

**EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE RETENTION IN
REAL ESTATE FIRMS IN NAIROBI COUNTY**

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**A RESEARCH PROJECT PROPOSAL SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTER OF SCIENCE IN HUMAN RESOURCE
MANAGEMENT, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

OCTOBER 2017

DECLARATION

I declare that this research project is my original work and has not been submitted previously for a degree or any other award in any University or College.

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D64/65236/2013

Supervisor's Approval

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

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DEDICATION

I would like to dedicate this research work to my husband, my children and my Mother who are my pillars for being a great source of inspiration and who have supported me entirely during my studies. May the Almighty God bless you all.

ACKNOWLEDGEMENT

I would like to acknowledge with gratitude the contributions of the following groups and individuals to the development of this proposal.

First, I express my gratefulness to Lord God Almighty for His provision, protection, intellect, health, favour and enabling me pursue my studies this far. This entire course would not have been possible without your divine enablement. Thank you Lord.

My family for their overwhelming support and helping hand in the accomplishment of this proposal.

My Lecturer and project Supervisor, Dr. Mercy Munjuri whose patience, guidance, co-operation, suggestions and constructive criticisms were instrumental in the preparation of this research paper. Your availability and dedication to your students puts you a class above the rest.

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ABBREVIATIONS AND ACRONYMS

HRM: Human Resource Management

HR: Human Resource

SACCOs: Savings and Credit Co-operative

GDP: Gross Domestic Product

SPSS: Statistical Package for Social Sciences

ABSTRACT

Human resource is the most valuable resource in every organization and they contribute immensely to the organizations all over the world. It is therefore imperative for organizations to institute appropriate measures to retain talented and competent employees. Effective HRM practices can help organizations to retain their valued employees. The real estate industry in Kenya particularly suffers the risk of labour turnover due to intensive competition. This empirical study examined the effect of HRM practices on the retention of employees in the real estate industry in Nairobi, Kenya. Specifically, it looked at how compensation, training and development, performance management, supervisor support and work environment impact on employee retention. The study adopted a descriptive research design and was undertaken in the Nairobi Area. The study was carried out in 5 out of 80 real estate firms in Nairobi. A sample size of 270 respondents from various real estate organizations was selected. The study used structured questionnaires to collect primary data. Both descriptive and inferential statistical techniques were used to analyze the data. Descriptive statistics such as means, standard deviation, percentages and frequencies was used to analyze the data. Regression analysis was conducted to test the effect of HRM practices on employee retention. The findings of this study revealed that HRM practices such as compensation, training and development, performance management, supervisor support and work environment are vital to employees and indeed have significant influence on employee retention in real estate firms. To improve employee retention in the real estate institutions, it is recommended that even in the face of competition the real estate firms must pay attention to its human resource and explore other contemporary HRM practices and must vary the kind of HRM practices they initiate from time to time so that they can achieve a competitive advantage through them. It was recommended that HR managers devise effective retention programmes in order to maintain high caliber employees leading to satisfaction and retention. This will contribute towards real estate industry's continual search for practices to help retain their employees and give them a competitive advantage over their competitors. This study serve to further develop a body of knowledge on successful employee retention programmes in the real estate industry and promote more comprehensive research in the area. In future, other researchers could consider other variables like recruitment and selection, career management and work-life balance to determine how they affect employee retention. Also, future studies should employ mixed methods that are both quantitative and qualitative methods in order to obtain greater insights into the specific HRM practices especially from the perspective HR managers of the real estate organizations and should also focus on other industries to check for variation in responses.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Organization's important source of competitive advantage is the employees (Barney, 1991). Therefore, organizations should implement HRM practices that will motivate and ensure its human resource is well taken care of. Retaining competent employee is more important than going through recruitment and selection process in order to identify talented employee. Lack of talented and knowledgeable workforce, economic growth and employee turnover in organizations are factors that demand that organizations devise policies which will increase employee retention (Haider et al 2015). Managers use various human resource management policies and practices in recruitment, selection, development, rewarding, and harnessing the full potential of the human resources in their organizations. Retention of skilled employees is a big negative experience that HR managers go through daily because skilled job applicants have a wide range of choice in market globally (Harris, 2007). HRM practices which could elicit positive employee responses and have been found to enhance employee retention. These include work-life balance, training and development, compensation, job satisfaction and employee engagement according to (Bhatnagar, 2007, Mathis & Jackson, 2004; Thomsen, Jarbol & Sondergaard, 2006; Maxwell 2005).

By considering other factors like employee commitment and loyalty, HRM practices can assist in determining the best way to implement HRM practices and increase the retention of employees. Arthur (1994), Huselid (1995), and Koch and McGrath (1996) propose that work place ideals and satisfying employee engagement which can promote employee retention. An organization with effective HRM practices enjoys sustainable growth that will maximize economic opportunities which in turn enable the organizational achieve its goals (Tanveer, et al., 2011). Retention of employees with important skills assist organizations to preserve the resources they could have spent on training employees and as a result lower loss of human capital (Acton & Golden, 2003). This study will look at five HRM practices; performance management, training and development, compensation, supervisor support and work environment.

The study will look at Herzberg Two Factor Theory (1959) and Social Exchange Theory (Balue, 964). The two-factor theory also called the motivation-hygiene theory was introduced by Herzberg in 1959. He stated that if introduced, certain factors in a firm called the Motivators would motivate employees to work harder. However, certain factors de-motivate the employees

from working hard and doing their best. Hygiene factors are very important motivators and are in relation to the real work for instance how fascinating the work is and the numerous opportunities it grants for extra responsibilities, employer appreciation and growth opportunities. Mostly, employees will come to work enthusiastic when an organization gives them with a sensible level of pay and safety measures though these factors will not endear him to work harder at his job once he is there. According to Frederick Herzberg, hygiene factors or pay for the work performed is the biggest motivator that helps employees to remain in a particular workplace for a longer period of time. He stated that organizations should adopt democratic approaches of management and strive to improve the nature and content of the job through various methods in order to motivate their employees. Job enlargement, job enrichment and empowerment are among the factors employers can use to motivate their employees. The Social Exchange Theory (Blau, 1964) shows that human relationships are enhanced by the use of cost-benefit analysis and comparing of alternatives. Where there are significant commodities and social rewards issued to employees by the organization, employees will tend to demonstrate more effort and loyalty in return (Blau, 1964). Based on the norm of reciprocity, HRM practices are posited to indirectly impact employee attitudes and behavior by creating a sense of obligation within individuals which will result to reciprocation by way of commitment to work, loyalty to the firm, retention among others (Eisenberger *et al.*, 1986).

Due to increased demand in the property market, the real estate sector in Kenya has seen a rumble that began in the mid to late 2000s. Cytonn Investments (2015) report on real estate revealed that the real estate industry contributes 9% of Kenya's total GDP. Kenya's real estate sector contributes to the economy through the contribution of Value Added Tax, Advance Income Tax as well meeting the housing demand. This sector is also labor-intensive industry with high capacity of absorbing labor so it brings about jobs for all cadres of staff in all the informal and formal employment sectors. Real estate sector plays a major part in construction and majority of the work force involved in construction are mainly found in the real estate industry, therefore the real estate sector contributes to the overall Kenyan economy.

1.1.1 Human Resource Management Practices

For organizations to well manage human resources there is need to implement effective and innovative human resource management practices. HRM practices include the decisions that are made by management and HR practices that affect human resources who work for the organization. According to (Lado and Wilson, 1994) HRM practices are distinct activities, functions and processes which aim to attract, develop and maintain organization's human resources. Human resource management practices do overlap and are geared towards improving employee commitment and retention. HRM practices are the best means by which organizations can influence and shape their workers attitudes, skills and behavior in the performance of their jobs and therefore achievement of organizational goals (Collins & Clark, 2003; Martinsons, 1995).

HRM practices are used by organizations to generate positive reaction from the employees. They are initiatives developed by organizations to attain goals like employee motivation and employee retention. (Katou 2007) grouped HRM practices to two categories called the HRM system, which aims to attract and develop human resources and those geared towards human resources retention. The HRM practices normally seek to attract and develop employees recruitment and selection, training and development with the aim of retaining employees, reward and compensation as well as performance appraisal systems. The health of an organization depends upon the retention of key and talented employees. Human resource management practices are set of procedures that constitute the development of employees' capacity to exploit their talent in both the individual and the organization's goals and objectives so as to achieve competitive advantage (Khadka, 2009).

According to Flippo (2009), HRM practices are the act of organizing, planning, directing and controlling of procurement, integration, development, compensation, maintenance and separation of human resources with the aim of achieving organizational, individual and social objectives. The essential HRM practices include human resource planning, compensation and reward, recruitment and selection, job analysis, performance appraisal, training and development, employee relations, career management and employee welfare (Matthis & Jackson, 2010). HRM practices are founded on the human resource management function to ensure there is a connection between each employee's values and the organization's during recruitment, selection, compensation, development and employee retention process (Van Vianen, 2011).

HRM practices are a strategic approach to managing employment relations according to Bratton and Gold (2009), there is emphasis on leveraging people's capabilities which is very important for competitive advantage. HRM practices aim at carrying out various HRM programs, functions and activities which will result in highest level of employee well-being and achievement organizational goals. Leveraging on employees' full potential and gaining the commitment by all employees requires changes in three managerial control aspects; organizational design, culture and HRM practices and are necessary for competitive advantage.

Human resource management practices are outlined as refined selection methods, training, communications, appraisal, teamwork, performance related pay, empowerment, and employment security according to Wall and Wood (2005). (Lee and Lee, 2007) came up with HRM practices affecting business performance and these include; HR planning, training and development, compensation, teamwork, employee security and performance appraisal. These will help in improving an organization's performance including employee's productivity, product quality and firm's flexibility. As such using human resource management practices for employee retention is critical in Kenya' real estate sector in.

1.1.2 Employee Retention

This involves staying with the skilled workers for a long period of time (Taplin & Winterton, (2007). Retaining skilled employees is very important to organizations transitioning from startup stages to faster growth so it is important to keep sharp talents near organization's core competencies. The reasons for employee retention is to help a firm reduce turnover cost, therefore organizations should retain best performers and competent workers with skills matching with the business main talent needs (Zingheim et al., 2009). Armstrong (2006) defines employee retention as developing policies and programs that will ensure organizations keep its productive employees for a long period. Retention programs are designed and aimed at ensuring that human resources remain committed to the organization.

