

**PERCEIVED EFFECTS OF EMPLOYEE BENEFITS ON  
EMPLOYEE RETENTION AT KENYA FOREST SERVICE**

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**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN  
PARTIAL FULFILLMENT FOR THE DEGREE OF MASTER OF  
BUSINESS ADMINISTRATION AT UNIVERSITY OF NAIROBI  
SCHOOL OF BUSINESS**

**NOVEMBER, 2011**

## **DECLARATION**

### **STUDENT'S DECLARATION**

I declare that this project is my original work and has never been submitted for a degree in any other university or college for examination/academic purposes.

Signature:

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**D61/61584/2010**

### **SUPERVISOR'S DECLARATION**

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

Signature.....Date.....

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## **DEDICATION**

This research is dedicated to my daughter Patience Mebo and my husband Paul Midianga. I would also like to dedicate it to my parents Mr. and Mrs. Nyangi Dende for their prayers and moral support.

## **ACKNOWLEDGEMENTS**

I thank the Almighty God for His guidance and providence which enabled me to undertake this project that was too involving in terms of time and resources.

I wish to express my sincere appreciation to my family for their understanding and support during the project.

Lastly, I would also like to express my sincere thanks to the supervisors for having agreed to supervise this research paper and their patience in reading the drafts and occasionally guiding me, without which the research would not have been a reality.

## **ABSTRACT**

On average a company losses approximately \$1million with every 10 managerial and professional employees who leave the organization. The combined direct and indirect costs associated with one employee ranges from a minimum of one year's pay and benefits to a maximum of two years pay and benefits. Thus, there is a significant economic impact when an organization losses any of its critical employees especially given the knowledge that is lost with an employee's departure.

The purpose of the study was to determine the perceived effects of employee benefits on employee retention at Kenya Forest Service. Descriptive research was used

For this study the target population was employees of Kenya Forest Service which is a state corporation. It has a total population of 625 employees. The study used 62 employees as a sample case. To achieve the research objectives, both primary and secondary data was used. Primary data was collected through a questionnaire. Secondary data was obtained through documents review i.e Human Resource Manual and exit interview forms. Qualitative data was analyzed through content analysis. Quantitative data was analyzed using descriptive statistics.

From the findings the study concludes that there is employee benefit policy at KFS and that employees do not leave the organization because of dissatisfaction with employee benefits. These benefits include pension scheme, life insurance, sabbatical leave, health insurance, workers compensation programs, transportation benefit, flexible work plan, educational fees, employee assistance programme, relocation benefits and recreational programmes.

The study recommends that in order to enhance employees retention, the Kenya Forest Service should offer increased medical package, provision of housing facilities at subsidized rent rates, revision of benefits scale, increase salary, provision of growth and development opportunities for staff and a good reward scheme, staff participation in decision making, incentives to motivate staff, benefit policies that are competitive and compare favorably with other organization, transparency in matters relating with staff benefits, establishment of loyalty clubs/team building and good working conditions.

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# CHAPTER ONE: INTRODUCTION

## 1.1 Background

The employer should always ensure that organization is perceived as a great place to work meaning that it becomes an employer of choice i.e one for whom people want to work. There is a desire to join the organization and once there, to want to stay. Employees are committed to the organization and engaged in the work they do. To acquire a national, even a local reputation as a good employer takes time, but its' worth the effort .The objective of employee benefits policies and practices of an organization are to provide an attractive and competitive total remuneration package which both attracts and retains high quality employees. Turnover of key employees can have a disproportionate impact on the business and the people organizations wish to retain are probably the one most likely to leave (Armstrong, 2006).

Turnover is an expensive organizational outcome and companies expend considerable time and resources in attempts to reduce turn over particularly dysfunctional turnover (Dalton &Todor, 1993). It is caused primarily by poor supervision, a poor work environment and inadequate compensation (Hinkim et al, 2000). Excessive employee turnover often engenders far reaching consequences and at the extreme may jeopardize efforts to attain organizational objectives, indicated that when an organization loses a critical employee, there is a negative impact on innovation e.g consistency in providing services to guests may be jeopardized and major delays in the delivery of services to customers may occur (Abbasi and Hollman, 2000). Employee remuneration is not just about pay, i.e wages and salaries. It is also concerned with non pay benefits, or benefits-in-kind. These non-pay benefits are usually known as employee benefits and sometimes as fringe benefits or perks. The former refers to the more important benefits such as pensions and include those which are widely applied in the organization. The latter refers either to less significant benefits, such as private health insurance or to the benefits provided primarily as privileges (Cole, 2002).

Occupational pension schemes amongst other employee benefits offered by the employer has an objective of attracting and retaining high quality people by helping to maintain competitive levels of total remuneration. Reed (2001) claims that every worker is five

minutes away from handing in his or her notice, and 150 working hours away from walking out of the door to a better offer. There is no such thing as a job for life and today's workers have few qualms about leaving employers for greener pasture (Armstrong, 2006). Compensation and effective supervisor are not effective in increasing motivation, but rather acts as neutralizers. It's only through enhancing the job itself that motivation can be increased (Hackman & Oldham, 1980). The better benefits are communicated, the more staff appreciates their employer and, even if employees don't take up benefits offers, engagement with the organization is increased. The range and scope of employee benefits are growing rapidly, but for the benefit to make a positive impact on an individual, the individual first needs to be aware of and understand the benefits their employer currently offers (Pegg, 2009). Attractive pay and benefits and opportunities for career development are rated as the most important factors for attracting and retaining employees (Price, 2007).

### **1.1.1 Employee Benefits**

Employee benefits are elements of remuneration given in addition to various forms of cash pay. They also include items that are not strictly remuneration, such as annual holidays (Armstrong, 2006). Employee benefits are virtually any form of compensation other than direct wages paid to employees (Rosenbloom, 2001,p,3), It constitute a major part of almost any individual's financial and economic security. Such benefits have gone from being considered fringe to the point where they may constitute about 40 per cent of an employee's compensation, and the plans under which they are provided are a major concern of employers (Price, 2007). Benefits are usually provided as a package of items, for example pensions, subsidized meals, discounts on company products and the like such benefits vary in importance to the individuals. An older employee will value a pension scheme much higher than a young employee, subsidized meals appeal more to some employees than others who would perhaps prefer luncheon vouchers. All employees would probably welcome the opportunity of having a company car (Cole, 2002).

Employee benefits are group membership rewards that provide security for employees and their family members. They are sometimes referred to as indirect compensation

because the compensation is given to employees in the form of a plan (such as health Insurance, organization shares and retirement benefits) rather than cash. A benefits package complements the base – compensation and pay- incentives components of total compensation (Gomez –Mejia et al, 1992). Although traditional benefits such as vacation and health are still important, today’s workers are also looking for more non-traditional benefits. Benefits such as flexible work hours, availability of child care, tuition assistance programs and discounts on services now top the list of desired benefits (Denton, 1992). Shawn & Buckley (2008), indicated that benefits were important in terms of attracting the staff to their current job but they were not important at retaining them.

Nzuve (1997), classified employee’s benefits under financial welfare which include the provision of pension schemes, insurance schemes, property purchase, stock purchase and savings plan such as savings and credit cooperative societies. All these are paid for through the check-off system. Majority of people work for money, which means it is their main source of motivation. They always strive to enhance their skills to obtain higher positions mainly because to get higher monetary rewards. Every individual wants to be compensated equal to his contribution. Fair and competitive reward system should be in place to avoid employee turnover (Bowen, 2000).

### **1.1.2 Employee Retention**

Employee retention is the number of existing employees who keep or stay with their jobs over affixed period of time. Retention policy should focus on retaining the high performers and talented employees or losing the losers and keeping the keepers (Carsen, 2005). Employee retention is critical to the long term health and success of your business. Managers readily agree that retaining your best employees ensures customer satisfaction, product sales, satisfied coworkers and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning .It is one of the primary measures of the health of your organization. If you are losing critical staff members, you can safely bet that other people in their departments are looking as well. Exit interview with departing employees provide valuable information you can use to retain remaining staff (Heathfield, 2002).

Effective Human Resource practices provide a supportive work environment that affords opportunities to grow and develop. In turn, the organization profits from the service quality provided by competent and loyal employees. These positive outcomes are founded on a philosophy that people are an asset and that investing in them will bring increased benefits for the entire organization (Timothy et al, 2000). About 86% of employers are experiencing difficulty attracting new employees and 58% of organizations claim that they are experiencing difficulty retaining their employees. Even when unemployment is high, organizations are particularly concerned about retaining their best employees (Hales, 1998).

It will become significantly more important in the years ahead to recognize the commitment of individuals to an organization as well as the organizations need to create an environment in which one would be willing to stay (Harris, 2000). Loyal employees usually remain with an organization for a long period of time. In many organizations it is desirable to have long tenured employees, although this situation taken to an extreme can also create a problem (Phillips et al, 2002). Effective management of employee retention is focused primarily on those groups of staff you employ whose resignations are the most problematic from the organization's point of view. The loss of an average performer in one of these groups is often more damaging for the organization than the loss of someone outstanding from some other group (Taylor, 2002).

### **1.1.3 Kenya Forest Service**

Kenya Forest Service is a state corporation established under the State Corporations Act and the Forests Act No.7 of 2005. The organization commenced operations on 1<sup>st</sup> February, 2007. Its establishment was aimed at improving the sustainable management of country's forests through increased accountability, transparency, greater engagement with public and the private sectors and to increase revenue collection and generation. This necessitated the transformation of the Forest Department (FD) mandated to manage state forests, into an autonomous state corporation.

Kenya Forest Service was formerly under the Ministry of Forestry and Wildlife. Since its inception, KFS has delinked most of its activities from the parent Ministry. KFS is well

known for the conservation of the country's forest resources and reserves. The Service has a total population of six hundred and twenty five (625) employees distributed in all the Counties referred to as Conservancies. The organization structure has the Chair of the board at the top with eight board members, KFS Chief Executive officer being a member.

The core staff are the Forest Guards, Inspector Forest Guards, Foresters and the Support services which include Finance and Accounting, Supply Chain Management, Corporate Communication and Human Resource and Administration. The organization consists of three levels of management i.e senior level management, middle level management and the lower level staff/subordinates. Most decisions are made by the organization's CEO upon advise from various Deputy Director's who are in charge of various Divisions within the organization, for example DD, Human Resource and Administration. Issues affecting employees are handled by Human Resource and Administration Division. Therefore the employee's benefits and employee retention activities are carried out in this Division. KFS is suitable for the study given that it is in the growth stage and it is in the process of recruiting staff who are still in the Ministry of Forestry and Wildlife.

