	3.55	1.04
The firm offers good remuneration to all staff	2.90%	11.60%	14.50%	60.90%	10.10%	3.64	0.92
Bonus pay is satisfactory and commensurate to effort	4.30%	18.80%	17.40%	36.20%	23.20%	3.55	1.17
Total						3.58	1.04

Range of Salaries

The respondents were required to indicate their range of salaries. From these results, 23.2% indicated that their salary ranged between KES 80,000 – 100,000, 18.8% indicated their salary ranged between KES 151,000 – 180,000, 15.9% indicated the range between KES 250,000 – 500,000, another 15.9% indicated their range of salaries to be between KES 101,000 – 150,000, 13% indicated a salary range of between KES 191,000 – 250,000 while another 13% indicated that their salary was above KES 500,000. Therefore most of the respondents are paid a salary range of between KES 80,000 -100,000.

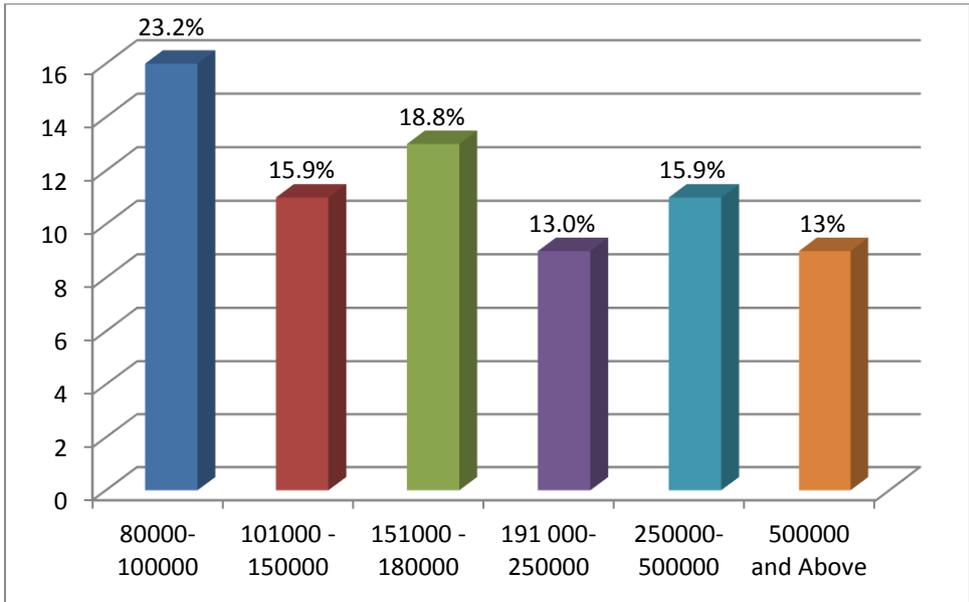


Figure 4.5: Range of Salaries

Level in the Firm

The respondents were also required to indicate their level in the firm. The results show that 39% of the respondents were associates/analysts, 32% indicated that they were seniors/consultants, 25% indicated that they were managers while only 4% indicated that they were directors. This implies that most employees in Deloitte belong to the associate/analyst level.