Favorable HRM policies and practices are needed and essential to compel key employees to stay and are important for employee retention. Employee retention is an attempt and effort by employers to retain employees in their work-force as defined by Parkinson (1990). Employee retention is therefore a strategy that organizations strategists develop with an aim of achieving a competitive advantage aligned to the overall organization's goal. The selection, recruitment, development and retention of talent form the core basis of competitive advantage as confirmed by

Pfeffer (2005). Critically, organizations should implement HRM practices that attracts and retain competent human resources so as to thrive and stay competitive.

ALDamoe et al. (2012) and James and Mathew (2012) define employee retention as intentional steps a firm puts in place to promote an working climate which motivate and encourage people to remain with the same entity for a long period of time. Cascio (2003; cited in Mahal, 2012) states employee retention to be various programs employed by the management to encourage employees remain with the organization. These would include; rewarding employees well for effective performance, ensuring harmony in work relations between employees and supervisors as well as maintaining safe and healthy work environment. Employee retention involve procedures which encourage employees to be part of the organization until retirement or project completion. Human resource professionals should continuously devise ways that interest new talented employees to join the organization and keep them since HR can make or break a firm's goodwill (Wisnefski, 2008; Rasli et al., 2014).

Organizations need to develop strategies to prevent skilled and talent workforce and their exit could cause damaging effects on the profits and efficiency at the end. Plans and set of decision-making ways developed by organizations to help them retain their competent and talented workforce for performance are referred to as employee retention strategies according to Gberevbie (2008). It is an organized way used by employers to facilitate and foster an environment which motivates its current employees to remain employed, by instituting policies and HRM practices to address their diverse needs as an organization's indicator or commitment and performance. As the era of knowledgeable workforce unfolds, employee retention is gradually becoming a real test to many organizations (Lumley, Coetzee, Tladinyane & Ferreira, 2011).

1.1.3 The Real Estate Sector in Kenya

According to Cytonn Investments (2016) Outlook report states that real estate is the best investment option. Real estate investors ride on the growing demand for residential and commercial developments in the country as a result to urbanization and growth of the middle-class. In the capital city of Kenya Nairobi, we have a large expatriate community in Africa due to the high number of companies that have chosen Nairobi as their African hub. Knight Frank Wealth Report of 2012 ranks Nairobi as the fastest-growing real estate market in the world.

There is a continued rise in Kenya's residential property market value amidst strong economic growth and increase in middle class and expatriates population. The rapid population growth of about 2.4% per annum continues to bring about increased demand for housing as consumer needs change and families grow. High rate of urbanization which is at 4.4% per annum in the Nairobi area is supported by the demand within the metropolitan. Improved infrastructural developments such as improved roads network, airports expansion and the standard gauge railway, electrification, ICT and telecommunication systems upgrade have opened up new areas of development. The real estate industry previously dominated by individual developers now has many institutional developers focusing on real estate development such which include Saccos, private equity firms and foreign institutions in major towns around the country due real estate sector's to high returns.

Cytonn Annual Market Outlook Report (2016) outlined that the GDP growth was expected to be at between 5.5% and 6.0%, supported by expectations of a strong performance in the energy and construction sectors, information and communication sector and the recovery of the tourism sector and also increased development of offices in select areas. Developers continue to invest heavily in these sectors which will increase retail and residential developments. Growing middle class population bracket continues to drive demand for middle income housing.

Increased government investment in infrastructure has driven growth in the real estate sector According to Cytonn Market Outlook Report (2016). This has opened up satellite towns and the devolved government system that has designed investment and growth opportunities in the counties. Now the challenge facing all the counties is funding of development and favorable demographic trends including the growing middle class that is spurring development in the real estate sector. This is boosted by the growing middle class who are searching for affordable, secure, and inspirational living which meets their housing. There is a huge housing deficit thus continued investment on infrastructure, widespread economic growth, devolution and political goodwill are the key drivers of the real estate sector.

The real estate industry is a labor- intensive sector and absorbs a high capacity for skilled, semi-skilled and unskilled labor. Efficient HRM practices, policies and maintaining higher levels of job satisfaction critical factors that is considered in determining the real estate performance as well as growth and performance of the entire economy (Thakur, 2007). The strong competition for talented and skilled work force makes it hard for organizations including real estate to retain

their best talented employees. This demands that real estate firms stay deliberate in making their strategic, proactive and progressive policies, programs and practices that will motivate highly skilled human resource to remain in organizations for longer periods. This implies that, using HRM practices for employee retention is very important for the real estate industry in Kenya.

1.2 Research Problem

Human resource has become the mainstay of organizations across the world over and when strategically placed it makes firms achieve competitive advantage by providing innovative solutions. Successful organizations are those that attract, develop and retain the people who are capable of managing overall firms, who are sensitive to their clients and the challenges and opportunities presented by technology (Armstrong, 2009). The human resource department has a duty to source, integrate, grow, offer competitive remuneration and retain these talented employees through progressive HRM practices (Benkhoff, 2007). Many organizations both public and private still face a challenge of employee retention since talented people have the luxury of choice in the global skills market (Harris, 2007).

Organizational effectiveness and performance is enhanced by HRM practices which attract, identify and retain talented employees and shaping them conduct themselves in a manner that support the overall organization goals. The HRM practices effectiveness depends on how it generates necessary attitude and behaviors in human resource in addition to its implementation. Employee involvement and engagement work practices can improve employee retention. This was suggested by Arthur (1994), Huselid (1995), and Koch and McGrath (1996). Many organizations both in public and private still face employee retention challenges (Chew, 2004; Ng'ethe, Iravo & Namusonge, 2012). Human resource practitioners continue to be greatly be confronted greatly by the challenges of retaining talented employees. Organizations must continuously devise effective and efficient HRM practices that can help retain their treasured employees. The competition in the market makes it necessary for employers to work hard towards retaining both their clients as well as the employees as they made end up losing them to their worthy competitors. As part of their long term business strategy, retention of their best employees is most managers' important consideration even though they may not have proper framework in place to retain them effectively (McKeown, 2010). Among several leading real estate firms, employee turnover rates remain high. Amongst the younger generation of employees, "Job-hopping" every 2.5 to 4.5 years has become the norm and are adamant about managing their own careers.

Real estate companies are having a hard time convincing employees that their work is more than a job. Attracting and retaining top talent to remain in a competitive environment is a big headache confronting human resource managers for real estate firms operating in Kenya, according to a report released by Deloitte Consulting in 2014. To minimize turnover, most real estate firms are forced to pay more to keep their best within their core workforce and ensure the competition does not snap them up. Adaptation is required because what is happening to the real estate environment cannot be changed. Those companies that adapt first and quickly will become the new industry leaders addressing both the needs of clients and those of their workforce. The real estate firms in Kenya continue to experience employee turnover because of enormous competition from other organizations and also from other segments of the economy. Therefore it is crucial to explore and institute HRM practices that can boost retention. In a bid to remain competitive in such markets, real estate firms have been forced to identify, develop and implement appropriate HRM practices to enable them hire, manage and retain the right talent to address the new market demands in order to remain competitive. The human resources department has a responsibility through its HRM practices to create, implement and oversee policies governing employee recruitment, selection, retention, motivation, employee behavior and a favorable behavior by organization towards its employees is.

Various studies have been done in relation to employee retention; Akala (2012) undertook a study on effects of employee retention among non-teaching staff at the University of Nairobi and concluded that employee retention is influenced by welfare benefits, disciplinary procedures, training and development, potential for career growth and performance appraisal. Njoroge (2007) did a survey on factors influencing employee retention in manufacturing firms and concluded that employee retention is influenced by reward, work environment, career development opportunities and employee motivation. Kataike (2012) carried out a study which focused on the relationship between employee retention and talent management in the Kenyan banking industry. He established a positive a connection between talent management and employee retention organizations should therefore focus their attention on talented staff to retain their services for a long. According to a study by Wangui (2009), employee retention in Kenyan local banks, both monetary and non-monetary incentives were used to motivate employees to stay, her focus was on Equity bank. Romano et al., (2014) results according to a study he undertook on employee engagement in micro-finance institutions showed diminishing move in employee engagement which justifies the staff turnover increase rates. According to a study undertaken by Gachunga (2010) on Standard Group Limited regarding the influence HRM practices has on essential

employees retention in Kenya's media sector, he found that organizations value leadership qualities which are in line with the recruitment process and retention strategies. In a survey carried out by Wanjiru (2007) on factors that influence employee retention in Nairobi's manufacturing firms, the findings indicated that these firms engage in HRM practices and valued gaining competitive advantage in retaining their employees to a great extent. Lepilale (2009) investigated the relationship between employee retention practices and labor turnover in Nairobi Five Star Hotels and the study revealed that good compensation influenced employee retention implying organizations value good compensation practice as a way of retaining employees.

An analysis of the above studies indicates that the focus is in different concepts on Human resource management. However, no researcher has undertaken a study on the effects which HRM practices in the real estate sector in Kenya has on employee retention. This study aims to address that and fill the knowledge gap guided by the question; what are the effects of human resource management practices on employee retention in real estate firms in Kenya?

1.3 Research Objective

The study's main objective is to determine the effect which HRM practices has on employee retention in Real Estate Firms focusing on Nairobi County.

1.4 Value of the Study

The study aims at providing viable solutions to a real and challenging issue of employee retention in organizations. The study will provide comprehensive and advanced knowledge of HRM practices and how it affects employee retention in real estate organizations in Nairobi and will help the organizations to formulate strategies to increase employee retention as well as enable the organizations respond to challenges of staff retention.

The outcomes of this study may be helpful in bridging the open space in the available information with regard to the effects of HRM practices on employee retention in Kenya. Human resource managers of various real estate firms should find the study findings useful since it aims at providing solutions as to why workers stay or vacate organizations and hence provide initiatives of to how handle staff turnover in organizations. The results of the study can provide data for prospective scholars wishing to undertake additional research in this area and should evaluate the results and findings of this study and establish gaps for additional studies.

The study findings will give new ideas to the human resource practice and policy makers in formulation of appropriate retention strategies which would help keep skilled employees for longer. The research results will enhance and add knowledge with regard to the topic.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter looks at other writings in line with HRM practices and employee retention and presented as follows; first is a theoretical orientation on HRM practices and employee retention where the relevant theories are discussed. Next is a discussion on HRM practices, strategies on employee retention and how employee retention and HRM practices relate.