## **1.2 Statement of the problem**

On average a company losses approximately \$1million with every 10 managerial and professional employees who leave the organization. The combined direct and indirect costs associated with one employee ranges from a minimum of one year's pay and benefits to a maximum of two years pay and benefits. Thus, there is a significant economic impact when an organization losses any of its critical employees especially given the knowledge that is lost with an employee's departure (Fitz-enz, 1997).The role occupational schemes are believed to play first is attracting and subsequently retaining staff. There are grounds for questioning the extent and significance of the link between occupational pensions and employee turnover. While it is true that staff retention in general terms remains one of the objectives employers believe accounts for continued pension provision, it is no longer a sufficient explanation for the existence of a substantial occupational sector in the UK. Moreover, claims that pensions are effective means of reducing turnover or that employers have to provide schemes if they are to retain

sufficient staff of the desired caliber are unsustainable in general terms (Taylor, 2000). Many companies are making concerted efforts to control employee turnover through enhanced pay, benefits or incentive systems as well as by training the managers (Simon & Hinkin, 2001). However since benefits are touted as having the ability to attract and retain employees (Carragher, 2006b, Hart & Carragher,1995;Mobley,1982), perceived benefits inequity could result in the converse, namely dissatisfaction, higher levels of absenteeism, lower levels of performance and higher turnover rates. The extent to which this may occur is unknown (Carragher et al, 2003).

Today's workforce is made up of a diverse group of men and women, such as single parent households and household where both parents must work to make ends meet. The change in employee labor requires a change in employer provisions in order to create employee satisfaction, Weinberg (1997) and ensure their retention. As most HR managers know, the cost of turnover adds hundreds of thousands of dollars to a company's expenses. While it is difficult to fully calculate the cost of turnover (including hiring costs, training costs, and productivity loss), industry experts often quote 25% of the average employee salary as a conservative estimate. As noted by Weinberg (1997), "...an employee survey covering topics such as compensation, benefits, safety, work rules, manager behavior, and teamwork" can have a dramatic effect in minimizing employee turnover.

Kenya Forest Service has put in place various forms of employee benefits which are intended to attract and retain the most qualified staff. In the previous years KFS has been facing an increased staff turnover regardless of the benefits it provides to the staff. E.g in 2009/2010 the Service lost five employees to other organizations which are State Corporations. In 2010/2011 seven employees resigned from the Service increasing the number to 12 within the two years. This calls for the review of the employee benefits that the organization needs to provide its staff so as to reduce staff turnover.

Studies have been done in relation to employee benefits and employee retention as follows; Becker (1978), examined the effects of fringe benefits on rate of quitting in addition to the effects of wages. Pegg (2009), investigated how benefits can impact on talent retention, motivation and productivity levels and how organizations are choosing to



inform their people about the type of benefits on offer. Mulwa (2010), carried out a research on factors that influence staff turnover in World Vision and recommended a review of existing pension plan to address staff expectation and Otieno (2010), studied the causes of staff turnover in Private Primary Schools and recommended that employees should be well compensated as an indicator for management's appreciations of employee's contribution and abilities. However no empirical study has been conducted to determine the perceived effects of employee benefits on employee retention especially in a state corporation.

### **1.3 Objective of the Study**

To determine the perceived effects of employee benefits on employee retention at Kenya Forest Service.

### **1.4 Importance of the Study**

The study is first important to Kenya Forest Service management, they will be able to know the effects of employee benefits on employee retention and to identify various forms of employee benefits to individual employees. This will reduce the employee turnover and hence improve the organizations image.

The study will be of great interest to the researcher and the Human Resource and Administration Division. It will improve the administration of various forms of benefits to employees and also link the employee benefit with staff retention.

The study will enable the organization to be seen as the employer of choice when it is able to retain it's most valued and talented staff through the provision of the employee benefits which results into motivated, committed and loyal employees to the organizational goals. This will enable the organization to increase it's forest cover by achieving it's mandate.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Employee Benefits**

Employee benefits and earnings form compensation packages available in different combinations and at different levels to occupations located in different labor markets (O’Rand, 1986). Employee benefit is essential for the development of corporate industrial relations. According to Herzberg’s two-factor theory (motivation and hygiene), an employee benefit programme was a necessary and sufficient working condition. The hygiene factor will affect employees’ work-motivation and thus productivity. In the stimulus-response behavior, employees’ work-motivation, seen as the response, can be analyzed from absence rate, leave rate, quit rate, get-to-work speed and so on. The quality indices include faults and returns; the quantity indices include completion time and the production hygiene factor. This depends on the individual properties of the employee, who is the medium essential for management, and stimulates employees to enhance their work and productivity (Herzberg, 1968).

In addition, Vroom maintained in his expectation theory that everyone works in expectation of some rewards (both spiritual and material), and welfare is one of them. In other words, the degree of reward influences the quality and quantity of work, and in turn productivity. So it is important to explore how to give the stimulus (welfare) in order to promote work motivation and productivity (Vroom, 1964). According to Maslow’s (1948) in the hierarchy theory, the employee benefit programmes could be classified into four types of welfare demands: physical demands; security demands; social demands; self-actualization demands. First, physical-demand benefit includes loans, dividends, year-end bonuses, savings subsidies, emergency subsidies, individual annual vacations, national holidays, paid leaves, dormitories and housing benefits, meal subsidies and laundry service. Security-demand benefit includes day-care service, group dependant insurance (life and medical), pension, occupational disease compensations, child-education benefits, discounted goods supply, medical equipment and subsidies, free commuting vehicles, commuter subsidies. Third, social-demand benefit includes entertainment equipment and activities (such as clubs and foreign travel), educational equipment and activities, foreign travel subsidies, counseling measures, maternity and

paternity leave. Finally, self-actualization-demand (including self-esteem) benefit includes opportunity and subsidies for further education/training and flexible working time.

Benefits are items such as pension, sickness payments, company cars e.t.c which are additional to earnings; sometimes known as fringe benefits (Cole, 2002). Employee benefits are virtually any form of compensation other than direct wages paid to employees. It constitutes a major part of almost any individual's financial and economic security (Rosenbloom, 2001, p3). Employee benefits are commonly used to suggest a peripheral role in the typical pay packet. The substantial growth in the value of most benefits packages over the past ten to twenty years means that the title fringe is no longer appropriate. An increasing proportion of individual remuneration is made up of additional perks, allowances and entitlements which are mostly paid in kind rather than cash. The total value of benefits paid by the employer to employees commonly represents between 20% and 50% of an organizations salary budget, depending on what is included. Pension alone can easily account for 20 per cent, to which must be added the costs of providing some or all of the following; company cars, sick pay, meals, live-in accommodation, parking facilities, private health insurance, mobile phones, staff discounts, relocation expenses and any holiday or maternity allowances paid in excess of the required statutory maxima (Torrington et al, 2008)

Benefits are usually provided as a package of items, for example pensions, subsidized meals, discount on company's product e.t.c. Benefits vary in importance to the individuals. An older employee will value a pension scheme much higher than a younger employee e.g subsidized meals appeal more to some employees than others. More benefits plans does not permit an employee to choose his or her preferred range of benefits on a so called cafeteria basis i.e. where an employee may select those benefits which are the most valuable personally up to a certain cost limit. Benefits are offered on take it or leave it basis with the exception of pension schemes in which participation is usually compulsory (Cole, 2002). Elements of pay are distributed unevenly between members of staff. Those earning at the scale (especially the directors and senior managers) tend to gain rather more than average employees, 30% or 40% of their take

home pay being accounted for by benefits of various kinds. Despite these developments, there remains a big question mark over how far employees value the benefits provided to them by their employers or appreciate the extent of the costs involved in their provision. Benefits are extras to the working condition that have a cash value and can be of great variety (Smith, 2009, p153). Benefits and services are non cash payments to employees for their membership or participation in the organization. The term benefit is used to describe payments for protection against health and accident related problems, pension's e.t.c (Jackson et al, 2009). The basic philosophy of an employee benefit programme is that the benefit must make a contribution to the organization at least equal in amount to it's cost (Okumbe, 2001). The guide must be a comparison of costs of service with possible tangible and intangible returns to the company (Flipppo, 1984). The principles of employee's benefit programme includes; satisfying the actual or perceived personal needs of the employees, convince the employees that the organization for which they work cares for their needs, provide a tax efficient mechanism in remuneration, meet the legal requirements of the nation, be consistent with both the strategic plans and compensation objective of the organization and cost of benefits must be calculable and provision should be made for sound financing (Okumbe, 2001).

The state has effectively taken over the welfare aspects of employment in order to ensure a minimum level of benefits to employees. Government seem less interested in non-welfare aspects of employee benefits, although there is a developing interest in stakeholder pension scheme as a means of encouraging employees to provide for their future, thus there is an increasing amount of legislation aimed at setting minimum standards of provision for all employees (Cole, 2002). Both political parties accept that government has a role to play in the provision of compensation to employees over and above salaries and wages, and that some kind of compulsion must be put on employers to make adequate arrangements apart from those which the state provides (Moonman, 1973).

Flexible benefit scheme or cafeteria style is a scheme that is divided into two parts: the basic benefits to which all employees are entitled, and a number of optional benefits from which the employees may choose what fits their needs. For instance, a husband may opt

out of a benefit which is provided for by his wife's employer and vice versa; an elderly worker may opt out of maternity coverage for an increased pension contribution (Okumbe, 2001). It allows employees to decide, within certain limits, on the makeup of their benefit package. Schemes can allow for a choice within benefits or a choice between benefits. Employees are allocated an individual allowance to spend on benefit. These benefits can be used to switch between benefits, to choose new ones or to alter the rate within existing benefits. Some core benefits such as sick pay may lie outside the scheme and cannot be flexed. Employees can shift the balance of their total reward package between pay and benefits, either adding to their benefits allowance by sacrificing salary or taking any unspent benefit allowance as cash. A flexible benefit policy can save employers money on benefit that are neither wanted nor needed (Armstrong, 2006). In flexible benefit employees receive an amount of money to spend for benefits and they can select those plans that make the most sense for them. Some plans allow excess cash to be paid to the employee if they don't use it all. Examples: One employee may need to cover their family for medical insurance, but have their own life insurance plan not purchased through their employer. Money saved by not taking the life insurance can be used to pay for health coverage.

Another employee might be single and have few coverage needs, so he can have the excess allocation placed into a 401(k) savings or paid in cash (Bortolus, 1998).

Employee benefit policy to be adopted by an organization needs to consider several important issues like; the purpose of the benefit policy, range of benefits to be provided, the groups to which the benefit should be applied, estimated cost of benefit's programme, the extent to which the programme is influenced by the benefit policy of the competitors and the programme likely achievement (Cole, 2002). Creating employee's awareness of the benefits performs a very important role in human resource management. For these benefits to have a major impact their determination should be well thought out and information about them should be; as clearly stated as possible to all employees, be communicated to all employees regarding intended changes and to be truthful to all employees. Most benefits are taxable as benefits in kind; notable exceptions being approved pension schemes, meals where these are generally available to employees (Armstrong, 2006).

## **2.2 Types of Employee Benefits**

Employee benefits are basically some non-wage compensations granted to the employee while he or she is away from work. These are usually distributed during different situations, such as when you are going on a vacation, when you are sick, or annual events like on Christmas, etc. (Sullivan, 2010). The components of the benefit package include; payment for the time not worked such as; Annual leave which is a legal entitlement to an employee. The length of an annual leave will vary among employers but ranges, on the average, between four working weeks and seven working weeks. Employees are entitled to full compensation during their annual leave. Indeed some organizations pay a leave allowance as an added benefit that meets specific needs during the vacation. In addition to annual leave, employees are also legally entitled to leave on public holidays with pay, such holidays include National days like Easter Monday e.t.c (Okumbe, 2001). Paid leave, vacation and/or sick time are common benefits, but the amount and schedule of accrual varies greatly from employer to employer. Some plans pay the employee for unused vacation, which can be subject to state laws, while others do not (Bortolus, 1998).