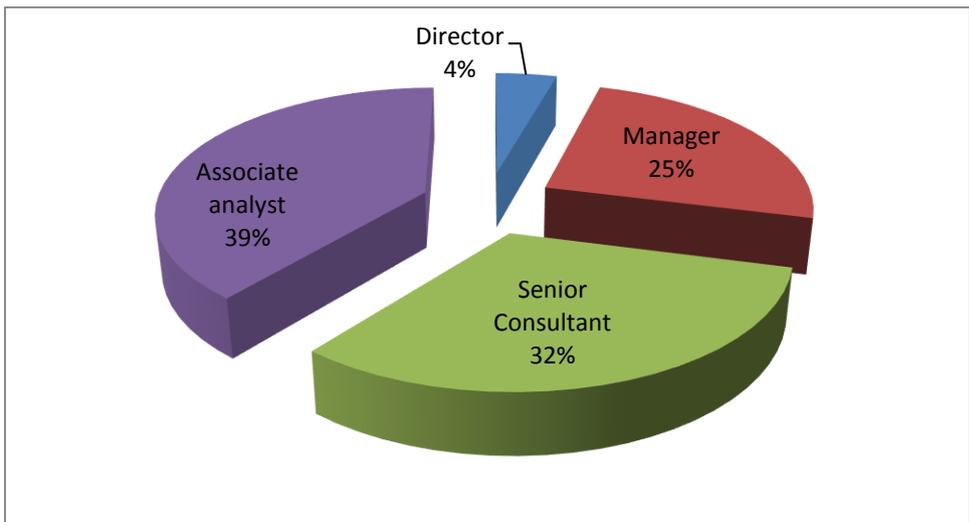


Figure 4.6: Level in the Firm

4.4.2 Organizational Culture and Staff Retention

The respondents were requested to give responses to the questions on organizational culture and staff retention. The results as tabulated in table 4.4 indicate that a large proportion of the respondents who were 75.4% (58.00%+17.40%) agreed with the statement that co-operation across various service lines of the firm is actively encouraged. 91.3% of the respondents who comprise majority of the returned questionnaires agreed with the statement that there is a clear and consistent set of values that regulates the way the firm conducts its business. The results further revealed that 82.6% of those who responded, and who are the majority agreed with the statement that there exists a long-term purpose and direction in the firm. The results further showed that 69.6% of those who responded did agree with the statement that work is organized such that teamwork is encouraged and used to get work done, rather than delegation and hierarchy. The results further revealed that 68.1% of respondents agreed with the statement that work is structured in such a way that each individual can tell the relationship between what they do in their day to day job and the goals and objectives of the firm.

On the five point Likert scale, a 3.58 average mean was obtained indicating that majority of those who responded agreed with majority of the statement though the responses differed as is reflected by the standard deviation of 1.00.

Table 4.4: Organizational Culture on staff retention

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
Co-operation across the various service lines in the firm is actively sought and encouraged	2.90%	8.70%	13.00%	58.00%	17.40%	3.78	1.04
There exists a clear and consistent set of values that regulates the way we do business	1.40%	4.30%	2.90%	55.10%	36.20%	4.20	1.02
There exists a long-term purpose and direction in the firm	1.40%	2.90%	13.00%	47.80%	34.80%	4.12	0.85
Teamwork is encouraged and used to get work done, rather than delegation and hierarchy	2.90%	10.10%	17.40%	52.20%	17.40%	3.71	1.17
Work is organized so that each individual can tell the association between what they do and the organisations goals and objectives	2.90%	4.30%	24.60%	44.90%	23.20%	3.81	0.94
Total						3.92	1.00

4.4.3 Reward and Recognition and Staff Retention

The respondents were asked to respond to the questions on reward and recognition and staff retention. From the results in table 4.5, 72.4% of respondents agreed with the statement that employee appreciation for better performance is excellent. The results further revealed that 84.1% of respondents agreed with the statement that non-financial benefits such as training, recognition, study leave offered to all staff are sufficient and satisfactory. The results further showed that majority of the respondents (81.10%) concurred with the statement that employee appreciation and recognition is done regularly and with fairness. The results further revealed that 55.0% of respondents disagreed with the statement that housing allowance provided is consistent with the living standards in Nairobi. The results further showed that majority of the respondents (87.0%) agreed with the statement that retirement benefits provided to staff provide a sense of job security.

On a five point scale, the mean of 3.63 of the responses indicates that majority of those who responded agreed with many of the statements even if the answers differed as is shown by a standard deviation of 1.03.