2.2 Theoretical Foundation of the Study

The study shall be founded on Herzberg's two factor theory and the social exchange theory.

2.2.1 Herzberg Two Factor Theory

Herzberg (1959) came up with what is called two-factor theory also referred to as the motivation-hygiene theory. It talks about certain job related factors that bring about experiences that are satisfying to employees. The factors are referred to as satisfiers or also motivators; some of these factors are like achievement, growth, responsibility, advancement, the job itself and advancement. Dissatisfiers or hygiene factors are factors that are not related to the job but cause experiences that are dissatisfying. Hygiene factors include relations with colleagues, style of supervision and company policies (Steers & Porter, 1991). Removal of dissatisfaction catalysts by introducing hygiene factors leads to a neutral state rather than a state where an individual is (Herzberg, 1959).

Herzberg's theory can be assumed to be the genesis of the current emphasis on career management, self-development and managed learning (Mullins, 2010). The theory can be applied by the following way; removal of the dissatisfying factors would promote peace at the workplace but will not be an automatic motivation to the employees. Using intrinsic factors would be a better lead towards motivation (Maertz & Griffeth, 2004).

Herzberg two factor theory in relation to HRM practices and employee retention considers that employees ought to be accorded opportunities for recognition, responsibility, promotion, achievement and personal growth in order for them to be motivated (Robbins & Judge, 2007). Management should combine extrinsic factors and intrinsic factors while drawing up strategies that will be effective in employee retention.

2.2.2 Social Exchange Theory

According to Blau (1964), in order to understand behavior at the place of work, this theory provides an important guideline for the same. According to the theory, over time relationships develop into mutual, loyal, and trusting commitments and for this to be realized to do so there are rules that form the exchange process guidelines which must be followed. The theory is with regard to human behavior or social interaction that involves exchange of rewards and costs between at least two people (Homans 1961). It speaks about exchanging benefits which is regarded to as giving another individual an item or object highly valuable to the recipient than it is costly to the one giving and the other way round as a human behavior open secret thus a phenomenon applicable to all the social life (Coleman, 1990). Cost, primarily was taken to be alternatives foregone by the involved actors.

A supervisor's support can be explained in light of the employee's perception regarding the relationship they have with the supervisor and their ability to count on the supervisor to be mindful of their personal concerns based on social exchange relationships. Social Exchange Theory from this perspective endorses that the likelihood of employees staying with an organization will depend if the employees feel their supervisors care for them, if they value their thoughts and contributions, treat them respectfully and communicate well (Eisenberger *et al.*, 2002). How much an employee feels that their supervisor supports them is called perceived support by supervisors as per Gagnon and Michael (2004). Where the supervisor support is high, employees tend to feel connected emotionally and hence feel the obligation to give back through their loyalty to the supervisor and organization (Eisenberger, Stinglhamber, Vandenberghe, Sycharski, & Rhoades, 2002).

2.3 Types of Human Resource Management Practices

HRM practice as defined by Armstrong (2009) is a strategic and tactical way to manage, develop, retain, motivate and gaining employees' commitment. HRM practice is the talent available to an organization, their energies and potential contribution towards creating and realizing the goals, strategy, vision and mission of the organization (Jackson and Schuler, 2000). HRM is a an approach strategic towards management of employment relations that emphasize on leveraging the capabilities of people towards achievement of a competitive advantage; the achievement of this goal is supported by an outstanding set of employment policies, practices and programmes that are integrated (Bratton and Gold 2009). Guest (2007) mentioned that HRM practices as an organization's backbone and a HRM infrastructure that is sophisticated should facilitate the

achievement of the organizational goals (Jyothi and Venkatesh, 2006) thus HRM practice should be designed strategically, installed and applied to ensure the desired outcomes are achieved.

The different forms of reward and pay given to employees based on their performance in their jobs is known as compensation (Snell & Bohlander, 2007). Competitive pay and benefit package according to Zingheim et al. (2009) is a fundamental element affecting employee retention, but this however does not reflect the whole picture. Employees get a sense of security, recognition, autonomy and improved self-worth when they receive their compensation offers, which hence enables them effectively commit to the organization (Döckel, Basson, & Coetzee 2006). Compensation reveals the intention and commitment of employees and is also a compelling reason for employees to remain with their employers.

Training and development is a process that enhances an employee's expertise, the main aim is to make their expertise better and is also crucial in retaining them in the organization as a result of their improved effectiveness. Employees tend to be more loyal to an employer who is loyal and helpful in their career growth. The training & development process is a way through which an employer can show their commitment to the employees, they do this by investing in time and resources spent on equipping employees with advanced skills required for better performance (Storey & Sisson, 1993). This is also a reflection of an organization's strategy which adds value. Most organizations that are successful understand that by having training programs are also an important way of attracting as well as retaining the best talent that appreciates an employer that cares for their growth (Bassi & Buren, 1999) thus the importance of employers providing the opportunity of employees learning and also acquiring new skills (Arlond, 2005).

Performance management is the alignment of organizational and individual objectives through ensuring corporate values are upheld by all individuals. Performance management establishes an understanding between what needs to be achieved, how it will be achieved and what approach of people management will increase the opportunity to achieve success (Weiss and Hartle 1997). Performance management according to Armstrong and Baron (1998) is a "strategic and integrated approach to increase the effectiveness of organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors." Therefore performance management is about working together with an employee to identify their weaknesses and strengths in performance and on the way forward in helping

them become more effective and productive workers by focusing on targets, standards and performance indicators (Hartle, 1997).

Supervisor support affects the relationship between supervisors and workers and has great impact on the retention of workers. It is the level to which employees feel the support of their supervisors. Supervisor support is also defined as the employees' perception in regard to the relationship they have with their supervisors and how reliable the supervisors are in terms of personal concerns. The support of supervisors involves management of both in and out of work environment through harmonizing the different demands competing. Where the relationship is not successful, the employee will seek new opportunities for employment. Employees tend to leave their bosses and not their jobs is supported by the fact that supervisor support affects employee retention (Ontario, 2004). Where the supervisor puts their focus on the employee, commitment towards the organization and retention also goes higher (Freyermuth, 2007).

Work environment can be defined as where an employee works and is important since it significantly affects their performance, productivity and decision to remain for a longer period. Employees focus on their place of work so as to be personally comfortable and also facilitate their retention. According to Zeytinoglu & Denton (2005) the environment of work affects decisions of employees on whether to leave or stay in an organization. There is an emerging need to keep individuals commitment to their place of work by provide a conducive work environment (Ramlall, 2003). People love work while others prefer working in an a place that gives them a feeling that they have achieved and that they have made a difference in an organization that has team members who work in unison and strive to ensure that the organization is growing and moving forward (Milory (2004).

2.4 Employee Retention Strategies

The retention of talented employees helps an organization attain its competitive advantage. Retaining of employees results from the ability of a firm to build an atmosphere that encourages employees to stay in an organization (Chaminade, 2006,). Providing good compensation to employees, excellent work environment and offering employees training and development opportunities among others increases chances of employees' loyalty and ability to stay (Samuel & Chipunza, 2009). Good employment practices is a strategy to retain staff with emphasis on flexible work schedules, communication, friendly work policies, telecommuting, work-life

balance activities, favorable working conditions and practices (Beauregard & Henry, 2009) are some of the efforts developed and are aimed at improving HRM practices.

Various studies have indicated that for a relationship between performance-related pay and organization performance to be positive, the level of pay and pay structure matters (Wimbush, 2005; Singh 2005). Parker and Wright (2000) in a study established an underlying notion that money may influence behavior and compensating employees fairly is thought to be the foundation and basis of employment contracts between employees and employers. Organizations have therefore opted to compensation and benefits that is market competitive to be appealing and retain competent and talented employees (Parker & Wright, 2000). Khan (2010) argued that good compensation and reward packages enhanced by effective disbursement system can play a role in attracting the very best talent. It may also influence employee behavior and performance outcome as well as facilitate talent retention. Compensation employees poorly may contribute to employees' intention to leave an organization (Rusbult & Farrell, 1983). Good rewards and benefits increase employee's commitment to the organization and discourage employees from seeking other job opportunities (Mitchell, Holtom, Lee, Sablinski & Erez, 2001). A fair, balanced and competitive compensation and reward system has an effect on employee retention and thus compensation and reward planning is a vital dimension to effective HRM practice (Mathis and Jackson (2004).

Training and development offered by the organization also influence employee retention and organizations that offer training to their employees are likely to experience less turnover. Employees acquire new skills through training which they can apply to do their jobs, knowledge share with their colleagues and can apply the same knowledge outside the organization (Noe, 2009). It therefore, boosts their capacity to handle their job assignments. When organizations engage new employees through recruitment and selection, they need to come up with training and development programs to improve their skills (Goldstein (2001). Lauri, Benson & Cheney (2006) established that organizations often postpone employee training programs to ascertain if the worker interests are in line with the organization's culture. Investment on training as well as career development is a critical factor in retaining of employees Messmer (2000). Suitable and relevant training offered to employees makes them feel valued for their input and offer opportunities to develop and grow their professional skills and this contributes positively to employee retention (Kyndt, et al., 2009; Visser, 2001).

Employees take an active part in the organization goal's when they feel valued, are productive in and increased job involvement and satisfaction, which results in reduced frequent absenteeism and turnover rates (Silbert, 2005). According to Freyermuth (2007), employees respond well to support, admiration, and encouragement they receive from the organization. As observed by Kristof (2006), employee retention is enhanced by value match between the person and the job which is considered in during employee selection, the employee belief system is important with regard to corresponding personal and organization goals. Cable and Judge (2007) suggest that employee selection process should consider improved match between employee values and organization culture and hence retain the key employees.

Supervisor support has positive effect on employee's morale as it plays a great role in employee satisfaction. Employees who don't have good working relationship may affect their stay with the organization and subsequent turnover. Herriot and Pemberton (1997) reiterated that, supervisors are important agents responsible for maintaining the psychological contract of employees. (Eisenberger *et al.*, 2002) stated that employees may stay with an organization for a long time if their contributions are valued, make them feel they belong and give them the respect they deserve. Employee retention improves if the supervisor gives technical support to the employee, recognize good performance and incorporate employees' opinions in their work and displays individual interest in them (Robbins 1993).