Family leave, which includes maternity leave, paternity leave, and adoption leave, provides for paid or unpaid time off from work after the birth or adoption of a child (Doyle, 2011). Sabbatical leave are given to professionals' working in universities and research institutions for a period not exceeding one year. It enables employees to be involved in research and publication of activities which enhance their knowledge thereby contributing directly to the organization. In addition, a sabbatical leave helps to reduce stress and monotony of jobs among employees (Okumbe, 2001). Vacation leave does not require payment for time not worked, such as sick time, or holidays. Therefore, employees are not entitled to paid vacation time off from work. Vacation pay is based upon an agreement between an employer and an employee, either a collective bargaining agreement or company policy. The agreement or company policy will determine how much vacation pay you will get (Doyle, 2011). Most employee benefit packages include vacation time. These days off are usually paid, though some employers may offer unpaid vacation time as well. The amount of vacation time varies greatly and depends on the

company's policy, but amounts typically range from five to twenty vacation days per year. Vacation time is usually accrued on a per month basis. The employee must schedule the use of vacation days in advance and gain approval from his immediate supervisor or human resources (Willman, 2007).

Grievance and negotiation benefit is a legal requirement that employees receive their full compensation during legally accepted industrial actions such as strikes and sit in's and collective bargaining activities. Other times not worked; include lunch break, rest breaks and tea breaks. In deed employers are obliged to pay their employees for these time not worked. Sick leave programme ensures that employees will earn their wages or salaries in times of illness, in order to guard against abuse of this programme an organization may institute a well pay programme that rewards wellness in the work place (Okumbe, 2001). The state requires most service-sector employers with more than 50 workers to provide paid sick-leave (Silverman, 2011).

Employees may receive paid or unpaid sick days as part of their employee benefit package. The amount of sick days employees receive varies depending on company policy and seniority. The amount of sick time given to an employee typically ranges from five to ten days, though employers may offer more or less time. Some companies may require a note from a physician that verifies illness before approving the use of a sick day (Willman, 2007). Security and health benefits include; Workers compensation programme that protect employees, dependants and survivors against income loss resulting from total disability or death, medical expenses and rehabilitation expenses (Cascio, 1992). It covers all job related injuries and illnesses and payments are usually made through an insurance program (Okumbe, 2001).

Many employers offer some basic coverage paid for by the employer with options to supplement basic coverage for life and/or accident coverage (Bortolus, 1998). Life Insurance helps in protecting employees against loss of income due to death, accident or ill health, group insurance coverage is most preferred in organization and can be contributory or non contributory depending with the organization, it is renewable annually and covers employees double income (Okumbe, 2001). Life insurance plan helps your family or spouse in case of your accidental death. Employer can grant you a

life insurance policy if he sponsors a group plan. Private insurance policies are more expensive than company sponsored life insurance plan, thus you are getting a good deal. If you have a company sponsored life insurance plan, your employer will provide the insurance benefits at once to your family. Usually, this is for full-time workers in medium and large companies (Sullivan, 2010).

Employers offer a benefits package for their employees that not only include medical insurance coverage, but coverage for disability as well. This is broken into long and short term disability. Short-term disability (STD) is a wage-replacement program for those who are unable to work because of a short-term medical condition. Typically, you need to work for a certain length of time to be considered eligible. The allotment of benefits can vary from policy to policy, from a percentage of your wage to a very specific dollar amount. This can last up to one year. Long-Term Disability; If you are unable to work after you've exhausted your STD, long-term disability takes over. It provides up to 50 to 60 percent of your salary for two to five years, or until you turn 65 years. If your after-tax wages pay for your long-term disability, then any payment you receive would be tax-free. If your employer pays for your plan, then you would be required to pay tax on your benefits (Voight, 2010). Disability Insurance provides a onetime compensation, in case of death and a range of benefits when employees disabilities cannot allow them to perform their occupational duties as is required (Okumbe, 2001). Employers should provide disability insurance (depending on state), as a form of disability; others offer it as an option for employees to purchase (Bortolus, 1998).

Health Insurance and medical coverage i.e due to the high cost of hospitalization, surgical and maternity care, more so in developed countries, it has been found necessary that employees are cushioned against these costs by putting in place a health Insurance plan. This is an important benefit that helps greatly to retain employees in an organization. Medical Cover includes general medical care, dental care, optical care, drug abuse, alcoholism and mental illness. Health Maintenance Organizations (HMO); is a health care which assures employees of the delivery of medical services. In the HMO programmes employees do voluntarily enroll in the scheme and their employers prepay for the services. The basic principle of an HMO plan is that of preventive medicine which



helps to maintain the health care costs at a low level by keeping people out of hospitals (Okumbe, 2001). Having health insurance is valuable for a number of reasons; People who are insured are protected against uncertain and high medical expenses and are more likely to receive needed and appropriate health care. In addition, having health insurance is associated with improved health outcomes and lower mortality, so employees with health insurance are more likely to be productive workers (Eisenberg et al, 2004).

Health insurance vouchers are able to extend insurance coverage to the entire population but they also increase aggregate spending on health (Juergen et al, 2010). Health benefit costs have been rising above cost of living standards and many employers are asking employees to contribute more of the cost than ever before (Bortolus, 1998). Health Spending Accounts or flexible spending account may be offered by the employer to help offset the cost of medical care not covered by health insurance. Qualifying expenses usually include co-payments for doctor's visits, prescription costs or over-the-counter medication. These programs may be a reimbursement model, where employees submit qualifying receipts for reimbursement, or the employee may receive a debit card that can only be used for medical expenses (Willman, 2007).

Pension plans; are the most common benefit offered by organizations is the participation in an occupational pension fund supported by the employer to the extent of between 6-10 per cent of the employee's salary. This kind of benefit can fairly be described as a security benefit (Cole, 2001). A pension is a sum of money paid at a regular interval to an employee (or to his or her dependants) who has retired from an organization and is eligible to receive such benefit. In general, pension funds are managed by trustees or insurance companies within a well stipulated legal framework that guards against mismanagement of the funds. Taxes on pension funds are usually deferred in order to motivate employers and employees to have pension programmes (Okumbe, 2001). Employer may offer pension or 401k savings plans for employees to save for retirement. An employer may set specific amount of money to be contributed to an employee's 401k on an incremental basis or the employer may offer a matching benefits program. Typically, this means the employer will match the amount of money an employee contributes to her 401k up to a certain amount. Some employers may offer a 401k savings

account but without employer contributions (Willman, 2007). Retirement Benefits; enables company owners plan for employees retirement when they will not be able to continue with their job. They keep aside a share, and it builds up from early career till one retirement age. In general, there are two main branches of this. The first one is the defined benefit plan. This is also known as a pension plan most of the times. With a pension plan, your employer will deduct a portion of your wages to invest in some funds (Sullivan, 2010). Pension plans are funded by the employer and invested to grow the funds that would be later used to pay retirees after certain age (Bortolus, 1998). Retirement benefits, particularly traditional defined benefit pension plans, are more prevalent among union workers (Wiatrowski, 1994).

Cooperative Savings and Credit Unions and Societies; are organized groups of employees in organizations who contribute money into cooperative societies or banks for loaning one another regularly at fixed interest rates. This provides the members with financial relief over short term financial worries, school fees, emergency and other short term loans are given. Severance Pay; Is a benefit which an employee receives on dismissal by the employer in lieu of notice. The pay package depends on security, length of service and reasons for severance. Social security is an income maintenance programme which helps a nation to provide a cushion for the elderly and retired against poverty. In Kenya, National Social Security Fund (NSSF) is a good example (Okumbe, 2001). It must be paid by the employer in addition to the amounts deducted from employee's pay to help meet employees' retirement needs, and employers must pay for unemployment insurance to compensate workers in the event that their job is eliminated (Jenks et al, 1993).

Relocation benefits must not only lessen the financial burden but also ease the moving process itself. It includes picking up part or all of the cost of the following: moving possessions, looking for a new house, closing costs on a home at settlement including agent fees, and interim living expenses, companies need to know that if they want to recruit, then they have to offer relocation packages (Spinelli, 2007). Relocation Assistance enables employees to meet their relocation costs during transfer which include transportation of household goods and temporary living and traveling expenses. It can also be extended to new employees to attract them to an organization (Okumbe, 2001).

Employers reexamine the issue of whether corporate relocation assistance programs for transferred employees affect sale prices of single-family homes (Allen et al, 1997).

Employee Service Benefits are benefits which employees are entitled to by virtue of their membership in the organization and not because of merit. These benefits include; Recreational and health programmes i.e sports, clubs which encourage participation of employees. These programmes are important in assuring employees that their extra work needs are met by their employer. These programmes also help to rehabilitate employees against occupational stress and burnouts. Sports and clubs recreational facilities include soccer, handball, swimming, in door games, tennis, golf, volleyball, netball, hockey bowling and member clubs. In recent years it has become compelling for organizations to include health programmes such as fitness and health centers at substantially reduced charges. Cafeterias are important benefits which not only help workers to eat employer provided food at reduced cost but also help in improving the nutritional needs of employees. Indeed, employers should ensure that employees replenish their energy expended at work by eating well in order to maintain high productivity (Okumbe, 2001). Employers view their employees' personal lives solely as a distraction from work. A company culture that promotes reasonable work/life balance and acknowledges the daily challenges, triumphs, responsibilities and concerns of each individual will reap the rewards of employee loyalty – a key component of retaining the talent every business needs to operate smoothly (Leopold, 2010).

Child care programme helps to attract and retain employees who have young children. With the availability of ayahs, aupair and house helps fast disappearing it is compelling for organizations to put in place child care centers within their premises. This takes into account the fact that childrearing can take a greater proportion of an employee's work time and which immensely reduces productivity (Okumbe, 2001). Childcare voucher is one way of building employee loyalty by providing help with childcare, either by assisting staff to locate suitable childcare or with funding. Childcare vouchers are a tax-efficient way for employees to cover childcare costs, and can be offered via a salary sacrifice arrangement (Paterson, 2011).

Purchase discounts benefit; organizations allow employees to purchase their products or goods at a discounted rate. This helps to boost employee's morale and motivates them to identify with their products (Okumbe, 2001). A company may offer discounts for in-house products or services. For example, retail companies often offer an employee discount for merchandise sold by the company. Other companies may also offer discounts for products and services offered by a network of outside companies. The employer may have relationships with companies that offer cell phone service, cable television, spa services or hotel accommodations and savings may be passed on to the employee (Willman, 2007).