Table 4.5: Reward and Recognition on staff retention

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
Employee appreciation for better performance is excellent	4.30%	15.90%	7.20%	47.80%	24.60%	3.72	1.14
Non-financial benefits such as training, recognition, study leave offered to all staff are sufficient and satisfactory	4.30%	4.30%	7.20%	46.40%	37.70%	4.09	1.01
Employee appreciation and recognition is done regularly and with fairness.	1.40%	7.20%	10.10%	47.80%	33.30%	4.04	0.93
Housing allowance provided is consistent with the living standards in Nairobi.	42.00%	13.00%	18.80%	26.10%	0.00%	2.29	1.26
Retirement benefits provided to staff provide a sense of job security	2.90%	2.90%	7.20%	66.70%	20.30%	3.99	0.81
Total						3.63	1.03

4.4.4 Training and Career development and Staff Retention

The respondents were requested to answer on questions concerning training and career development and staff retention. The outcomes in table 4.6 showed that majority of those who responded totalling 88.4% (46.40%+ 42.00%) agreed with the statement that there exists a training policy in the firm. The results also showed that majority of those who responded at 88.40% agreed with the statement that there exists career progression/path of employees in the firm. The results also showed that majority of those who responded who comprised 71.00% agreed with the statement that training provided is relevant and motivates staff to work harder. The results further indicated that majority of those who responded comprising 71.00% agreed with the statement that there is a coaching and mentorship program for all employees which adds value to the staff. The results also showed that majority of those who responded, who were 71.00% agreed with the statement that scholarship and sponsorship are available for all staff without discrimination. The results further showed that majority of the respondents at 75.3% agreed with the statement that they are highly motivated by the training opportunities in Deloitte.

On a five point scale, the 3.93 mean of the responses signifies that majority of those who responded were concurred with majority of the statements even if the responses differed as is shown by a standard deviation of 0.97.

Table 4.6: Training and Career development on staff retention

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
There exists a training policy in our firm	0.00%	4.30%	7.20%	46.40%	42.00%	4.26	0.78
There exists career progression/path of employees in the firm	1.40%	2.90%	7.20%	58.00%	30.40%	4.13	0.78
Training provided is relevant and motivates staff to work harder.	0.00%	7.20%	21.70%	52.20%	18.80%	3.83	0.82
There is a coaching and mentorship program for all employees which adds value to the staff	1.40%	18.80%	8.70%	50.70%	20.30%	3.70	1.05
Scholarship and sponsorship are available for all staff without discrimination	10.10%	8.70%	10.10%	31.90%	39.10%	3.81	1.32
I am highly motivated by the training opportunities in Deloitte	4.30%	7.20%	13.00%	47.80%	27.50%	3.87	1.04
Total						3.93	0.97

Annual range of training programmes attended

The respondents were asked to indicate their annual range of training programmes attended in any annual period. The results revealed that 42% indicated that the number training programmes attended were more than 5, 35% indicated that the number of training programmes attended were between 1 to 2, 16% indicated that the number of training programmes attended were between 3 to 5 while only 7% indicated that they had not attended any training. This implies that most of the employees in Deloitte had attended annual trainings.