Work environment affects employee's performance, productivity and retention significantly. Employees are satisfied by work environment that provides sense of belonging. Organizations which have good human resource policies which provide employees with privacy and decent work environment which also enhance motivation level and long term commitment to the organization, do have a good opportunity to retain employees Wells & Thelen (2002). There is need to acknowledge the needs employees in an organization as it encourages commitment and offers conducive work environment where employees thrive. Employees who perceive high levels of strict work environment rules and regulations are may lack job satisfaction Spector (1997).

2.5 HRM Practices and Employee Retention

Past studies on how HRM practices have influence on employee's retention both locally and internationally have previously been done and they focused on HRM practices as well as employee retention. If an organization would develop and implement an incentive plan for all employees in the organization, then the rate of labour turnover would decrease (Moncarz, Zhao & Kay 2009).

Appiah, Kontor and Asamoah(2013) conducted a study on the Mining Industry in Ghana with regard to the effects of HRM practices on employee retention. He found that the factors that mostly affected employee retention included; 1) the opportunity for learn and acquire new skills in an environment promoting teamwork, 2) active participation in the policies relating and guiding their lives at work, 3) an opportunity to freely express their views and air them out, and 4) the organization communicating clearly on the firm's expectations towards the employees providing a work environment that is safe. Effectively applying the mentioned practices may lead to employee turnover reduction especially in their mining industry. The study established that health & safety, communication, training & development, information sharing, welfare, compensation, incentives and job security factors are important in the mining industry in terms of turnover rate reduction.

A study on employees' retention being affected by HRM practices was conducted by Hussain and Rehman (2013). The variables tested in the study were training & development, team development, performance appraisal, person-organization fit, internal communication system, employee empowerment, employment security, and reward & compensation. Feedback forms or questionnaires circulated to employees in middle management in the textile industry. The study revealed a strong positive relationship between employee retention and HRM practices. The study found that retain-ability of employees in an organization would improve if proper HRM practices were adopted. Another study by Deimensah (2010) in the banking industry in Ghana on the effects of human resource management practices on employee retention concluded to be of significance. The study concluded that the practices influenced retention of employees in banks: employee engagement, work-life balance and compensation.

Okotoh (2015) carried out a study to examine the effects of reward management practices influence on employee retention at Communications Authority of Kenya. The study found a strong relationship between retention and employee reward management. Her study established

the importance of developing an employee retention practice and reward management policy and total reward system with benefits such as pension scheme, health insurance, life insurance, sabbatical leave, transport benefits, workers compensation and assistance schemes, flexible work plan, educational pay , relocation and recreational benefits.

Gachunga (2010) carried out a case study of Standard Group Limited on HRM practices influence on the retention of key employees in Kenya's the media industry. The study found that the company valued leadership qualities aligned with the recruitment process and the company's retention strategies. A survey by Wanjiru (2007) on factors influencing employee retention in manufacturing firms in Nairobi established that to a great extent, firms in the manufacturing sector valued the gaining of competitive advantage and engaged in proper HRM practices to ensure retention of the most key employees. Lepilale (2009) investigated the relationship between employee retention practices and labor turnover in Nairobi's Five Star Hotels and found that organizations value good compensation practices as a way of retaining employees and that compensation influences employee retention.

A study by Kazira (2014) to analyze the relationship between HRM practices and commitment of the employees in Kenya's retail banking sector, with a special focus on Standard Chartered Bank concluded that the practices; reward management, recruitment, orientation, performance management, training & development, health & safety, job analysis & design and career development did influence employee commitment. Recruitment and orientation influences employee commitment in that it informs them about the job. Performance management helps to identify employee needs and helps in placing what they require to improve their performance. Reward management systems influence employee commitment as they feel motivated to perform when they get satisfaction from the rewards. Training & development influences both professional and personal career development. Health and safety influences employee commitment in that when they feel safe and secure, they are motivated to work.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter stipulates the methodology used in this study and includes; the research design, the study population, data collection, data analysis including both logistical and ethical considerations.

3.2 Research Design

Descriptive research design was adopted by this research. This is used where data is collected to describe organizations, persons, settings or phenomena Creswell (2003). With this study, the design was used to describe the population's characteristics, due to large population sample expected to participate and also use of quantitative and qualitative data analysis.

3.3 Population of the Study

The Real Estate property investment report (2016) indicates that, there are 80 real estate companies in Nairobi. The study focused on 5 real estate firms since they have been in existence for over 15 years in the market. The targeted population captured various employee categories in the real estate firms and different departments were duly represented. Total numbers of employees in the 5 real estate firms in Nairobi are 324 in total and are based in the head office.

Table 3.1: Population Distribution

Real Estate Firms	Structure Category	Target Population
Knight Frank Limited	Top	9
	Middle	28
	Lower	40
	Total	77
Tysons Limited	Top	5
	Middle	18
	Lower	35

	Total	58
Crystal Valuers Limited	Top	4
	Middle	24
	Lower	36
	Total	64
Villa Care Limited	Top	8
	Middle	16
	Lower	40
	Total	64
Lloyd Masika Limited	Top	6
	Middle	15
	Lower	44
	Total	65
	Overall	324
	Total	

Source: Survey Data 2016

3.4 Data Collection

Structured questionnaires were used for data collection and primary data was used in this study. Questionnaires are a simple and effective research tool according to Zikmund (2003). (Owens, 2002) asserts that it is a cost-effective and reduces data distortions that may result from any interviewer biases introduced during the interview process. It can reach a large number of respondents within limited time, gives respondents adequate time to respond, offers a respondent some sense of security through confidentiality and with no bias resulting from the personal characteristics it is therefore an objective method. The aim of the research was to establish the deeply held personal attitudes and beliefs some of which may be sensitive in nature, and the anonymous nature of the questionnaire allowed respondents to freely express their true beliefs, attitudes and perceptions. The questionnaire was designed into three parts that is, A, B and C with

section A containing information on respondents demographic profile, section B containing information on HRM practices and section C focusing on employee retention. The questionnaire was administered through drop and pick and via email for confidentiality purposes.

Respondents indicated using five(5) point Likert scale with options ranging from ‘Strongly Agree’ to ‘Strongly Disagree’ choice questions were used to test the degree of the respondents’ agreement with particular statements on human resource management practices. The researcher gave participants a letter justifying the reasons for requiring such information hence overcome their reservations about providing sensitive and confidential information and also to cheer the participants to give honest and specific responses. The researcher guaranteed the respondents of their information privacy and identity revelation. It was clarified to them that their contribution being voluntary it was up to them to refuse or withdraw in case of mind change as to their participation. Advance notification to respondents by phone of the study and its intent was carried out including follow ups of the non-respondents. Respondents were briefed and informed that their participation was voluntary and anonymity was observed and encouraged. The participants were accorded the opportunity to ask questions and seek clarification for any ambiguity in the questionnaire and study objectives before they gave responses therefore alleviating any possibility of defective answers.

3.5 Data Analysis

The section covers presentation of data, analysis and discussion. The data collected was first coded, edited and tabulated to ensure consistency and completeness. This was done by entering data into a computer through excel spreadsheet to enable management of the data before inputting data to SPSS software thereafter the data analysis was conducted. Both descriptive statistics that include frequencies and percentages, measures of central tendencies such as mean and standard deviation was calculated and inferential statistics was then used to analyze data and used to draw up observations and conclusions.

Inferential statistics employed regression analysis as a tool to study if there is a relationship between HRM practices and employee retention. Data was presented in form of tables.

Regression Model:

The following regression equation was used for the study:-

$$(Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon)$$

Where;

Y = Employee retention

β_0 = is the Y intercept or constant

$\beta_1 \dots \beta_5$ = coefficient of regression

X1 = Compensation

X2 = Performance Management

X3 = Training and Development

X4 = Supervisor Support

X5 = Work Environment

ε = Error term

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

The focus of this chapter is to give details of data analysis results, the study findings discussions as provided in research objective and methodology section. The study sought to determine the effect of HRM practices on employee retention in real estate firms in Nairobi County.

4.2 Response Rate

The study targeted 324 employees and same questionnaires were distributed. Out of the 324 questionnaires issued, 270 were filled up and returned. There was 83.3% response rate which was considered sufficient for both data analysis and interpretation.

4.3 Demographic Characteristics of the Respondents

The study sought to establish various aspect or characteristics of the respondents including the number of years worked, their gender, highest level of education, and the ranking of the respondents.

4.3.1 Gender Distribution

Table 4.1: Gender Composition of Respondents

Gender	Frequency	Percentage(%)
Male	173	64.1
Female	97	35.9
Total	270	100

Source Date: Survey Data, 2016

The research aimed to establish the various characteristics of the respondents including their gender. The findings are presented in Table 4.1, and shows, over a half of the respondents (64.1%) were males and 35.9% were female. This implies that majority of real estate workers which can be accredited to the fact that real estate is characterized by large construction work although long working hours and intensive labor involved render the industry problematic for females.

4.3.2 Age Distribution

Table 4.2: Age Distribution of Respondents

Age	Frequency	Percentage (%)
18- 25	44	16.1
26 – 35	68	25.2
36 – 45	92	34.1
46 – 55	42	15.6
56 and above	24	8.9
Total	270	100

Source Date: Survey Data, 2016

The age distribution of respondents presented in Table 4.2, indicates that most of them were in age category of 36-45 that is 34.1% of respondents with only 8.9% being 56 years and above.

4.3.3 Highest Level of Education

Table 4.3: Highest education qualification

Level of Education	Frequency	Percentage(%)
KCSE	25	9.26
Certificate	48	17.8
Diploma	40	14.8
Bachelors Degree	94	34.8
Diplomas	30	11.1
Masters Degree	28	10.4
Doctorate	5	1.9
Total	270	100

Source: Survey Data, 2016

The study further sought to find out the respondent's highest education level.

According to the findings in Table 4.3, majority (34.8%) of the respondents had bachelor's degree as the highest level of education attained. The respondents were drawn from middle and top management employees and normally usually a first graduate is a required for this level. 17.8 % had certificate, 10.4% Masters Degrees while 11.1% had diplomas and 1.9% had PhD qualifications. This indicates that all members of staff are literate enough to understand the effect of human resource management practices and employee retention administered in their organizations.