Transport benefit can be in the form of monthly transport allowance, car allowance, company car or van pooling. Transport and car allowance are fixed monthly benefit which enable employees to meet their house to office transport costs fairly comfortably. A company car is probably the most valued of transport benefits because of its emotive impact since a car is a very visible and prestigious benefit. The financial and social benefits of using a company car are enormous as far as the employee is concerned. Van pooling; Is a situation where an organization buy vans which can be used by a number of employees at the same time. The kind of method of transport chosen by an organization should be based on its financial ability and the intended impact of the method on employee motivation and reduced turnover (Okumbe, 2001). Employer provided transportation benefits have been and continue to be very popular. Employers may give their employees a choice between receiving (taxable) cash or (tax-free) transportation benefits. Limits on the value of the transportation benefits allow employees to exclude certain amounts from income. A qualified transportation benefit plan may provide a tax-saving opportunity for both employers and employees (Fiore, 1999).

Flexible work plan allows employees to adjust their working conditions within constraints set by the company and may include such options as flex-time, a compressed work-week, job sharing, and home-based work. Flex-time involves adjusting an employee's daily time schedule; it can be as simple as allowing a worker to come into work an hour earlier and leave an hour earlier than the normal 8-to-5 work day (Jenks et al, 1993). Employee Assistance Programs (EAPs) provide needs assessment, help,

counseling, and referrals for employees and their family members when faced with mental health or emotional issues. They are available to assist the employee when he or she needs help dealing with life events, workplace issues, and other personal problems and challenges. Employee Assistance Programs play a role in an employer's overall emphasis on employee wellness in the workplace (Heathfield, 2000).

Educational fees benefit programme refunds employee's money spent on their tuition and enable the employees to gain additional knowledge, skills and expertise for their personal benefit as well as enhanced organizational productivity. Educational fees are also paid by some organizations for the tuition of children of their employee's up to a certain academic level and age. Loans; depending on the financial position of an organization, loans may be given to employees for short term obligations such as hardships, household purchases and buying a car at favorable interest rates. Loans may also be given on long term basis, such as the case of house purchase at defined and subsidized interest payments on mortgage (Okumbe, 2001).

### **2.3 Employee Retention**

Retaining good employees is critical to a firm's long term success. By taking a proactive approach to developing an effective employee retention program, the anxiety of high turnover can be reduced. True employee retention takes time, effort and resources, but the rewards can prove valuable. One of the major drivers for investing in a retention program is the financial impact of recruiting and training valued employees (Abraham, 2007). Job dissatisfaction can be a cause for labor turnover. Labor turnover levels can be very high in organizations with poor working conditions, undesirable jobs, pay inequities and limited opportunities for advancement (Nzuve, 1997). There are two general categories of forces that operate in employee retention: engagement and coercion. Engagement occurs when an employee connects emotionally with his work, coercion occurs when forces outside the employee encourage either attachment to or disengagement from an employer. Good manager's help people stay engaged; bad ones push them towards disengagement (Glen, 2007).

It is generally accepted that the quality of an organization human resources represents a critical factor for business success. One human resource challenge is how to attract, retain, motivate and develop individual talent and if that is not a challenge, consider the impact of a turbulent business environment presents, the difficulty of managing a diverse and ever changing legal climate and government regulation. As business grows it often increasingly necessary to attract and retain good employee (Carrell, 1995). Employee retention encompasses talent management which is the use of an integrated set of activities to ensure that the organization attracts, retains, motivates and develops the talented people it needs now and in the future. It is assumed that talent management is only concerned with key people – highfliers. For example (Smilansky, 2005) states that it is aimed at improving the caliber, availability and flexible utilization of exceptionally capable (high potential) employees who can have a disproportionate impact on business performance (Armstrong, 2006). Retention rate measures what is wanted rather than what is undesirable (Deane, 2004)

In the recent years managers have been preoccupied with reducing the size of the workforce, closing plants and encouraging people to leave. In times of economic growth the emphasis changes to retaining the people with required skills. Human Resource Planning has a role in anticipating wastages in its manpower planning days. It received considerable attention from planners for whom the statistical possibilities were enormous (Pratt & Bennett, 1989, p.106). Satisfied employees are more likely to stay with the organization and managers play a key role in this process. As one person put it, people come on board because they want to join a company, but when they quit they do so in order to leave a manager. Thus, to the extent that managers are able to treat their employees well, the likelihood of this employees leaving is sharply reduced (Hodgetts & Hegar, 2008).

Employee's efforts to change dissatisfying work situations that would otherwise be major factors in their decisions to leave their organizations. Employees who succeed in changing dissatisfying work situations will lower their dissatisfaction; with intent to leave changed to intent to remain, the likelihood increases that these employees will ultimately remain with their organization (Steers & Mowday, 1981). It is the primary responsibility

of the management to identify talented and high performing individuals in the first place and then should be recognized on merit in every aspect including monetary rewards (Sigler, 1999). Lower compensation and poor benefits also increase the rate at which employees voluntarily leave their employers. Many of the conditions that cause people to leave also make it difficult to attract new applicants to replace them (Susan & Schuler, 2000). Employee turnover can be extremely costly to an organization, the average company loses about \$100,000 for every professional or managerial employee who leaves (Torrington et al, 2008).

Understanding what motivates a person to look for another position is an important step in creating an effective retention program, compensation and benefits are certainly factors in a person's job satisfaction, but a caring work place where employees feel valued is critical. Rewards and recognition are crucial components to the success of your retention program because they confirm to the employees that their efforts are meaningful and appreciated i.e congratulating an employee on work well done, congratulatory/promotion letters signed by top executives, service awards e.t.c. Exit interviews are conducted to help managers identify current practices, trends, or challenges affecting the workforce. They can reveal how employees feel about the company's pay structure, growth potential, benefits plan and culture e.t.c volunteer and help facilitate the development of company feedback systems, committees and other forums designed to solicit information from employees (Abraham, 2007).

## **2.4 Perceived Effects of Employee Benefits on Employee Retention**

Companies offer more types of benefits to help attract and retain employees as well as increase employee morale and improve job performance. One example of this type of benefit is tuition reimbursement, which allows employees to further their education while working. Motivating employees to better themselves at the employer's expense, helps the company keep knowledgeable employees (Jeffery, 1994).

The objectives of the employee benefits policies and practices of an organization are to provide an attractive and competitive total remuneration package which both attracts and retains high quality employees. It does not motivate employees. This is because the normal

benefits provided by a business seldom make a direct and immediate impact on performance. However, benefits can create a more favorable attitude towards the business which can improve commitment and organization performance in the longer term. Other objectives include; providing for the personal needs of the employees, increasing the commitment of employees to the organization and providing a tax efficient method of remuneration (Armstrong, 2006).

When people like working for an organization, they are unlikely to leave merely because they are offered more money by another organization. They like their coworkers; the job is challenging; the perks are extremely good; and they are happy with their work. Although some companies use perks to recruit and retain top notch workers in a competitive industry, other companies use them to reward commitment to the company (Hodgetts & Hegar, 2008). Besides the regular direct financial compensation, organizations can also use other financial and non-financial incentives to motivate and hence retain employees (Nzuve, 1997). The primary effect of fringe benefit type of compensation is to retain the employees in the organization on a long term basis (Flippo, 1984).

The continuing ability to recruit, retain and motivate staff is vital to employee resourcing. Benefits should be carefully examined as they are usually more visible than pay and can develop into major irritants if their application is seen to be unfair by those concerned (Cole, 2002), therefore benefits should be administered fairly. Benefits and services are strategically important to firms because they are a substantial cost, can be used to attract and retain talent and can be designed to support the firm's strategy. Work life scheduling benefits i.e child care services, elderly care services, and domestic partner benefits are offered by the employers to improve employee morale, attract and retain talent and increase productivity (Jackson et al, 2009).

Occupational pension as a benefit attracts and retains high quality people by helping to maintain competitive levels of total remuneration; other reasons for having a worthwhile pension scheme is that it; demonstrates that the organization is a good employer and indicates that the organization is concerned about the long term interests of its employees future (Armstrong, 2006). Employee's benefits are significant and when



managed effectively, has the potential to deliver invaluable returns in the form of employee attraction, retention and productivity (Leopold, 2010). Benefits and services plan include; controlling benefit costs, retaining employees, increasing employees job satisfaction, increasing employees productivity, attracting employees, reducing human resource and administration cost and helping employees make a better benefit decisions (Jackson S.E et al, 2009). Many employers offer additional benefits in order to attract and retain quality workers and maintain morale. Some types of benefits are also used as incentives to encourage increased worker productivity (Wendell, 1998).

Sabbaticals are one way the company retains talented people by giving them a chance to refresh and recharge (Knudson, 2006). Flexible work plan is another type of employee benefit that has been proven to have a positive influence on employee productivity, attendance, and morale (Jenks et al, 1993). Life insurance and retirement are benefits companies offer their employees. They encourage employees to remain with the same company because they do not want to cash in their life insurance or retirement plans. This tends to make employees more loyal to the company because their future is invested with the company. It also gives the employee a feeling of power by having some control over planning for retirement (Jeffery, 1994).

The most important objectives that employers hope to achieve by offering appropriate employee benefit and service is increased productivity. This is somewhat surprising, because employee's benefits and services are not usually tied to employee performance and are not used to increase employee efforts. Most benefits and services are available on a non contingent basis as long as employees remained employed, they receive the same benefits and services regardless of job performance. Employees believe that providing some benefits and services will result in productivity improvement in less direct ways e.g employee assistance programmes and work life balance programmes may improve productivity by reducing employee absence. Benefits and services that encourage employees to stay healthy may translate into a workforce that is more efficient and effective. It enables employees to enjoy a better lifestyle and to maintain a reasonable work life balance. The desire to offer better employee benefit and services are the

pressure to attract and retain valued employees and thereby to compete effectively against other employers in the labor market (Jackson et al, 2009).

The primary effect of fringe benefit is to retain the employee in the organization. The practical operational value to the employing organization include maintenance of workforce in competition with the organizations, preservation of some degree of labor management peace in collective bargaining arrangements and maintenance of acceptable levels of general morale. It will produce varying values e.g paid vacation is presumed to provide a mental and physical respite that generates increased interest and activities on the job. Life insurance reduces worry about one's family security and thus leads to greater concentration upon work. Company cafeterias promote the eating of balanced meals thus reducing fatigue in the late afternoon. Medical services help to keep the employees in good health therefore reducing absenteeism. The returns of employee benefits to the company can take various forms, these includes; More effective recruitment, improved morale and loyalty, good public relations, reduced influence of unions and reduced threat of further government intervention (Flippo, 1984).The dollar return from employees benefits is almost impossible to measure. Employee benefits and incentives motivate employees to strive for a higher level of productivity. It enables the organizations to attract and retain competent career personnel and it encourages all employees to work enthusiastically towards the efficient and effective achievement of organizational goals (Okumbe, 2001).

Benefits should be viewed as an investment on the part of the employer. Soft returns delivered by an effective benefits program include reputation, a sense of meeting obligations and goodwill. Hard returns, which tend to have a more measurable impact on a company's bottom line, include employee attraction, retention and productivity (Leopold, 2010). Offering more flexible work arrangements has been helpful for retaining best female employees. Other firms may need to find other ways to reduce voluntary turnover (Susan & Schuler, 2000). Sabbaticals are benefits that some companies offer to prevent employee burnout. Many businesses are beginning to offer sabbatical benefit to retain talented employees. Employees are allowed time off to

rejuvenate; and the employer saves money by retaining talent rather than spending funds to replace employees who burn out and quit (Knudson, 2006).