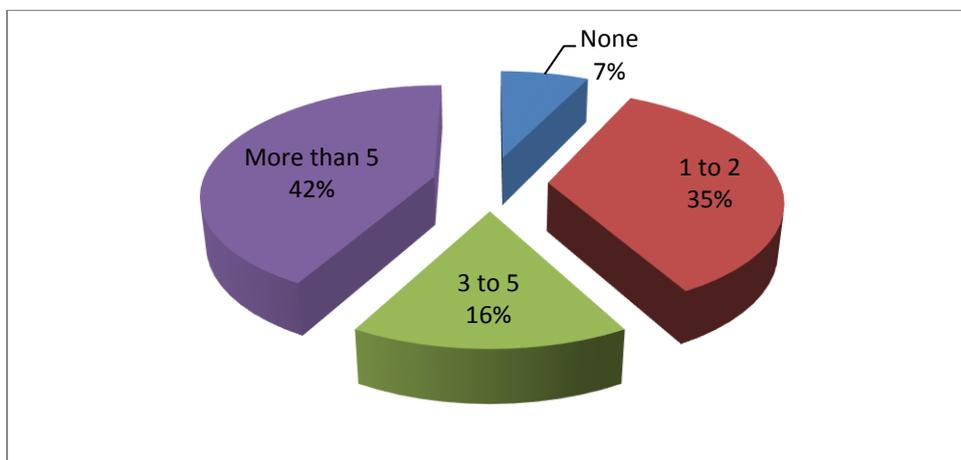


Figure 4.7: Annual range of training programmes attended

4.4.5 Staff Retention

The respondents were asked to respond to the questions on staff retention. The results showed that majority of those who responded who were 56.5% agreed with the statement that they have no intention of leaving their organization in the future. The results indicated that majority of those who responded who were 73.9% agreed with the statement that they would encourage their colleagues not to leave the organization in the future. The results in addition showed that majority of those who responded who were 73.9% agreed with the statement that they work hard to meet their target to avoid being laid off.

On a five point scale, the mean of 3.64 of the responses suggests that majority of those who responded agreed with a majority of the statements even if the responses differed as is shown by a standard deviation of 1.11.

Table 4.7: Staff Retention

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
I have no intention of leaving my organization in the future	10.10%	15.90%	17.40%	40.60%	15.90%	3.36	1.22
I would encourage my colleagues not to leave the organization in the future	4.30%	8.70%	13.00%	58.00%	15.90%	3.72	0.98
I work hard to meet my target to avoid being laid off	2.90%	15.90%	7.20%	43.50%	30.40%	3.83	1.12
Total						3.64	1.11

4.5 Inferential Statistics

Inferential analysis was carried out to generate the model of fitness as well as the correlation results and analysis of the variance and regression coefficients.

4.5.1 Correlation Analysis

Table 4.8 below shows the correlation analysis results. These results showed that remuneration and staff retention are significantly related and have a moderately strong positive correlation ($r = 0.527$, $p = 0.000$). The table also intimated that organizational culture and staff retention are significantly related and have a moderately strong positive correlation ($r = 0.676$, $p = 0.000$). It was further determined that reward and recognition and staff retention were significantly related and have a weak positive correlation ($r = 0.622$, $p = 0.000$). The results also r that training and staff retention were significantly related and have a moderately strong positive correlation ($r=0.627$, $p=0.000$). This denotes that an increase in any unit of the variables results in improvement in staff retention.

Table 4.8: Correlation Matrix

Correlations		Staff retention	Remuneration	Organizational culture	Reward and recognition	Training
Staff retention	Pearson					
	Correlation	1.000				
	Sig. (2-tailed)					
Remuneration	Pearson					
	Correlation	.527**	1.00			
	Sig. (2-tailed)	0.000				
Organizational culture	Pearson					
	Correlation	.676**	.315**	1.000		
	Sig. (2-tailed)	0.000	0.008			
Reward recognition	Pearson					
	Correlation	0.622	0.337	-0.026	1.000	
	Sig. (2-tailed)	0.008	0.318	0.83		
Training	Pearson					
	Correlation	.627**	.337**	.574**	.360	1.000
	Sig. (2-tailed)	0.000	0.005	0.002	0.932	

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

4.5.2 Regression Analysis

Table 4.9 portrays the fitness of model of the regression model used in explaining the study phenomena. Remuneration, organization culture, reward and recognition were observed to be satisfactory variables in staff retention. This was supported by a coefficient of determination, R square of 67.8%. This intimates that reward and recognition, organization culture, and remuneration explain 67.8 % of the variations noted in the dependent variable which was staff retention. The results also insinuate that the model adopted to demonstrate that there exists a relationship of the different variables was deemed to be satisfactory.