4.3.4 Number of Years worked in the organization

Table 4.4: Length of Service in current Organization

Length of Service(Years)	Frequency	Percentage(%)
0-5	120	44.4
6-10	70	25.9
11-15	40	14.8
16-20	22	8.2
Over 20 years	18	6.7
Total	270	100

Source Data: Survey Data, 2016

The study sought to establish how long the respondents had worked with the real estate firm they were employed currently. The findings in Table 4.4 indicate that most of the respondents (44.4%) had been employed in the organization for less than five years. 25.9% of the respondents had been employed by the organization for between 6-10 years while 14.8% of the respondents had been with the current employer for 11-15 years. 8.2% of the respondents had been engaged with the organization for 16-20 years while 6.7% of the respondents had been with the organization over 20 years.

4.3.5 Respondents Ranking in the Organization

Table 4.5: Ranking in the Organization

Position	Frequency	Percentage (%)
Top level management	30	11.1
Middle level management	114	42.2
Lower level management	126	46.7
Total	270	100

Source Data: Survey Data 2016

The study wanted to establish the position held by each of the respondents in the organization. Table 4.5 shows the distribution of the position occupied by the respondents.

In terms of respondents rank, 46.7% were at the lower level, 42.2% at middle management level and 11.1% at the top management level respectively. The results illustrate a normal pyramid structure normal for organizations since the top level management is made of few employees.

4.4 Human Resource Management Practices

This part presented employee's view of HRM practices that were analyzed in five key areas; training and development, performance management, compensation, supervisor support and work environment. The study objective was achieved by asking the respondents to indicate to what extent they concurred with statements presented to them relating to HRM practices used by their employers on a five-point likert scale where 1 = Strongly Disagree(SD), 2=Disagree(D), 3= Neutral(N), 4= Agree(A), 5=Strongly Agree(SA). The scale ranged from 1 to 5 that means that the mean score of a given statement was guided by the following;1-5, where 1 - 1.4 Strongly Disagree(SD), 1.5 - 2.4 Disagree(D), 2.5 - 3.4 Neutral(N), 3.5 - 4.4 Agree (A), 4.5 - 5 Strongly Agree(SA).

4.4.1 Compensation

Table 4.6: Compensation

Compensation	Mean	Std. Dev.
I am awarded non- monetary benefits which are better than I could get at other firms	2.80	1.087
My organization has transparent and equitable policy of compensation	3.07	0.955
Hardworking and results-oriented employee are well compensated in the organization	3.39	0.945
I receive rewards and benefits in our organization that commensurate with my responsibilities	3.10	1.067
Compensation is normally reviewed from time to time and are based on individual's job performance	3.31	1.040
Average Mean	3.13	1.019

Source: Survey Data, 2016

The respondents were requested to show their response as to how compensation influences employee retention in their organization. Different research findings have concluded that, levels of satisfaction regarding compensation is an important factor in employee retention (Hong, Hao, Kumar, Ramendran & Kadiresan, 2012; Khan, 2010).

The findings and analysis on Table 4.6 above indicate that respondents were neutral on the non-monetary benefits they receive (Mean= 2.80, SD=1.087). About fifty percent of the respondents agreed that their organization had transparent and equitable compensation policy (Mean=3.07, SD=0.955).

The employees feel that people hardworking and results-oriented employee are well compensated in the organization (Mean=3.39, SD=0.945). The respondents were neutral as to whether they receive rewards and benefits in their organization commensurate with their responsibilities (Mean=3.10, SD=1.067). The employees feel that compensation is normally reviewed from time to time based on individual's job performance (Mean=3.31, SD=1.040).

Compensation was recognized to contribute greatly to high level of employee retention as indicated by the high rate of positive responses.

4.4.2 Training and Development

Table 4.7: Training & Development

Training & Development	Mean	Std. Dev.
I receive enough training in this organization therefore I can do my job effectively	3.35	1.071
Training and development at the organization contribute to achieving effectiveness and efficiency of this organization's goals	3.78	0.879
There equal training and career development offered to staff yearly	3.32	0.989
My organization has variety training programs to improve ability of employees	3.57	0.921
The organization has accorded me training opportunities that enable me to extend my range of skills and abilities	3.27	1.121
Performance appraisal process is used to identify training needs	2.69	1.081
My organization regularly sponsors me to participate in training and career development activities	3.64	0.982
The management is committed to training and developing its workforce	4.09	0.818
Average	3.46	0.983

Source: Survey Data, 2016

Statements relating to training and development were given to the respondents where they were required to indicate if they agreed with each in relation to their organizations.

The study and analysis on Table 4.7 found that the employees agreed to the statement the management is committed to the training and developing its workforce (Mean=4.09, SD=0.818). Majority of the respondents confirmed that training and development contributed to effective and efficient achievement of the organization goals (Mean=3.78, SD=0.879). Organization regularly sponsors them to participate in training and career development activities (Mean=3.64, SD=0.982). Respondents were neutral as to whether a formal performance appraisal mechanism

was used to identify training needs (Mean=2.69, SD=1.081). The employee feel that the organization provides them with training opportunities which enables them to improve their level skills and abilities (Mean=3.27, SD=1.121). Respondents were neutral the variety of training programs that their organizations provided for them to improve their abilities (Mean=3.57, SD=0.921). The employees feel that they are offered equal training and career development yearly (Mean=3.32, SD=0.989). The respondents were neutral on the training they had received and skills gained to perform their jobs (Mean=3.35, SD=1.071). There equal training and career development offered to staff yearly

The findings reveal that training and development in real estate firms in Nairobi influences employee retention in a positive way by; organizations offering training and development opportunities to their employees and this creates internal promotion opportunities to its employees and this enhance greater chances of employment internal and external labour markets.

4.4.3 Performance Management

Table 4.8: Performance Management

Performance Management	Mean	Std. Dev.
I understand my job performance standards and expectations	3.78	0.879
My performance is appraised, progress and feedback is discussed with me regularly	3.65	0.936
Performance management practices are participative and transparent	3.45	1.000
Performance development plans/goals are reviewed frequently	3.57	0.887
Performance evaluations are conducted fairly I have clear understanding of how the evaluation is done	3.77	0.794
Performance management practices are aligned to the organizational strategic goals and objectives	3.41	0.979
Average	3.61	0.913

Source: Survey Data, 2016

Respondents were required to specify to what extend they agreed with different statements on the performance management within their organizations.

The findings as shown in Table 4.8 indicates majority of the respondents understand the job performance standards and expectations (Mean=3.78, SD=0.879). Performance evaluation is conducted fairly and employees have a clear understanding of how the evaluation is done (Mean= 3.77, SD=0.794). Employees agree that performance is appraised, progress and feedback is

discussed with them regularly (Mean=3.65, SD=0.936). The organization offers performance development plans and goals that are reviewed frequently (Mean= 3.57, SD=0.887). Majority of the employees feel that performance management practices within their organization are participative and transparent (Mean= 3.45, SD=1.000). Respondents agreed that Performance management practices are aligned to the organizational strategic goals and objectives (Mean =3.41, SD=0.979).

The study findings reveal that employees at the real estate organizations attribute employee retention to performance management within their organizations. Employee retentions depends on clear performance standards and expectations, appraising performance, providing employees with progress and feedback from time to time and performance management practices should be participative and transparent. Performance management goals is reviewed regularly, employees have clear understanding of how evaluation is conducted fairly. Majority of the employees are of the view that performance management practices in their organization are not aligned to the goals and objectives. From the analysis above, impact of performance management on employee retention is significant and positive and plays a critical role in employee retention.

4.4.4 Supervisor Support

Table 4.9: Supervisor Support

Supervisor Support	Mean	Std. Dev.
My immediate supervisor provides feedback regularly to help me improve on my performance	3.57	0.921
I receive training and coaching from my immediate supervisor	3.08	1.023
My supervisor offers motivating and supportive work climate	3.63	0.890
My ideas, suggestions, opinions are valued by my immediate supervisor	3.76	0.821
I have access to my supervisor to discuss issues regarding my job and personal needs	3.66	0.871
I have grown in my career and profession as a result of my supervisor's keen interest and support	3.49	1.018
Average	3.53	0.924

Source: Survey Data, 2016

Respondents were requested to show how they agreed with different statements relating to supervisor support within their organizations. From the above findings in Table 4.9, Respondents expressed high satisfaction at being given provided regularly on their performance by their immediate supervisor in their organizations (Mean= 3.57, SD=0.921). The analysis showed that

employees felt that their ideas, suggestions, opinions are valued by the immediate supervisor (Mean=3.76, SD=0.821). Respondents also agreed that their supervisor they had access to their supervisor to discuss issues pertaining job and personal needs (Mean=3.66, SD=0.871). Further approximately half of the Respondents believed that the training and coaching they received from their supervisors was not adequate (Mean=3.08, SD=1.023). The employees are contended that their supervisors offers motivating and supportive work climate (Mean=3.63, SD=0.890). The employees felt that they have grown in their career and profession because their supervisor's keen interest and support (Mean=3.49, SD=1.018).

The findings depict that supervisor support in real estate organizations in Nairobi positively influences employee retention through the performance feedback offered, ideas and suggestions being valued, accessible of supervisor to discuss both performance and personal needs and the amount of coaching and training given by the supervisor.

4.4.5 Work Environment

Table 4.10: Work Environment

Work Environment	Mean	Std. Dev.
There is an open, comfortable and safe work environment	3.60	0.838
My organization is dedicated to diversity and inclusiveness	3.57	0.892
The organization structure facilitates teamwork, that enhance effective and efficient tasks accomplishment	3.46	0.849
The organization clearly communicate its goals and strategies to me	3.33	1.054
Relationships between colleagues at my workplace are friendly and relaxed	3.77	0.850
I am satisfied with the culture of my workplace.	4.13	0.700
Average	3.64	0.864

Source: Survey Data, 2016

Respondents were asked to indicate to what extend they agreed with different statements on work environment so as to assess the relationship between work environment and employee retention within their organizations.

Table 4.10 presents the analysis of employee's opinion of work environment practices in their organizations. From the results, it appears the real estate organizations were keen to make the working environment satisfactory as the respondents agreed positively to the statements relating

to work environment. These were with regard to their organizations there is an open, comfortable and safe work environment (Mean = 3.60, SD=0.838). They were satisfied with the culture of the organizations workplace (Mean = 4.13, SD=0.700). Employees feel that relationship between colleagues at workplace are friendly and relaxed (Mean = 3.77, SD=0.850). Most of them agreed that their organization was dedicated to diversity and inclusiveness (Mean = 3.57, SD=0.892). The organizational structure facilitates teamwork that enhance effective and efficient tasks accomplishment (Mean = 3.46, SD=0.849). Respondents were neutral on how their organizations clearly communicated its goals and strategies to employees (Mean= 3.33, SD=1.054).