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Research design**

According to Mugenda and Mugenda (1999) a research design is the conceptual structure within which research is conducted. Descriptive research was used to investigate the effects of employee benefits on employee retention at Kenya Forest Service. Descriptive research determines and reports the way things are and is restricted to fact finding and may result in the formulation of the organizations' employee benefits policy and the retention strategies. It is more than a collection of data and it involves measure, classification, analysis and interpretation (Kothari, 2008).

### **3.2 Population**

Population means all elements in a research area of interest. It is the group of individuals or objects from which samples are taken for measurement. For this study the target population was employees of Kenya Forest Service which is a state corporation. It has a total population of 625 employees.

### **3.3 Sample Design**

The target population was employees of Kenya Forest Service which has a total number of 625 staff. A list of all employees was obtained from Human Resource Planning department records which constitute the sampling frame. Stratified sampling technique was used and this entailed dividing the population into three strata that is senior level managers, middle level managers and lower level staff/subordinates. This ensured a better coverage of the population. In addition simple random sampling technique was used to sample the population in each stratum to select the final respondents. This was done by picking the 10<sup>th</sup> person from the list of staff hence it ensured that all the respondents in the population are given equal chance of being chosen. According to Gay (1981), a sample of ten percent (10%) of the population is adequate to serve a study sample, therefore the study used 62 employee as a sample case.

The respondents will be sampled as shown in the table below (sample size): -

<b>CATEGORY OF STRATA</b>	<b>POPULATION SIZE</b>	<b>SAMPLE</b>
Senior level managers	35	3
Middle level managers	100	10
Lower level staff/subordinates	490	49
Total	625	62

*Source: Author, (2011)*

**Table 3.1 Sample Design**

### **3.4 Data collection**

This sets out how data for the study was collected. To achieve the research objectives, both primary and secondary data was used. Primary data was collected through a questionnaire. The questionnaire had two sections i.e A and B, with section A containing information on the respondents biodata while section B contained information on the perceived effects of employee benefits on employee retention. The questionnaire was administered through drop and pick later method. The questionnaire had both closed and open – ended questions. Secondary data was obtained through documents review i.e Human Resource Manual and exit interview forms.

### **3.5 Data Analysis**

Qualitative data was analyzed through content analysis. Content analysis involved analyzing information collected by a researcher in a systematic way in order to come up with a useful conclusions and recommendations about a phenomenon under study and then establish patterns, trends and relationship thereof (Mugenda & Mugenda, 2000).

Quantitative data was analyzed using the statistical package for social scientists version 17. Descriptive statistics such as frequencies, percentages and tables were used to analyze the data. An in addition statistical method such as mean and standard deviation was used

in the analysis. Presentation of data was in the form of tables, pie charts and bar graphs. Qualitative data was presented inform of explanatory notes.

## **CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF RESULTS**

### **4.1 Data Analysis**

The results were presented on the perceived effects of employee benefits on employee retention at Kenya Forest Service. The data was gathered exclusively through questionnaires. The questionnaires were designed in line with the specific objectives of the study. The questionnaire was used to collect quantitative data. To enhance the quality of data obtained, Likert type questions were included whereby respondents indicated the extent to which the variables were practiced in a five point Likert scale.

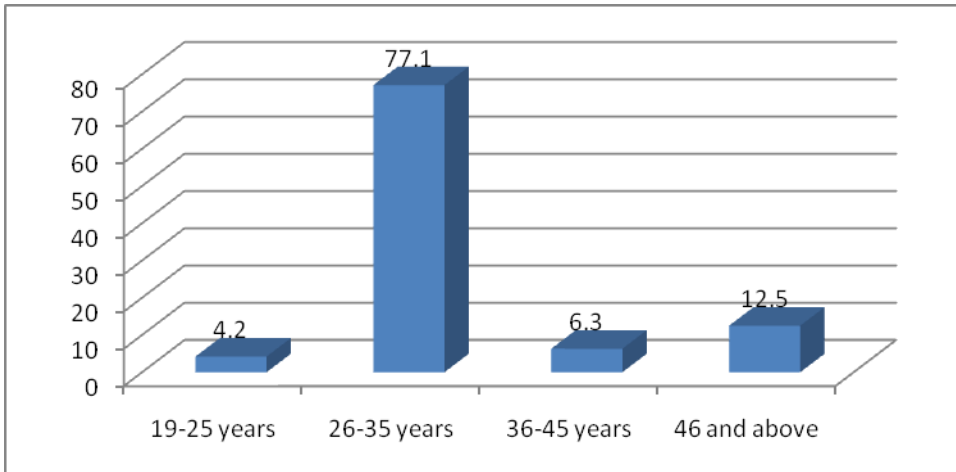
The study targeted a total number of 62 employees from Kenya Forest Service out of which 48 respondents returned their questionnaires contributing to 77.4% response rate. This response rate was excellent and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. This commendable response rate was made a reality after the researcher made personal calls and visits to remind the respondents to fill-in and return the questionnaires.

### **4.2 Demographic Information**

The section sought to establish the demographic information of the respondents including age, gender, highest level of education, marital status, respondents' status at work and department of the respondents.

#### **4.2.1 Age of the respondents**

The respondents were asked to indicate their age using a scale of 19 - 25, 26 - 35, 36 - 45 and 46 and above.

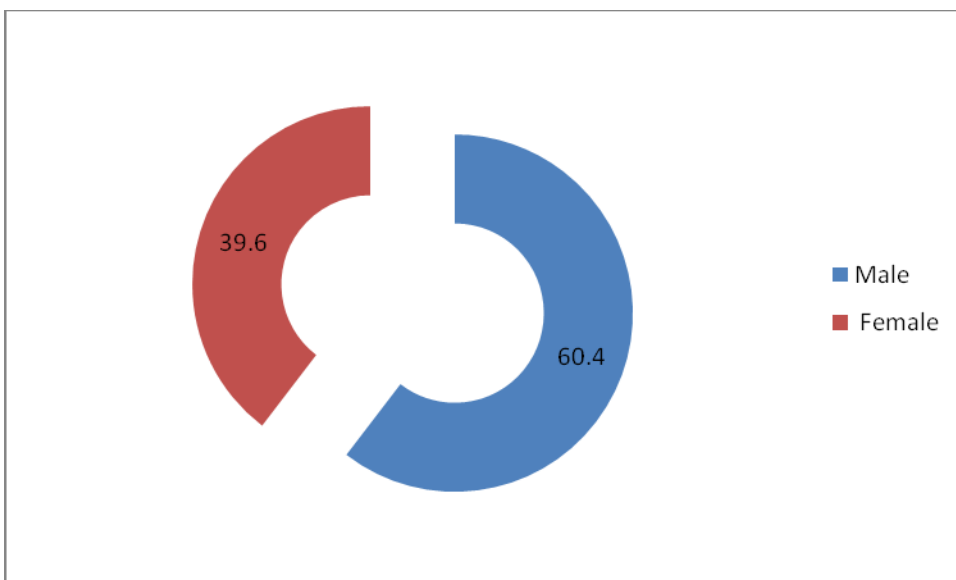


**Figure 4.1: Age of the respondents**

From the study findings in Figure 4.1 above, 77.1% of the respondents were aged between 26-35 years, 12.5% of the respondents were aged 46 and above years, 6.3% were aged 36-45 years, while 4.2% of the respondents were aged between 19-25 years. This shows that majority of the respondents were middle aged between 26-35 years. This could be attributed to the fact that Kenya Forest Service is a new organization which was formed in 2007.

#### **4.2.2 Gender of the respondents**

The study sought to establish the gender of the respondents as either male or female.





#### **Figure 4.2: Gender of the respondents**

From the study findings in Figure 4.2 above, majority (60.4%) of the respondents were male while 39.6% of the respondents were female. This shows that staff who work at Kenya Forest Service are majorly Foresters and Forest rangers a profession which is dominated by the male gender hence it has more male employees than female employees due to the nature of the job.

#### **4.2.3 Highest level of education**

The study also sought to establish the respondents' highest level of education with option being primary level, secondary and tertiary/college/university.

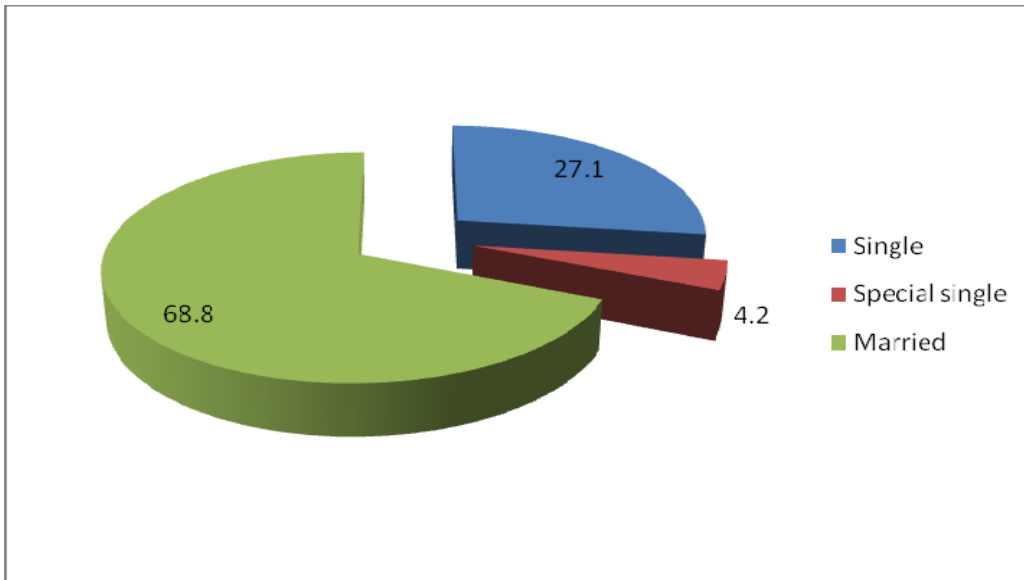
<b>Level of Education</b>	<b>Frequency</b>	<b>Percentage</b>
Primary level	1	2.1
Tertiary/college/university	47	97.9
Total	48	100.0

**Table 4.1: Highest level of education**

From the findings in Table 4.1 above, (97.9%) of the respondents had a tertiary/college/university education while 2.1% of the respondents had a Primary education as their highest education level. No respondents had a secondary education. This shows that most of the employees had a tertiary/college/university education given that tertiary education/training is a requirement for the recruitment at the entry point.

#### **4.2.4 Marital status of the respondents**

The respondents were asked to state their marital status whether single, special single or married. The special singles included the respondents who are either divorced, separated or widowed.



**Figure 4.3: Marital status of the respondents**

The response tabulated in Figure 4.3 above show that majority of the respondents (68.8%) were married, 27.1% were single while 4.2% of the respondents were special singles (divorced, separated or widowed). This shows that most of the employees are married given that most of the employees are middle aged. Their marital status could have a perceived effect of employee benefits on employee retention.