Table 4.9: Model Fitness

Indicator	Coefficient
R	0.823
R Square	0.678
Adjusted R Square	0.658
Std. Error of the Estimate	0.31083

Source: Field data (2016)

In statistics significance testing the p-value denotes the level of relationship between the independent variable with the dependent variable. If the critical value also known as the probability value (p) which is statistically set at 0.05 is lower than the significance number found, then the conclusion reached in explaining the relationship would be that the model is significant; otherwise the model would be considered as being not significant.

Table 4.10 provided the outcomes on the analysis of the variance (ANOVA). The results of the overall model was that it was statistically significant. In addition, the results implied that staff retention, remuneration, reward and recognition programs as well as organization culture as independent variables are suitable predictors of staff retention. This was reinforced by a reported p value of (0.000) which was less than the conventional probability of 0.05 significance level as well as an F statistic of 33.66 which was greater than F critical ($F_{\alpha} = 2.31$) and therefore the null hypothesis was rejected and thus talent management strategy influences staff retention.

Table 4.10: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	13.008	4	3.252	33.66	0.000
Residual	6.183	64	0.097		
Total	19.192	68			

Source: Field data (2016)

Regression of coefficients results in table 4.10 revealed that remuneration and staff retention are positively and significantly related ($r = 0.246$, $p = 0.005$). These findings were consistent with that of Wilden *et al.* (2010) who established that there is a positive association between remuneration and staff retention.

The table further indicates that organizational culture and staff retention are positively and significantly related ($r=0.351$, $p=0.001$). These findings agree with those of Naidoo and Martins (2014) who found that organizational culture and staff retention are positively and significantly related.

It was further established that reward and recognition and staff retention were positively and significantly related ($r = 0.327$, $p = 0.002$). These findings agree with that of Mukulu and Gachunga (2014) who found that rewards and recognition strategies have a greater role in influencing the retention of bank employees.

Lastly the study established that training and staff retention were also significantly and positively related ($r=0.212$, $p=0.003$). These findings agree with those of Dockel (2003) who found that investment in training is one of the ways to show employees how vital and critical to the organization they are.

Table 4.11: Regression of Coefficients

	B	Std. Error	t	Sig.
(Constant)	-0.55	0.396	-1.389	0.17
Remuneration	0.246	0.084	2.938	0.005
Organizational culture	0.351	0.103	3.402	0.001
Reward and recognition	0.327	0.099	3.289	0.002
Training	0.212	0.07	3.035	0.003

Source: Field data (2016)

Thus, the optimal model for the study is;

$$Staff\ Retention = -0.55 + 0.246remuneration + 0.351\ organizational\ culture + 0.327\ reward\ and\ recognition + 0.212\ training$$

4.6 Discussion

Remuneration was pointed out to have a positive and significant effect on staff retention. The findings suggest that salary and benefits that are commensurate to efforts improve staff retention. In addition firms that offer good remuneration to all staff encourage staff retention. The bonus pay that is satisfactory and commensurate to effort encourages staff retention.

The findings agree with that of Taplin and Winterton (2007) who found that satisfactory bonus pay leads to employee commitment. These findings were also consistent with those of Wilden *et al.* (2010) who established that there is a positive relationship between remuneration and staff retention.

Organization culture was also found to have a positive and significant effect on staff retention. The findings suggested that co-operation across various service lines of the firm actively encourages staff retention. In addition having a clear and consistent set of values that regulates the way the firm conducts its business improves staff retention. In addition having a long-term purpose and direction was found to improve staff retention. The findings also revealed that encouraging teamwork getting work done, rather than delegation and hierarchy encourages staff retention. In addition work is structured in such a way that each individual can tell the relationship between what they do in their day to day job and the goals and objectives of the firm in Deloitte. These findings agree with those of Naidoo and Martins (2014) who also found that organizational culture and staff retention are positively and significantly related.