From the results above, most employees were content with the organization's work environment and this is healthy for employee retention as employees become satisfied and remain loyal and committed their organizations.

4.5 Employee Retention

Table 4.11: Factors Influencing Employee Retention

The reason why I remain in this organization is because;	Mean	Std. Dev.
I proudly can tell other people about my organization	3.51	0.966
I have no intentions to resign from this organization within a short time	3.46	0.849
I would recommend my place of work to any other candidate as a good place to work	4.01	0.687
I would be happy to grow my career in this organization my entire life	3.77	0.850
I clearly understand how my performance is evaluated	3.77	0.794
I am prepared to remain in the organization because of training and development opportunities	4.13	0.700
My immediate supervisor gives me credit for a job well done	2.92	0.920
I have access to the line managers to argue my idea and feedback	3.55	0.903
I am happy with my current place of work	4.09	0.818
I feel emotionally attached and very committed to remain with my current organization	2.89	0.970
I am not really keen to leave my organization right now	2.49	0.960
Currently I am looking for a better job opportunity in other organizations	2.01	1.07
If I get a job in another organization, I definitely will leave	2.97	0.97
My loyalty to this organization is very minimal	3.17	0.80
I plan to leave this organization soon	2.34	1.01
Average	3.272	

Source: Survey Data, 2016

Respondents were required to indicate their level of agreement to some relevant questions posed to gauge the level of employee retention in the organization, to determine the effect it has on employees' ability to stay or leave the organization as depicted in Table 4.11.

As shown in Table 4.11, most of the respondents were satisfied with their current place of work (Mean = 4.09, SD=0.818), most respondents strongly agreed that they would proudly tell other people about their organization (Mean = 3.51, SD=0.966). Additionally the respondents agreed that they do not have any intentions to resign from the organization within a short time (Mean = 3.46, SD=0.849), respondents also agreed that they would recommend their organization as a great place to work (Mean=4.01, SD=0.687), they would be happy to spend the rest of their career life with the organization (Mean = 3.77, SD=0.850). Additionally, they clearly understanding of how their performance is evaluated, they are prepared to remain in the organization because of training and development opportunities (Mean=3.77 SD=0.794). Respondents were neutral on how their immediate supervisors gave credit for a job well done (Mean= 2.92, SD=0.920)respondents agreed that they have access to the line managers to argue their ideas and feedback (Mean=3.55, SD=0.903) they are happy with the current place of work (Mean=4.09, SD=0.818) they feel emotionally attached and feel very committed to their current organization (Mean=2.89, SD=0.970). They were neutral on whether they wanted to leave their organizations (Mean=2.49, SD=0.960). However, respondents were undecided with the argument that they were searching for a better job and they will definitely leave if they got a job in another organization (Mean=2.01, SD=1.07.) and was ranked the lowest, respondents also disagreed that they felt very little loyalty to their organizations (Mean= 3.17, SD=0.800). They also disagreed that they were planning to leave the organization in a short while (Mean=2.34, SD=1.01).

The analysis above indicates that employees were proud to tell other people about their organization, that they did not have any intentions to resign from the organization, that they can recommend their organization as a good place to work, that they would happily to spend the rest of their career life with the organization, they do have clear understanding of how their performance is evaluated, that they are prepared to remain in the organization because of training and development opportunities. Additionally, respondents neither agreed nor disagreed on whether their immediate supervisor gave them credit for a job well done, they have access to the line managers to argue ideas and feedback. Respondents also agreed that they are happy with the current place of work, feel emotionally attached and feel very committed to remain with the

current organization, not sure if they wanted to leave their organizations. Respondent also agreed that they were not searching for a better job in other organizations, therefore whenever they get a job in a other organization they will not leave, their loyalty to the organization.

The employee's intent to stay in the organization in future was used to establish retention rate in the real estate firms. Regression analysis model was the tool used to forecast the effect of HRM practices on employee retention and data was presented in tables form.

4.6 Regression Analysis

This subsection presents the regression analysis results for the variables in the study.

4.6.1 Regression Model

A regression model was used to conclude the relative importance of each of the five independent variables with respect to employee retention in the real estate institutions.

The regression model was as follows:

$$(Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \epsilon)$$

Where;

Y = Employee retention

β_0 = is the Y intercept or constant

$\beta_1 \dots \beta_5$ = coefficient of regression

X_1 = Compensation

X_2 = Training and Development

X_3 = Performance Management

X_4 = Supervisor Support

X_5 = Work Environment

ϵ = Error term

4.6.2 Regression Model Table Summary

The aim of the study was to assess the relationship between human resource management practices and employee retention in real estate firms in Nairobi, Regression Analysis was the tool used to test this relationship.

Table 4.12: Regression Results for the Effect of Human Resource Management Practices on Employee Retention

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.918(a)	.843	.805	.51038	.843	1.242	4	96	.000
ANOVA									
Model	Sum of Squares		Df	Mean Square	F	Sig.			
Regression	.852		4	.213	1.242*	.000			
Residual	20.35		119	.171					
Total	22.64		123						
Coefficients									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
		B.	Std Error	Beta					
(Constant)		.260	.460		0.565	.031			
Compensation	X ₁	.131	.048	.254	2.729	.001			
Training and Development	X ₂	.170	.045	.300	3.778	.000			
Performance Management	X ₃	.051	.023	.113	2.217	.000			
Supervisor Support	X ₄	.048	.022	.093	2.182	.001			

Work Environment	X ₅	.192	.072	.348	2.645	.000
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*p<0.001

a. *Predictors:* (Constant), Compensation, training and development, performance management, supervisor support and work environment.

b. *Dependent Variable:* Employee Retention

The regression outcomes presented in Table 4.12 showed that relationship between human resources management practices and employee retention was positive and significant(R Square = 0.843, F=1.242, p<0.001). The results show that 84% of the changes in employee retention are attributed to human resource management practices. The statistical value of F ratio is 1.242 which is statistically significant at a level of 0.001, suggests a linear relationship among the dependent and independent variables that is increase in independent variables (compensation, training and development, performance management, supervisor support and work environment) will result in an increase in dependent variable (Employee retention) and which is evidence of the goodness of fit of regression model. The beta was significant ($\beta=.918$, $t=2.729$, at $p < 0.001$). The beta value implies that for one unit increase in the use of compensation, employee retention increase by .918 or 92%. The regression results show that there is positive and statistically significant relationship between human resource management practices and employee retention. The hypothesis that indicates positive relationship between human resource management practices was supported. It is evident from the results that for every one unit increase in the use the variables training and development, performance management, compensation, supervisor support and work environment, employee retention increase by .918 or 92%. The value of (R - square = 0.843) which indicates that 84.3% of the variation in employee retention can be explained by variability in training and development, performance management, compensation, supervisor support, and work environment. This implies that the human resource management practices have a strong effect on employee retention.

The finding of the study implied that real estate firms have formulated human resource management practices that enhance employee retention, particularly compensation, training and development, performance management, supervisor support and work environment.

The established multiple linear regression equation becomes:

$$Y=0.260 + 0.131X_1 + 0.170X_2 + 0.051X_3 + 0.048X_4 + 0.193X_5 +0.460$$

Where:

Constant =0.260, shows that if training and development, performance management, compensation, supervisor support and work environment are all rated zero, employee retention would be 0.260.

$X_1=0.131$, shows that one unit change in potential for compensation results in 0.131 units increase in employee retention.

$X_2=0.170$, shows that one unit change in potential for training and development results in 0.170units increase in employee retention

$X_3=0.051$, shows that one unit change in potential for performance management results in 0.051 units increase in employee retention

$X_4=0.048$, shows that one unit change in potential for supervisor support results in 0.048 units increase in employee retention

$X_5=0.192$, shows that one unit change in potential for work environment results in 0.192 units increase in employee retention

The magnitude of the coefficients of the independent variables also denoted the strength of the influence that they have on the dependent variable. The results indicate that employee retention is strongly influenced by work environment (coefficient 0.192) and training and development (coefficient 0.170) followed by performance management (coefficient 0.051), supervisor support (coefficient 0.048) and compensation (coefficient 0.131). The positive regression coefficient indicates a direct proportionality in increase in the independent variables (training and development, performance management, compensation, supervisor support and work environment) lead to increase in dependent variables (employee retention).

4.7 Discussion and Findings

The study established that compensation in real estate organizations in Kenya has a positive influence on employee retention through rewards and benefits offered as evidenced by; the benefits awarded in their organizations which are non-monetary were better than those in other firms. Equally, Amamo (2005) in her survey of factors affecting employee retention in FM radio stations in Kenya quoted compensation as the most important factor in employee retention. They also feel that their organization have transparent and equitable compensation policy. Lawler (2000) states that, skillful and competent person will perform productively if they are given the right rewards for their efforts, the salary offered to employees is important for any organization who intends to retain workers. Hard-working employees and who are results oriented ought to be rewarded well. Additionally, employees feel that the salary and benefits they receive match with their responsibilities and compensation and these are well reviewed from time to time based on individual job performance. Every employee would love to be appreciated and receive compensation for work done.

Compensation is always assumed to be a reward for positive behavior or exerted energy. Khan (2010) argues that good compensation plan and reward system accompanied by an effective system of distribution can effectively attract talented employees, shape employee behavior and performance outcome as well as enhance retention of talents. Mathis and Jackson (2004) also argue that a fair, balanced and competitive compensation and reward program affect the retention of employees. Therefore compensation and reward plans by a firm are vital for having effective HRM policies. It is however generally known that compensation levels may not on its own guarantee employee retention, but it is a good starting point to attracting and retaining employees (Chew, 2004). The positive responses rendered by compensation shows a remarkable rate of employee retention since employee place a lot of value on compensation.

The study established that training and development in real estate firms in Kenya positively influences employee retention by; receiving sufficient training to enable them do their job effectively. Training and development at the organization contribute to achieving effectiveness and efficiency of this organization's goals. An organization providing opportunities for staff training and career development regularly is important. This essentially improves the ability of employees to perform. This is also supported by organization having a variety of training programs to improve ability that allow employees extend their range of skills and abilities.