#### **4.2.5 Respondents' status at work**

The respondents were also requested to indicate their status at work by indicating whether they were senior level managers (KFS 1- 4), middle level managers (KFS 5 - 9) or lower level staff/subordinates (KFS 10-14).

<b>Status at work</b>	<b>Frequency</b>	<b>Percentage</b>
Senior level managers (KFS 1- 4)	2	4.2
Middle level managers (KFS 5-9)	14	29.2
Lower level staff/subordinates (KFS 10-14)	32	66.7
Total	48	100.0

**Table 4.2: Respondents' status at work**

From the results of the study in Table 4.2 above, majority of the respondents (66.7%) were lower level staff/subordinates (KFS 10-14), 29.2% were middle level managers

(KFS 5-9) while 4.2% of the respondents were senior level manager (KFS 1-4). This shows that the target population postulated in the proposal was reached and the researcher was also able to achieve the study objective across the organization.

#### **4.2.6 Department of the respondents**

The study required the respondents to indicate the department in which they worked. The departments included in the study were Finance and Accounting, Supply Management, Information Technology, Human Resource and Administration, Corporate Communication and Enforcement and Compliance.

Departments	Frequency	Percentage
Finance and accounting	16	33.3
Supply management	2	4.2
Information technology	3	6.3
Human resource and administration	16	33.3
Corporate communication	3	6.3
Enforcement and compliance	8	16.7
Total	48	100.0

**Table 4.3: Department of the respondents**

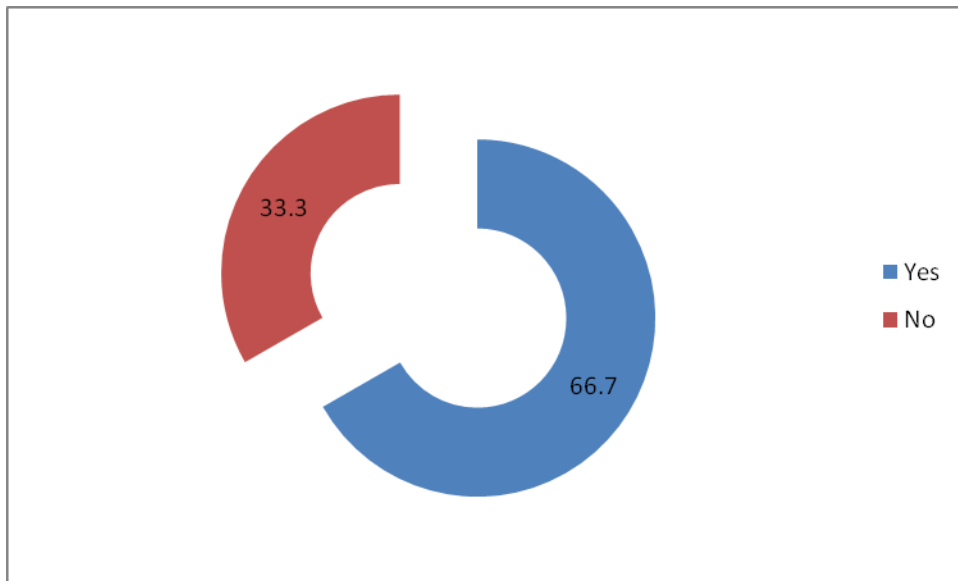
According to the responses given in Table 4.3 above, majority of the respondents were in Finance and accounting and Human resource and administration as shown by a (33.3%) in each case, 16.7% were in enforcement and compliance, those in Information technology and corporate communication were represented by 6.3% in each case while 4.2% of the respondents worked in supply management department. This shows that Finance and accounting and Human resource and administration had the largest population since they are at the core of the organization.

#### **4.3 Employee Benefits**

This section sought to determine the perceived effect of employee benefits on employee retention at Kenya Forest Service.

### 4.3.1 Employee Benefit Policy at Kenya Forest Service

The study established whether there is employee benefit policy at Kenya Forest Service. The respondents were to indicate either “yes” to mean there is employee benefit policy at work place or “no” to mean that there is none.

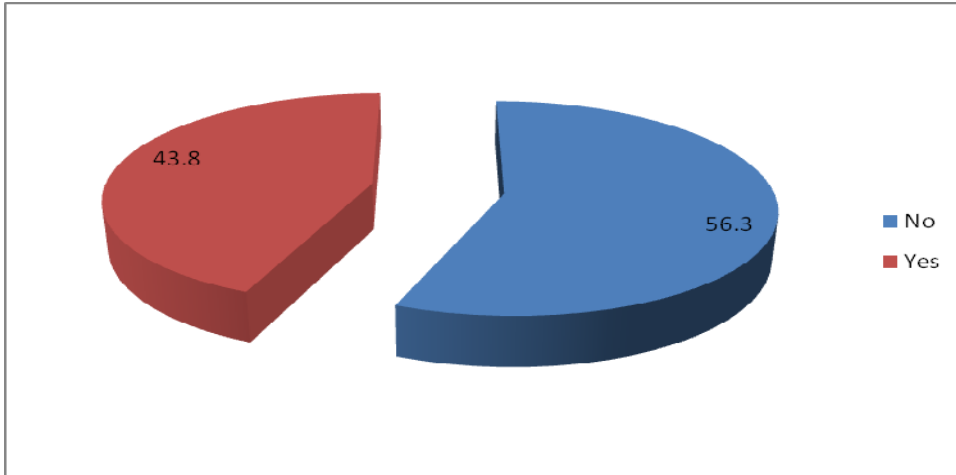


**Figure 4.4: Whether there is employee benefit policy at KFS**

According to the study findings in Figure 4.4 above, majority of the respondents (66.7%) said there is employee benefit policy while 33.3% of the respondents differed with this. This means that KFS has employee benefit policy in place hence justifies the need to study the research topic.

### 4.3.2 Employees leaving the organization because of dissatisfaction with employee benefits

The study also inquired on whether the employees leave the organization because of dissatisfaction with employee benefits. The respondents were provided with “Yes” and “No”.



**Figure 4.5: Whether the employees leave the organization because of dissatisfaction with employee benefits**

From the results of the study in Figure 4.5 above, the majority (56.3%) of respondents indicated “Yes” which means that employees do not leave the organization because of dissatisfaction with employee benefits while 43.8% indicated “No” to mean that they leave the organization because of the dissatisfaction with employee benefits. This confirms that the organization has good employee benefits that enhance employee retention.

### 4.3.3 Pension scheme

The study further sought to establish the respondents’ level of agreement with statements relating to pension scheme as one of the employee benefits.

The study sought to establish the extent to which the KFS employ various benefits that enhance employees’ retention. To enhance the quality of data obtained Likert type questions were included whereby respondents indicated the extent to which the variables were practiced in a five point Likert scale of 1-5 with each represented as follows;

1-Strongly Disagree, 2- Do not Agree, 3- Indifference, 4- Agree and 5 - Strongly Agree

Likert Scale Mean Score were as below;

Very Low Extent	Low Extent	Moderate Extent	Great Extent	Very Great Extent
[ < 1.4]	[ 1.5 to 2.4]	[ 2.5 to 3.4]	[ 3.5 to 4.4]	[ > 4.5]

<b>Pension scheme</b>	<b>Mean</b>	<b>Std. Deviation</b>
Pension scheme gives a feeling of power by having some control over planning for retirement	3.9792	.95627
Pension scheme reduces worry about one's family security	3.7708	1.05668
Pension scheme determine employees remaining in the organization	3.5708	1.31666
Pension scheme increase employee loyalty to the organization	3.3958	1.12495
Average mean	3.6792	

**Table 4.4: Contribution of pension scheme to employee retention**

From the study findings in Table 4.4 above, majority of the respondents were in agreement that pension scheme gives a feeling of power by having some control over planning for retirement as shown by a mean score of 3.9792, pension scheme reduces worry about one's family security as shown by a mean score of 3.7708 and pension scheme determine employees remaining in the organization as shown by a mean score of 3.5708. However, they were indifferent of the fact that pension scheme increase employee loyalty to the organization as shown by a mean score of 3.3958. The standard deviation shows that there is a general consensus in pension scheme giving a feeling of power by having some control over planning for retirement and pension scheme reducing worry about one's family security but there was a divergent opinion in pension scheme increasing employee loyalty to the organization and pension scheme determining employees remaining in the organization. Overallly there is a general agreement on the influence of pension schemes on employee retention apart from the ability of pension scheme increasing employee loyalty.

#### 4.3.4 Life insurance

The study also sought to establish the respondents' level of agreement with statements relating to life insurance as employee benefit.

<b>Life Insurance</b>	Mean	Std. Deviation
Life insurance reduces worry about one's family security	3.9583	.89819
Life insurance increase employee loyalty to the organization	3.6542	1.17581
Life insurance enables employees to stay long in the organization	3.1250	1.36249
Average mean	3.5792	

**Table 4.5: Contribution of life insurance to employee retention**

From the study findings in Table 4.5 above, majority of the respondents were in agreement that life insurance reduces worry about one's family security as shown by a mean score of 3.9583 and life insurance increase employee loyalty to the organization as shown by a mean score of 3.6542 while they were indifferent on the fact that life insurance enables employees to stay long in the organization as shown by a mean score of 3.1250. The standard deviation shows that there is a general consensus in life insurance reducing worry about one's family security but there was a divergent opinion in life insurance increasing employee loyalty to the organization and enabling employees to stay long in the organization. This depicts that in overall, life insurance enhance employee retention as shown by an average mean of 3.5792 apart from the fact that it enables employees to stay long in the organization.

### 4.3.5 Sabbatical leave

The study wanted to establish the respondents' extent of agreement with statements relating to sabbatical leave.

<b>Sabbatical leave</b>	Mean	Std. Deviation
Sabbatical leave reduces monotony on jobs	3.8125	.86679
Sabbatical leave reduces stress on jobs	3.7500	.97849
Sabbatical leave enhances knowledge	3.7292	.98369
Sabbatical leave leads to employee retention	3.5125	1.32338
Average mean	3.7011	

**Table 4.6: Contribution of sabbatical Leave to employee retention**

From the study findings in Table 4.6 above, majority of the respondents agreed that sabbatical leave reduces monotony on jobs as shown by a mean score of 3.8125, sabbatical leave reduces stress on jobs as shown by a mean score of 3.7500, sabbatical leave enhances knowledge as shown by a mean score of 3.7292 and sabbatical leave leads to employee retention as shown by a mean score of 3.5125. The standard deviation shows that there is a general consensus in sabbatical leave reducing monotony and stress on jobs and enhancing knowledge but there was a divergent opinion in sabbatical leave leading to employee retention. This implies that sabbatical leave enhance employee retention to a great extent as shown by an average mean of 3.7011.



### 4.3.6 Health insurance

The study further inquired on the respondents' level of agreement with statements on health insurance of employees.