Reward and recognition and staff retention were also found to be positively and significantly related. The findings revealed that employee appreciation leads to better performance. The findings further revealed that non-financial benefits such as training, recognition, study leave offered to all staff that's are sufficient and satisfactory leads to better staff retention. Doing employee appreciation and recognition regularly and with fairness leads to staff retention. In addition retirement benefits provided to staff provide a sense of job security. These findings agree with that of Mukulu and Gachunga (2014) who found that rewards and recognition strategies have a greater role in influencing the retention of bank employees.

Training and career development was pointed out to have a positive and significant effect on staff retention. The findings revealed that a firm with a robust training policy encourages staff. In addition providing training that is relevant motivates staff to work harder. Coaching and mentorship programs for all employees adds value to the staff. In addition making scholarship and sponsorship available to all staff without discrimination encourages staff retention. These findings agree with those of Dockel (2003) who found that investment in training is one of the methods an organisation can use to show employees how vital and critical they are to the organization.

CHAPTER FIVE - SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter addresses the summary of the major findings, the conclusions reached and the recommendations for further study. This was done in line with the objectives of the study.

5.2 Summary of Major Findings

The objective of this study was to determine the effect of the talent management strategy on staff retention at Deloitte & Touche, Kenya. The talent management strategies employed in Deloitte are fair remuneration, positive organizational culture, a robust reward and recognition program as well as a wide range of training and career development opportunities.

The findings revealed that remuneration and staff retention are positively and significantly related. These findings were consistent with those of Wilden *et al.* (2010) who established that there is a positive relationship between remuneration and staff retention.

On researching organizational culture, the findings of the study were organizational culture and staff retention are positively and significantly related. These findings agree with those of Naidoo and Martins (2014) who also found that organizational culture and staff retention are positively and significantly related.

The findings of the study also revealed that reward and recognition and staff retention are positively and significantly related. These findings agree with that of Mukulu and Gachunga (2014) who found that rewards and recognition strategies have a greater role in influencing the retention of bank employees.

The findings of the study revealed that training and career development and staff retention are positively and significant related. These findings agree with that of Dockel (2003) who found that investment in training is one of the methods an organisation can use to show employees how vital and critical they are to the organization.

5.3 Conclusions

Based on the findings above, remuneration, training and career development, organizational culture, reward and recognition all have a significant and positive association with staff retention.

One may also conclude that organisations with good remuneration of employees encourage retention. In addition, organisations where the work of employees has been organized in a way that each individual can tell the association between their role in the organisation and the organisational goals and objectives are assured of employee retention.

5.4 Recommendations

Based on these research findings, the study recommended that salaries and benefits of employees should remain competitive within the market to enhance retention. In addition, the bonus pay to employees should be satisfactory. This will help to improve retention of employees.

The study also recommends that firms should encourage cooperation across different service lines of the firms. In addition firms should have clear and consistent set of values that regulate the way the firm does business. Team work should also be used to get work done rather than hierarchy. This will help to improve retention of employees.

In addition the study recommends that employees should be appreciated for better performance. Firms should also offer satisfactory and sufficient non-financial benefits such as reward, recognition, study leave offered to their employees. Employees should also be given better retirement benefits to enhance job security.

Lastly firms should have training policies and career paths for all employees. From the study, not all respondents felt that the training and career development opportunities were available to them. The training provided should be relevant so as to motivate employees to work harder and thus enhancing their retention. Scholarships and sponsorships should also be made available to all employees.

5.5 Areas for Further Studies

The study sought to determine the effect of the talent management strategy on staff retention at Deloitte & Touche, Kenya. As it focused on Deloitte & Touche only, there is area for further studies in other professional firms so as to be able to compare the resultant findings with the findings of the current study.

In addition, the study examined only four factors affecting staff retention. Further studies should expand the scope and consider the effect of other factors on staff retention of Deloitte.