It is important to note that training needs are identified through a formal performance appraisal process and some organizations would sponsor their employee to participate in career development programs. This is a sign that an organization is committed to the training and development of its employees. As noted by Storey and Sisson (1993), training represents an employer commitment to his workforce, good training programs enables employees to have a high commitment to the organization. This results in low staff turnover and employees would stay in the organization for longer periods. Ongori & Ogolla (2009), states that lack of personal growth in an organization results in career stagnation and leads to a greater number of employee intentions to leave. Prince (2005), in its advise to organizations says that support to employees to make long-term commitment to them is through increased training and development programs.

The study established that performance management in real estate firms in Kenya positively influences employee retention by; employees understand their performance standards and expectations. Agarwal and Ferret (1999) recommended that considering the variety of human resources practices available. A performance appraisal system is important in retaining talented employees. The participation of an employee in an appraisal process offers equity, fairness and justice thus giving benefits to organizational in terms of commitment (Paul and Anantharaman, 2003). The performance appraisal system offers an opportunity where progress and feedback is discussed and provides a mechanism to share organization's goals and objectives with employees. Most employees in the organizations under study agree that the performance management practices in their organizations are participative, transparent and the performance development plan are reviewed frequently by the supervisor with the employee hence giving all employees a chance to have fair performance evaluation with an understanding of the criteria for performance assessment.

Performance management practices are aligned to the organizational strategic goals and objectives. These findings are consistent with that of Mondy and Noe, (2005) who stated that performance appraisal help employers to periodically evaluate an employee's performance which is an important factors in employee retention. An appraisal system must be transparent in nature. The process should be well laid out and straightforward so as to avoid any kind of doubt so as to enable employees accept feedback on their job performance with an open mind. This is consistent with the research done by Paul and Anantharaman (2003) where performance appraisal has a direct positive causal connection with employee retention.

The study established that supervisor support in real estate firms in Kenya positively influences employee retention by: Supervisor giving feedback and helping employees to improve on their performance. Employees also agree that they were receiving good training and coaching from their immediate supervisors and which fosters good working relationships. Furthermore, supervisors create a motivating and supportive work climate and values employee's ideas, suggestions and opinions. Employees have access to their immediate supervisors to discuss issues pertaining to the job and personal needs. The findings are consistent with previous studies (Levine, 1965) who found that as agents of the organization, supervisors play an important role. Supervisor support is recognized as the most critical source of work-based support reducing stress and increasing positive attitudes and behaviours (Carlson, 1999) and this contributes to a significant level of employee retention. (Ontario, 2004) asserts that, a strong relationship between employees and their supervisors, employees will remain loyal and stay long in the organization. High supervisor support encourages employees to work hard in their jobs to exceed the organization's expectations. This indicates strong positive and significant relationship between supervisor support and employee retention.

The study also established that work environment in real estate firms in Kenya is a core factor that positively influences employee retention by: organizations creating an open, comfortable and safe working environment. Employees expressed high satisfaction by the way the organization is dedicated to diversity and inclusiveness. An organization structure that facilitates teamwork and communicates its strategies to its employees enhances accomplishment of tasks and goals. Friendly and relaxed relationships between colleagues at the workplace makes employees get satisfied with the culture of the workplace. In line with a study undertaken by (Huang et al, 2007) on the influence of work environment on the turnover intentions of auditors, he contends that an improved work environment reduces intention of turnover of auditors and thus improves the organizations retention therefore work environment is a critical component in employee retention.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This final chapter gives the research findings summary, conclusions from the study and provides recommendations for policy and practice and also presents suggestions for further research studies.

5.2 Summary of Findings

Human resource is most treasured by organizations and serves as an important backbone and as such it is important for organizations to put in place processes to retain their employees since high staff turnover is expensive with negative affect on organizational effectiveness. With intense competition in the real estate industry in Kenya the risk of labor turnover is high. With HRM practices which are effective organizations can retain their valued and talented employees. The study findings do highlights some valuable implications for both practitioners and organizations. Organizations need to know best the ways in which they can improve their employee retention strategies. This study provides important lessons for HRM practitioners and do provide solutions to labor turnover predicament.

The study gives some evidence that compensation significantly effects employee retention in real estate organizations to a big extent. The employees are dedicated because they receive non-monetary benefits better that those offered in other organizations. The organization has transparent and equitable policy on compensation. The employees are grateful that those who are hardworking and results-oriented are well rewarded. The employees are proud that they receive commensurate salary and benefits that is commensurate with their responsibilities. The employees are contented that compensation is well reviewed occasionally on the basis of job performance. Compensation on its own is not enough to retain skilled and experienced as well s motivated workforce that the organization requires in order to excel.

The study established that training and development to a great extent affects employee retention and it plays a great role in any organization. The employees are content by the staff training and career development opportunities given by the employer and this contributes to the organization's effectiveness and efficiency. They do appreciate how the organization affords them training opportunities which enables them further their range of skills and abilities. The employees also value the way training needs are derived through a formal performance appraisal system. The

employees appreciate the effort by organizations to sponsor them participate in training and career development activities annually. They feel that their organization has commitment in providing them with opportunities for training and development. So we can confidently say training and development is a fundamental HRM practice and is very significant to talented, focused and skilled employees.

The study inferred that performance management performs a key role in retention of employees. The employees agreed that they clearly understood performance standards and expectations required for them to successfully deliver on their jobs effectively. The employees valued performance appraisals because it offered an opportunity where progress and feedback was discussed between the employee and supervisor. They also believe that performance management practices were participative and transparent and that performance development plans were reviewed frequently. The employees also felt that they understood how performance evaluations were conducted in a fairly manner. They also felt that performance management practices in their organizations were aligned to the strategic goals and objectives.

The study also found that to a great extent supervisor support played a key role in employee retention; immediate supervisors give feedback that improve on their performance and credit for a job well done. The supervisor brings about motivating and conducive work climate recognizes and value their opinions, ideas, and suggestions and also follows through in their commitments. The supervisors can always be reached and willing to discuss issues regarding their jobs and personal needs. They are also take keen interest in their professional growth and career development.

Finally, the study results found that to extent working environment affect employee retention at any level of management from top to lower management. An open, comfortable, safe work environment and structure facilitates teamwork where employees are friendly. The study results did indicate a strongly positive relationship between HRM practices and employee retention.

5.3 Conclusions

This research investigated the effects of HRM practices on employee retention in real estate firms in Nairobi County. Human capital is definitely the main asset for organizations and there is need to take deliberate measures in order to retain skillful and knowledgeable employees. Talented and loyal employees are organization's best asset and without them organizations will not achieve desired goals and objectives. Real estate organizations facing retention challenges could institute various HRM practices as part of their mitigation measures among other strategies. These practices which include training and development, performance management, compensation, supervisor support and excellent work environment, positively affect employee retention and are important tools in HR management. HRM practices ought not to be applied blindly but in an orderly manner with proper assessment of the employee needs specific to individuals at all levels.

The study concluded that compensation affects employee retention in the real estate to a great extent; The non-monetary benefits offered are better than in other firms. The employees stay in organizations because it has transparent and equitable policy on compensation. The employees are grateful that the salary and benefits they receive are commensurate with their job responsibilities and performance. The employees become devoted to their work when those who are hardworking and results oriented get rewarded and compensation satisfactorily reviewed from time to time based on their job performance.

The study concluded that the organizations should make use of formal training programs that enable employees acquire new knowledge, learn new skills though giving opportunities to staff for training and career development on an annual basis which in turn equip employees with a wide range of skills and abilities which in turn contributes to an organization's efficiency and effectiveness. The study also shows that training needs are identified through a formal performance appraisal system and organizations are committed to the train and develop its workers.

The study also concludes that performance management enhances retention of employees in real estate organizations. Performance management factors such as clear understanding of performance standards and expectations, performance development goals is reviewed frequently, fairness in how performance evaluation process is done, appraisal, progress and feedback is

discussed with employees and performance management practices aligned to the organization's main objectives and goals.

As conclusion, the outcomes of this study have clearly shown that HRM practices (training and development, performance management, compensation, supervisor support and a good work environment) do have a positive significance and directly impacts on employee retention. Organizations in Kenya from all sectors need to work on these identified determinants and make effort to apply them and employee retention would certainly be fostered.

5.4 Recommendations

Compensation is of great significance to employees, but employers should not consider it as the only basis for retaining their employees, employees should also merit the kind of compensation they receive. Another recommendation of the study is that the compensation an employee hat they receive must match with the qualifications, experience and productivity. Organization should adopt balanced, fair and competitive compensation as reward system to enhance employee retention.

Secondly, real estate organizations must device other current HRM practices that can make substantial effect and impact on retaining talented and skilled employees. Organizations must contrast the kind of HRM practices they introduce from time to time and employee human resource needs keep changing from time to time. If the same HRM practices are applied over a period of time it may lose its meaning and would not achieve the intended purpose.

As revealed by this study, it is clear that real estate organizations are investing in training and development of their employees. There is need to formulate effective retention policies that ensure no loose of trained employees to other competitors. Employers should provide appropriate training needs to their employees instead of providing generic and repetitive ones which may not be beneficial to them and may still affect their intention to stay long in the organization. It is therefore recommended that, real estate firm's pays attention to its human resources to gain competitive advantage through them.

There should be wider communication of performance management policies within the organization as it makes employees clear about their performance expectation as contribution to

employee retention. Employees seem to generally be satisfied with their current organizations set up and work environment. The organizations structures facilitate teamwork and enhance effective and efficient tasks accomplishment. Employees are empowered and given challenging assignments that require them to utilize their skills, abilities and experience to full potential. The skills of the employees should be used by the organization to their advantage.

Supervisors should accord employees support through aspects such as regularly asking employees the best way they can be assisted to do their job well so as to build constructive relationships. Such initiatives eventually would increase the chances of employees staying for long in the organization.

From the study, the HR managers need to devise efficient and effective retention initiatives to maintain highly competent employees. There is need for real estate sector to continually search for best practices of retaining employees and in order to gain a competitive advantage in the market. This study aim to generate ideas on successful employee retention policies in real estate industry and so promote further research studies in the field. The study should help organizations formulate relevant retention policies, making informed decisions and adopting strategies that will promote employee retention. Human resource managers need to strive for newer and innovative employee retention practices because employees are keen on such.