<b>Health Insurance</b>	Mean	Std. Deviation
Health insurance help to reduce the cost of hospitalization	4.4583	.71335
Health insurance protects employees against any uncertainty	4.1250	.98121
Health insurance improve health outcome and lower mortality	4.0833	1.10768
Health insurance helps to retain employee in the organization	4.0208	1.02084
Health insurance increase concentration at work hence improved productivity	4.0208	.91068
Average mean	4.1416	

**Table 4.7: Contribution of health insurance to employee retention**

The study findings in Table 4.7 above shows that majority of the respondents were in agreement that health insurance help to reduce the cost of hospitalization as shown by a mean score of 4.4583, health insurance protects employees against any uncertainty as shown by a mean score of 4.1250, health insurance improve health outcome and lower mortality as shown by a mean score of 4.0833, health insurance helps to retain employee in the organization as shown by a mean score of 4.0208 and health insurance increase concentration at work hence improved productivity as shown by a mean score of 4.0208. The standard deviation shows that there is a general consensus in health insurance helping to reduce the cost of hospitalization, protecting employees against any uncertainty and increasing concentration at work hence improved productivity, but there was a divergent opinion in health insurance helping to retain employee in the organization and improving health outcome and lower mortality. This depicts that health insurance greatly enhance employee retention at Kenya Forest Service as shown by a mean score of 4.1416.

### 4.3.7 Workers compensation programs

The study also inquired on the respondents' level of agreement with statements on area of income loss that workers compensation programs help to protect the employee's dependants and survivors.

<b>Workers Compensation</b>	Mean	Std. Deviation
Rehabilitation expenses	4.4167	.92447
Job related illness and injuries	4.0833	.79448
Total disability or death	4.0208	.72902
Payment of medical expenses	4.0208	.88701
Average mean	4.1354	

**Table 4.8: Contribution of workers compensation program to employee retention**

The findings in Table 4.8 above shows that the respondents were in agreement that workers compensation programs protect the employees, dependants and survivors from income loss resulting from rehabilitation expenses as shown by a mean score of 4.4167, job related illness and injuries as shown by a mean score of 4.0833, total disability or death as shown by a mean score of 4.0208 and payment of medical expenses as shown by a mean score of 4.0208. The standard deviation shows that there is a general consensus in all the compensation programs including total disability or death, job related illness and injuries, payment of medical expenses and rehabilitation expenses. This implies that workers compensation programs enhance employee retention as shown by a mean of 4.1354 as compared to the least score of 4.0208 for the total disability or death and payment of the medical expenses.

### 4.3.8 Transportation benefit

The study further sought to establish the respondents' level of agreement with statements on transportation as employee benefit.

<b>Transportation Benefit</b>	Mean	Std. Deviation
Transport motivates employees hence reduce lateness to work	4.1458	.96733
Transport helps reduce transport cost	4.1250	.81541
Transport benefit enables employee to stay long in the organization	3.3542	1.15758
Transport leads to tax saving opportunity for the employee	3.1875	1.28255
Average mean	3.7031	

**Table 4.9: Contribution of transportation benefit to employee retention**

From the study findings in Table 4.9 above, majority of the respondents were in agreement that transport motivates employees hence reduce lateness to work as shown by a mean score of 4.1458 and transport helps reduce transport cost as shown by a mean score of 4.1250. They were however indifferent on the fact that transport benefit enables employee to stay long in the organization as shown by a mean score of 3.3542 and transport leads to tax saving opportunity for the employee as shown by a mean score of 3.1875. The standard deviation shows that there is a general consensus in transport helping reduce transport cost and motivating employees hence reduce lateness to work but there was a divergent opinion in transport benefit enabling employee to stay long in the organization and leading to tax saving opportunity for the employee. This shows that transportation benefit greatly enhance employee retention as depicted by an average mean of 3.7031 apart from enabling employee to stay long in the organization and leading to tax saving opportunity for the employee.

### 4.3.9 Flexible work plan

The study also required the respondents to indicate their level of agreement with statements on flexible work plan.

<b>Flexible work plan</b>	Mean	Std. Deviation
Flexible work plan helps to motivate and retain employees	4.0625	.78296
Flexible work plan leads to increased productivity	4.0625	.90873
Flexible work plan improves employee morale	4.0417	.77070
Flexible work plan helps to improve attendance hence high performance	3.8333	1.05857
Average mean	4.0000	

**Table 4.10: Contribution of flexible work plan to employee retention**

According to the responses given in Table 4.10 above, majority of the respondents were in agreement that flexible work plan helps to motivate and retain employees as shown by a mean score of 4.0625, flexible work plan leads to increased productivity as shown by a mean score of 4.0625, flexible work plan improves employee morale as shown by a mean score of 4.0417, and flexible work plan helps to improve attendance hence high performance as shown by a mean score of 3.8333. The standard deviation shows that there is a general consensus in flexible work plan improving employee morale, helping to motivate and retain employees, leading to increased productivity and helping to improve attendance hence high performance. This implies that flexible work plan enhance employee retention as shown by a mean of 4.0.

### 4.3.10 Educational Fees Benefit

The study also sought to establish the respondents' level of agreement with statements on educational fees benefit programs.

<b>Educational Fees Benefit Programs</b>	Mean	Std. Deviation
Educational fees enable employees to gain additional knowledge	4.4167	.76724
Educational fees enable employees gain skills	4.3125	.71923
Educational fees will lead to enhanced productivity	4.1458	.87494
Educational fees retains employees in the organization	3.9792	1.15758
Education fees enable employees to be expertise for personal benefit	3.7500	1.08176
Average mean	4.0521	

**Table 4.11: Contribution of educational fees benefit programs to employee retention**

From the study findings in Table 4.11 above, majority of the respondents were in agreement that educational fees enable employees to gain additional knowledge as shown by a mean score of 4.4167, educational fees enable employees gain skills as shown by a mean score of 4.3125, educational fees will lead to enhanced productivity as shown by a mean score of 4.1458, educational fees retains employees in the organization as shown by a mean score of 3.9792, education fees enable employees to be expertise for personal benefit as shown by a mean score of 3.7500. The standard deviation shows that there is a general consensus in educational fees enabling employees to gain additional knowledge, enabling employees gain skills and leading to enhanced productivity but there was a divergent opinion in education fees enabling employees to be expertise for personal benefit and retaining employees in the organization. This implies that educational fees benefit programs enhance employee retention at KFS as shown by a mean score of 4.0521.

### 4.3.11 Employee assistance

The study sought to establish the respondents' level of agreement with statements on employee assistance programme as employee benefit provided by the organization.

<b>Employee Assistance</b>	Mean	Std. Deviation
Employee assistance provide help to employees	3.8542	.85027
Employee assistance lead to needs assessment for the employees	3.7500	.72932
Employee assistance provide counseling services	3.7500	.83793
Employee assistance provide referrals to the employees	3.5417	.96664
Average mean	3.7240	

**Table 4.12: Contribution of employee assistance programme to employee retention**

The findings in Table 4.12 above shows that the respondents were in agreement that employee assistance programme provides overall wellness of employees at work place and entails employee assistance benefit that provides help to employees as shown by a mean score of 3.8542, employee assistance lead to needs assessment for the employees and it provides counseling services as shown by a mean score of 3.7500 and also provide referrals to the employees as shown by a mean score of 3.5417. The standard deviation shows that there is a general consensus in employee assistance leading to needs assessment for the employees and providing counseling services, help and provide referrals to the employees. This depicts that employee assistance programme enhance employee retention as shown by an average mean of 3.7240.

### 4.3.12 Reasons for leaving the organization

The respondents were asked to state the reasons that make employees leave the organization.

<b>Reasons for leaving the organization</b>	Mean	Std. Deviation
Inadequate benefits	4.6625	0.84337
In equity in benefits administration	4.0000	.92253
Non involvement in benefits decision	3.5625	1.07002
Lack of awareness of employees benefits	3.2917	1.09074
Average mean	3.8792	

**Table 4.13: Reasons that make employees leave the organization**

The response tabulated in Table 4.13 above show that majority of the respondents strongly agreed that inadequate benefits is the main reason that make employees leave the organization as shown by a mean score of 4.6625. The respondents were also in agreement that other reasons that make employees leave the organization include inequity in benefits administration as shown by a mean score of 4.0000 and non involvement in benefits decision as shown by a mean score of 3.5625. They were however indifferent to the fact that lack of awareness of employee's benefits is the reasons that make employees leave the organization as shown by a mean score of 3.2917. The standard deviation shows that there is a general consensus in inadequate benefits, in equity in benefits administration, non involvement in benefits decision and lack of awareness of employees' benefits. This shows that most of the employees leave the organization due to inadequate benefits, inequity in benefits administration and non involvement in benefits decision. The employees however do not leave the organization due to lack of awareness of employees' benefits which had the least mean as compared to the average.

#### **4.3.13 Ways that KFS may provide employee benefits to Improve employee retention**

The respondents indicated that the ways that an organization may provide employee benefits to increase employee retention include increase of medical package, provision of housing facilities at a subsidized rent rates, revision of benefits scale, increase of salary, provision of growth and development opportunities for staff and a good reward scheme, staff participation in decision making, offering incentives to motivate staff, offering benefit policies that are competitive and comparable with other organizations, transparency in matters relating with staff benefits, establishment of loyalty clubs/team building and good working conditions.

#### **4.3.14 Employee benefits and employee retention**

The study also sought to establish the effects of employee benefits on employee retention at Kenya Forest Service.

<b>Effects of employee benefits on employee retention</b>	Mean	Std. Deviation
Improved employee morale and loyalty to the organization	4.3125	.62420
Motivate employees to strive for higher level of productivity	4.2979	.80528
Increased competitiveness with other employers	4.1875	.86679
Leads to efficient and effective workforce	4.1458	.82487
Average mean	4.2359	

**Table 4.14: Effects of employee benefits on employee retention**

From the findings in Table 4.14 above, majority of the respondents were in agreement that employee benefits improved employee morale and loyalty to the organization as shown by a mean score of 4.3125, motivate employees to strive for higher level of productivity as shown by a mean score of 4.2979, increased competitiveness with other employers as shown by a mean score of 4.1875 and leads to efficient and effective workforce as shown by a mean score of 4.1458. Other benefits that the organization should provide to increase employee retention include car loan and mortgage facilities. The standard deviation shows that there is a general consensus in employee benefits leading to improved employee morale and loyalty to the organization, motivating employees to strive for higher level of productivity, leading to efficient and effective workforce and increasing competitiveness with other employers. This implies that to a great extent, employee benefits enhance employee retention as they improved employee morale and loyalty to the organization, motivate employees to strive for higher level of productivity, increased competitiveness with other employers and leads to efficient and effective workforce.

#### **4.3.15 Provision of flexible work plan**

The respondents were asked to indicate the ways in which the organization provides flexible working plan in such a way that it retains the employees.

	Yes	No
Job sharing	62.5	37.5
Flex time	54.2	45.8
Compressed work week	35.4	64.6
Home based work	29.2	70.8

**Table 4.15: Ways in which the organization provides flexible work plan**



From the study findings in Table 4.15 above, (62.5%) of the respondents said that the organization provides flexible work plan through job sharing, 54.2% said it was through flex time, 35.4% said it was through compressed work week while 29.2% said it was through home based work. This shows that KFS provides flexible work plan mainly through job sharing as compared to least score in home based work.