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APPENDICES

Appendix I: Questionnaire

This questionnaire has been sectioned into five divisions that will take only a few minutes of your time to respond to. Please indicate your response by marking the appropriate area or filling in your responses in the blank spaces that have been provided. This study is for the purpose of an academic exercise and all information collected from respondents will be treated with the utmost strict confidentiality. I thank you most sincerely for your co-operation.

DEMOGRAPHIC INFORMATION

1. Gender of respondents

Male

Female

2. Please select your service line?

Advisory

Audit

Tax

ICS

3. Please indicate your age range?

Younger than 25 years

25 years – 30 years

30 years – 35 years

35 years – 40 years

40 years or older

4. How long have you been with the firm?

- a) less than 1 year
- b) Between 1 to 3 years
- c) Between 4 to 7 years
- d) Between 8 to 10 years
- e) Between 11 to 20 years
- f) Above 20 years

SECTION A: Remuneration

This section seeks to establish your perceptions of the effect of remuneration on staff retention at Deloitte & Touche Kenya.

Kindly indicate to what extent that you do agree or do disagree with each of the statements below by using the following scale:

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree 0

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
The salary and benefits are commensurate to efforts					
The firm offers good remuneration to all staff					
Bonus pay is satisfactory and commensurate to effort					

Please indicate the range of your salaries using the range below (Please tick appropriately)

	Ksh	✓ Tick
1	80,000 – 100,000	
2	101,000 – 150,000	
3	151,000 – 180,000	
4	191,000 – 250,000	
5	250,000 – 500,000	
6	500,000 and Above	

Please indicate your level in the firm (Please tick appropriately)

Director

Manager

Senior/Consultant

Associate/Analyst

SECTION B: Organization Culture

This section attempts to establish the effect of organization culture on staff retention at Deloitte & Touche Kenya.

Kindly indicate to what extent that you do agree or do disagree with each of the statements below by using the following scale:

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
Co-operation across the various service lines in the firm is actively sought and encouraged					
There exists a clear and consistent set of values that regulates the way we do business					
There exists a long-term purpose and direction in the firm					
Teamwork is encouraged and used to get work done, rather than delegation and hierarchy					
Work is organized so that each individual can tell the association between what they do and the organisations goals and objectives					

SECTION C: Reward and recognition

This section attempts to establish the effect of reward and recognition on staff retention at Deloitte & Touche Kenya.

Kindly indicate to what extent you agree or disagree with each of the following statements by using the following scale:

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree

Statement	Very low extent	Low extent	Moderate extent	Great extent	Very great extent
	1	2	3	4	5
Employee appreciation for better performance is excellent					
Non-financial benefits such as training, recognition, study leave offered to all staff are sufficient and satisfactory					
Employee appreciation and recognition is done regularly and with fairness.					
Housing allowance provided is consistent with the living standards in Nairobi.					
Retirement benefits provided to staff provide a sense of job security					

SECTION D: Training and Career Development

This section attempts to establish the effect of training and career development on staff retention at Deloitte & Touche Kenya.

Kindly indicate to what extent you agree or disagree with each of the following statements by using the following scale:

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
There exists a training policy in our firm					
There exists career progression/path of employees in the firm					
Training provided is relevant and motivates staff to work harder.					
There is a coaching and mentorship program for all employees which adds value to the staff					
Scholarship and sponsorship are available for all staff without discrimination					
I am highly motivated by the training opportunities in Deloitte					

Please indicate the annual range of training programmes attended in any annual period

(Please tick appropriately)

	Ksh (annual)	✓ Tick
1	None	
2	1 to 2	
3	3 to 5	
4	More than 5	

SECTION E: Staff Retention

Kindly indicate to what extent you agree or disagree with each of the following statements by using the following scale:

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
I have no intention of leaving my organization in the future					
I would encourage my colleagues not to leave the organization in the future					
I work hard to meet my target to avoid being laid off					