5.5 Suggestions for Further Studies

Use of regression analysis model was used in establishing the relationship of human resources practices on employee retention in real estate firms in Nairobi. It is suggested need for further studies and other mixed methods both quantitative and qualitative aimed at gathering greater insights to more specific HRM practices by HR practitioners in real estate firms. Such research may elicit secondary data for calculating levels of retention in real estate industry.

Some suggestions for other future studies could include; research with other variables like; recruitment and selection, career management and work-life balance to determine how they affect employee retention. This research was restricted to the real estate industry in Nairobi, Kenya. Therefore this study proposes a research focus on industry sectors to check for variation in responses.

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APPENDIX I: COVER LETTER TO RESPONDENTS

University of Nairobi
Department of Business Administration
School of Business, Lower Kabete Campus
P. O. Box 30197-00100
Nairobi, Kenya

Dear Sir/Madam,

Re: Invitation to Participate in a Research

I am a Masters candidate at the University of Nairobi conducting a research on effects of human resource management practices on retention of employees in the real estate industry in Nairobi, County. This research is fully endorsed by the School of Business and my supervisor, Dr. M. Munjuri.

It is expected that this study will help to identify factors which affect employee retention and the results will assist organizations in the development of effective HRM employee retention programs. This will assist managers to formulate appropriate human resource policies which will boost employee retention, performance and productivity. I would like to invite you to participate in this study, your participation will form a critical part of my research.

The aim of this study is to examine the effect of human resource management practices on the retention of employees of real estate firms in Nairobi, County. The survey study survey would require 20 minutes, I humbly request that you spare a few minutes off your schedule to complete the attached questionnaire. The questions seek your opinions regarding your organization's human resource management practices in relation to retention. The sharing of your knowledge and experience as you answer the questions will be valuable to me and as such you're your anonymity is assured and the information will be treated with the strictest confidence and no reference will be made to any individual.

I thank you in advance for your participation in this study. Your cooperation and contribution in this research is very much appreciated. If you have any queries, do not hesitate to contact me.

Return date for questionnaire: Friday, 30th September, 2016.

Yours sincerely,

.....
Tonui C. Beatrice
Masters Candidate
University of Nairobi
School of Business
Tel. no.: +254 722124235
Email: tonuib@gmail.com

APPENDIX II: QUESTIONNAIRE

UNIVERSITY OF NAIROBI

School of Business

Questionnaire for Effects of Human Resource Management Practices on Employee Retention in Real Estate Firms in Nairobi County

Dear Sir/Madam,

My name is Tonui C. Beatrice a final year MSc. Human Resource Management student at the University of Nairobi. I am conducting research on perceived effects of human resource management practices on employee retention in real estate firms in Nairobi, County. The purpose of this questionnaire is to collect information on the *effect of HRM practices on employee retention in the real estate industry in Nairobi County* as part of a study for the award of MSc Human Resource Management at the University of Nairobi. I will be most grateful if you could take time off your busy schedule to respond to the questions.

This thesis will be used purely for academic purposes and for the partial fulfillment of a post graduate degree course and you are assured of anonymity and confidentiality, Thank you.

Section A: Socio-Demographic Profile of respondents

Please respond to each item by choosing the response and ticking (✓) that best describes you.

1. What is your gender?

a) Female ()

b) Male ()

2. What is your age?

a) 18 – 25 years ()

b) 26 – 35 years ()

c) 36 – 45 years ()

d) 46 – 55 years ()

e) 56 years and above ()

3. What is your highest level of education?

a) KCSE ()

b) Certificate ()

c) Diploma ()

d) Bachelors Degree ()

e) Masters Degree ()

f) Doctorate ()

4. How long have you worked for the current organization?

a) 0-5 years ()

b) 6-10 years ()

c) 11-15 years ()

d) 16-20 years ()

e) Over 20 years ()

5. What is your position/ranking?
- a) Lower level management ()
 - b) Middle level management ()
 - c) Top level management ()

Section B:

Please indicate to the extent to which you agree to the following statements by ticking(√) the appropriate response.

Likert Scale Indicator:

1=Strongly Disagree (SD) 2= Disagree (D) 3=Neutral (N) 4=Agree (A) 5=Strongly Agree (SA)

Please indicate the extent to which you agree to the following statements by circling your appropriate response rating.

	HUMAN RESOURCE MANAGEMENT PRACTICES	S D	D	N	A	S A
No	Compensation	1	2	3	4	5
1.	The non-monetary benefits that I receive here are better than those I could get at other firms					
2.	My organization has transparent and equitable policy of compensation					
3.	People who are hardworking and results-oriented are rewarded in the organization.					
4.	The salary and benefits I receive in this organization is commensurate with my responsibilities.					
5.	Compensation is satisfactorily reviewed from time to time and are based on job performance					
	Training and Development	1	2	3	4	5
6.	My organization has variety training programs to improve ability of employees					
7.	This organization provides opportunities for staff training and career development on a yearly basis.					
8.	I have received sufficient training in this organization to enable me do my job effectively.					
9.	My organization regularly sponsors me to participate in training or career development programmes					
10	Training and development at the organization contribute to achieving effectiveness and efficiency of this organization's goals					
11.	Training needs are identified through a formal performance appraisal mechanism					
12.	The organization has provided me with training					

	opportunities enabling me to extend my range of skills and abilities					
13.	This organization is committed to the training and development of its employees					
	Performance Management					
14.	I have a clear understanding of my performance standards and expectations to successfully deliver on my job					
15.	My performance is appraised, progress and feedback is discussed regularly					
16.	Performance management practices are participative and transparent					
17.	Performance development plans/goals are reviewed frequently					
18.	Performance evaluations are conducted fairly and I have a clear understanding of how performance evaluation is done					
19.	Performance management practices are aligned to the organizational strategic goals and objectives					
	Supervisor Support					
20.	My immediate supervisor provides me feedback regularly to help me improve my performance					
21.	I receive training and coaching from my immediate supervisor					
22.	There is a motivating and supportive work climate created by my supervisor					
23.	My supervisor recognizes and values my ideas, suggestions, opinions and follows through commitments					
24.	My supervisor is always accessible to discuss issues pertaining my job and personal needs.					
25.	My supervisor takes keen interest in my professional growth and career development.					
	Work Environment					
26.	There is an open, comfortable and safe work environment					
27.	My organization is dedicated to diversity and inclusiveness.					
28.	The organization structure facilitates teamwork, that enhance effective and efficient tasks accomplishment					
29.	The organization clearly communicate its goals and strategies to me					
30.	Relationships between colleagues at my workplace are friendly and relaxed					

31.	I am satisfied with the culture of my workplace.					

SECTION C: EMPLOYEE RETENTION

Kindly indicate your level of agreement with the following statements relating to employee retention at your organization by ticking (√) the appropriate response.

Likert Scale Indicator:

1=Strongly Disagree (SD) 2= Disagree(D) 3=Neutral(N) 4=Agree(A) 5=Strongly Agree(SA)

The reason why I remain in this organization is because	S D	D	N	A	S A
I feel proud to tell other people about the organization I work for					
I do not have any intention to resign from this organization within a shorter time					
I would recommend my organization as a great place to work					
I would be happy to spend the rest of my career with this organization					
I have a clear understanding of how my performance is evaluated					
I am prepared to remain in the organization because of training and development opportunities					
My immediate supervisor gives me credit for a job well done					
I have access to the line managers to argue my idea and feedback					
I am satisfied with the organization as a place to work					
I feel emotionally attached and feel very committed to remain with my current organization					
I am not keen to leave my organization right now					
I am searching for a better job in another organization at the moment					
Whenever I get a job in another organization, I will definitely leave					
I feel very little loyalty to this organization					
I plan to leave this organization shortly					

Thank you for your participation and contribution!

APPENDIX III: LIST OF REAL ESTATE COMPANIES IN NAIROBI

1. Active Homes
2. Afriland Agencies
3. Ark Consultants Ltd
4. Barloworld Logistics (Kenya) Ltd
5. Betterdayz Estates
6. British American Asset Managers
7. Canaan Properties
8. Capital City Limited
9. CB Richard Ellis
10. Colburns Holdings Ltd
11. Coral Property Consultants Ltd
12. Country Homes and Properties
13. Crown Homes Management
14. Crystal Valuers Limited
15. Daykio Plantations Limited
16. Double K Information Agents
17. Dream Properties
18. Dunhill Consulting Ltd
19. East Gate Apartments Limited
20. East Gate Apartments Limited
21. East Gate apartments limited
22. Eastwood Consulting Limited
23. Ebony Estates Limited
24. Economic Housing Group
25. Elgeyo Gardens Limited
26. Fairway Realtors And Precision Valuers
27. FriYads Real Estate
28. Gimco Limited
29. Greenspan Housing
30. Hajar Services Limited
31. Halifax Estate Agency Ltd.
32. HassConsult
33. Hewton Limited
34. Homes and lifestyles
35. Housing Finance
36. Jacent Properties Limited
37. Jimly Properties Ltd
38. Jogoo Road Properties
39. Josekinyaga Enterprises Ltd
40. Josmarg Agencies
41. Kali Security Co Ltd
42. Karengata Property Managers
43. Kenya Prime Properties Ltd
44. Kenya Property Point
45. Kilifi Konnection
46. Kiragu & Mwangi Limited
47. Kitengela Properties Limited
48. Knight Frank Limited

49. Kusyombunguo Lukenya
50. Land & Homes
51. Land & Homes
52. Langata Link Estate Agents
53. Langata Link Ltd
54. Lantana Homes
55. Legend Management Ltd
56. Lloyd Masika Limited
57. Mamuka Valuers (M) Ltd
58. Mark Properties Ltd.
59. Market Power Limited
60. Mentor Group Ltd
61. Merlik Agencies
62. Metrocosmo Ltd
63. Mombasa Beach Apartments
64. Monaco Investment Ltd
65. Muigai Commercial Agencies Ltd.
66. Myspace Properties (K) Ltd.
67. N W Realite Ltd
68. Nairobi Real Estates
69. Neptune Shelters Ltd
70. Oldman Properties Ltd
71. Oloip Properties
72. Ounga Commercial Agencies
73. Palace Projects Limited
74. Property Investment Network
75. property zote.com
76. Raju Estate Agency Limited (REAL)
77. Tysons Limited
78. Urban Properties Consultants & Developers Ltd
79. Villa Care Limited
80. Regent Management Limited