#### **4.3.16 Employee benefits that may lead to employee retention**

The study sought to establish whether the organization offered the following employee benefits which are likely to lead to employee retention.

<b>Employee benefits</b>	Yes	No
Relocation benefits	53.2	46.8
Recreational and health programmes	27.1	71.4

**Table 4.16: Whether the organization offer the following employee benefits that leads to employee retention**

From the findings in Table 4.16 above, most of the respondents agreed that the organization offered relocation benefits as indicated by (53.2%) while 27.1% represented the respondents who agreed that the organization offered recreational and health programmes. This shows that KSF mainly offers relocation benefits that lead to employee retention.

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

### **5.1 Summary of Findings**

The objective of the study was to establish the perceived effects of employee benefits on employee retention at Kenya Forest Service. The study established that majority of the respondents were middle aged and this could be attributed to the fact the organization is new as it was formed in 2007, Kenya Forest Service has more male employees than female employees due to the nature of the job in the forests and most of the employees had a tertiary/college/university education given that tertiary education/training is a requirement on recruitment. It was clear that a large number of employees are married since most of them are middle aged and the target population postulated in the proposal was reached. It was also deduced that the finance and accounting and human resource and administration had the largest population since they are at the core of the organization.

The study found that there is employee benefit policy at KFS and that employees do not leave the organization because of dissatisfaction with employee benefits. It was also clear that pension scheme gives a feeling of power by having some control over planning for retirement, reduces worry about one's family security and determines employees remaining in the organization.

The study also established that life insurance reduces worry about one's family security and also increase employee loyalty to the organization. The study found that sabbatical leave reduces monotony on jobs, reduces stress on jobs, enhances knowledge and leads to employee retention. It was revealed that health insurance help to reduce the cost of hospitalization, protects employees against any uncertainty, improve health outcome and lower mortality, helps to retain employee in the organization and increase concentration at work hence improved productivity.

The study deduced that workers compensation programs protect the employees, dependants and survivors from income loss resulting from rehabilitation expenses, job

related illness and injuries, total disability or death and payment of medical expenses. On transportation benefit, the study deduced that transport motivates employees hence reduce lateness to work and helps reduce transport cost. The study found that flexible work plan helps to motivate and retain employees, improves employee morale, leads to increased productivity and helps to improve attendance hence high performance. The study also found that educational fees enable employees to gain additional knowledge, enable employees gain skills, lead to enhanced productivity, retains employees in the organization, enable employees to be expertise for personal benefit. Employee assistance enabled employees to stay long in the organization. It was deduced that employee assistance programme provides overall wellness and help to the employees at work place, it leads to needs assessment for the employees and provides counseling services and referrals to the employees.

The study further established that inadequate benefits are the main reasons that make employees leave the organization. Other reasons that make employees leave the organization include inequity in benefits administration and non involvement in benefits decision. It was deduced that employee benefits improved employee morale and loyalty to the organization, motivate employees to strive for higher level of productivity, increased competitiveness with other employers and leads to efficient and effective workforce. The organization provides flexible working plan mainly through job sharing. Additional employee benefits offered by the organization include relocation benefits and recreational and health programmes.

## **5.2 Conclusion**

From the findings the study concludes that there is employee benefit policy at Kenya Forest Service and that employees do not leave the organization because of dissatisfaction with employee benefits. These benefits include pension scheme, life insurance, sabbatical leave, health insurance, workers compensation programs, transportation benefit, flexible work plan, educational fees, employee assistance programme, relocation benefits and recreational programmes. These benefits go a long way in reducing employee worry about one's family security, increase employee loyalty to the organization, reduces stress on jobs, improves employee morale and provides

overall wellness of employees at work place all of which culminate in improving employee retention.

### **5.3 Recommendations**

The study recommends that in order to enhance employees retention, Kenya Forest Service should offer increased medical package, provision of housing facilities at subsidized rent rates, revision of benefits scale, increase salary, provision of growth and development opportunities for staff and a good reward scheme, staff participation in decision making, incentives to motivate staff, benefit policies that are competitive and comparable with other organization, transparency in matters relating to staff benefits, establishment of loyalty clubs/team building and good working conditions. Other benefits that the organization should provide to increase employee retention include car loan and mortgage facilities.

### **5.4 Recommendations for Further Studies**

The study has investigated the perceived effects of employee benefits on employee retention at Kenya Forest Service. The study therefore recommends that further research should be done on the effects of employee benefits on employee retention in private organizations. This is because the private and public sectors have different strategic approach and thus allowing for comparison. Other studies should also be done on other public parastatals to allow for generalization on the effects of employee benefits on employee retention in Kenya.

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## APPENDICES

### APPENDIX I: QUESTIONNAIRE

#### TOPIC: PERCEIVED EFFECTS OF EMPLOYEE BENEFITS ON EMPLOYEE RETENTION AT KENYA FOREST SERVICE

This Questionnaire is for research purposes only. It aims to collect data to investigate perceived effects of employee benefits on employee retention at Kenya Forest Service. Your responses will be highly appreciated. For the purposes of this research employee benefits will be defined as :- Elements of remuneration given in addition to various forms of cash pay.

#### SECTION A: PERSONAL DATA

Direction: Please tick (✓) your answer in the respective boxes.

<b>1.Age</b>	
a).19 - 25	
b).26 - 35	
c).36 - 45	
d).46 and above	
<b>2.Sex</b>	
a).Male	
b).Female	
<b>3.Education</b>	
a).Primary Level	
b).Secondary	
c).Tertiary/College/University	
<b>4.Marital status</b>	
a).Single	
b).Special Single	
c).Married	
<b>5.Status at Work</b>	
a).Senior Level Managers (KFS 1- 4)	
b).Middle Level Managers (KFS 5 - 9)	
c).Lower Level staff/subordinates(KFS 10-	

**6). Please indicate your department.** (Please tick as appropriate)

(1) Finance and Accounting	
(2) Supply Management	
(3) Information Technology	
(4) Human Resource and Administration	
(5) Corporate Communication	
(6) Forest Conservation and Extension	
(7) Enforcement and Compliance	

**SECTION B: QUESTIONS RELATED TO THE EFFECTS OF EMPLOYEE BENEFITS ON EMPLOYEE RETENTION**

1. Is there Employee benefit policy at Kenya Forest Service

YES  NO

2. (a) Employees leave the organization because of dissatisfaction with employee benefits?

(Please tick as appropriate) YES  NO

(b) If yes; please explain;

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3. The following types of employee benefits affect employee retention in the organization in the following ways;

**Note: Please rate the following statements in terms of ; I strongly agree [5]; I agree [4]; Indifference [3]; I do not agree [2]; I strongly disagree [1] which in your opinion correctly represent your view about each statement;**

<b>Opinion</b>	<b>I Strongly Agree</b>	<b>I Agree</b>	<b>Indifference</b>	<b>I Do Not Agree</b>	<b>I Strongly Disagree</b>
<b>1). Pension Scheme</b>	5	4	3	2	1
a).Pension scheme determine employees remaining in the organization					
b).Pension scheme increase employee loyalty to the organization					
c).Pension scheme reduces worry about ones family security					
d).Pension scheme give a feeling of power by having some control over planning for retirement					
<b>2). Life Insurance</b>					
a).Life Insurance enables employees to stay long in the organization.					
b).Life insurance increase employee loyalty to the organization					
c).Life insurance reduces worry about ones family security					

<b>Opinion</b>	<b>I Strongly Agree</b>	<b>I Agree</b>	<b>Indifference</b>	<b>I Do Not Agree</b>	<b>I Strongly Disagree</b>
<b>3).Sabbatical leave</b>					
a)Sabbatical leave leads to employee retention					
b).Sabbatical leave enhances knowledge					
c).Sabbatical leave reduces stress on jobs					
d).Sabbatical leave reduces monotony on jobs					
<b>4).Health Insurance</b>					
a).Health Insurance helps to retain employee in the organization					
b).Health Insurance help to reduce the cost of hospitalization					
c).Health Insurance protects employees against any uncertainty					
d).Health Insurance Increase concentration at work hence  improved productivity					
e).Health Insurance improve health outcome and lower mortality					

Opinion	I Strongly Agree	I Agree	Indifference	I Do Not Agree	I Strongly Disagree
<b>5).Workers compensation programme</b> protect the employees, dependants and survivors against income loss resulting from;					
a).Total disability or death					
b). Payment of medical expenses					
c).Rehabilitation expenses					
d).Job related illnesses and injuries					
<b>6).Transportation benefit</b>					
a).Transport benefit enables employee to stay long in the organization					
b).Transport motivates employees hence reduce lateness to work					
c).Transport help reduce transport cost					
d).Transport leads to tax saving opportunity for the employee					
<b>7).Flexible work plan</b>					
a).Flexible work plan helps to motivate and retain employees					
b).Flexible work plan improves employee morale					
c).Flexible work plan leads increased productivity					
d).Flexible work plan helps to improve attendance hence high performance					



<b>Opinion</b>	<b>I Strongly Agree</b>	<b>I Agree</b>	<b>Indifference</b>	<b>I Do Not Agree</b>	<b>I Strongly Disagree</b>
<b>8).Educational fees benefit programme</b>					
a).Educational fees retains employees in the organization					
b).Educational fees enable employees to gain additional knowledge					
c).Educational fees enable employees gain skills					
d).Educational fees enable employees to be expertise for personal benefit					
e).Educational fees will lead to enhanced productivity					
<b>9).Employee assistance programme provides overall wellness of employees at work place and entail;</b>					
a).Employee assistance enable employees to stay long in the organization					
b).Employee assistance leads to needs assessment for the employees					
c).Employee assistance provide help to employees					
d).Employee assistance provide counseling services					
e).Employee assistance provide referrals to the employees					

Opinion	I Strongly Agree	I Agree	Indifference	I Do Not Agree	I Strongly Disagree
<b>10).The reasons that make employee leave the organization includes;</b>					
a).In adequate benefits					
b).Lack of awareness of employees benefits					
c).In equity in benefits administration					
d). Non involvement in benefits decision					

Others please specify;

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4. What are the ways that an organization may provide employee benefits while increasing employee retention? \_\_\_\_\_

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5. The following are the effects of employee benefits on employee retention;

Opinion	I Strongly Agree	I Agree	Indifference	I Do Not Agree	I Strongly Disagree
a) Increased competitiveness with other employers	5	4	3	2	1
b) Leads to efficient and effective workforce	5	4	3	2	1
c) Improved employees morale and loyalty to the organization	5	4	3	2	1
d) Motivate employees to strive for higher level of productivity	5	4	3	2	1

Others please specify;

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6. In your own opinion what are other benefits which the organization should provide to increase employee retention;

(a) \_\_\_\_\_

(b) \_\_\_\_\_

7. Organization provides a flexible work plan in terms of;

S/No.	Particulars	Yes	No
1.	Flex time		
2.	Compressed work week		
3.	Job sharing		
4.	Home based work		

8. a). Does the following employee benefit leads to employee retention?

S/No.	Employee benefits	Yes	No
1.	Relocation benefits		
2.	Recreational and health programmes		

b).If yes, please explain;

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**END**

**THANK YOU**