

**RECRUITMENT PRACTICES, JOB SATISFACTION AND  
EMPLOYEE RETENTION IN THE KENYAN  
MANUFACTURING SECTOR ^**

**KILONZI LINNAH NGUTE**

**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE  
DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA), SCHOOL  
OF BUSINESS, UNIVERSITY OF NAIROBI**

**November 2008**

**DECLARATION**

This management research project is my original work and has not been presented for a degree in any other university.

**Signed** Ip ^ w ^ \                      **Date** a q - 1 u 1

Linnah Ngute Kilonzi

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

**Signed**  **Date** 27/11/2018

Professor Peter K' Obonyo  
Department of Business Administration  
School of Business, University of Nairobi

## **ACKNOWLEDGEMENT**

I wish to record my gratitude first and foremost to my supervisor Prof. Peter K" Obonyo who tirelessly devoted much of his time to supervise the writing of this project. Through his expert guidance, encouragement and constructive criticisms \ was able to complete this arduous task.

Secondly, my gratitude goes to my husband for his financial and moral support without which my desire to attain a Masters Degree in Business Administration would have remained but a dream.

My acknowledgement also goes to my children for sacrificing their time and allowing me to be away from them during the difficult period in which I was pursuing this degree.

Thanks to my parents in-law for giving me ample time and understanding me as I studied. Special thanks to my sisters and brothers, particularly Daniel and his wife Regina who have always encouraged me in pursuit of my goals.

Finally, I'm greatly indebted to my classmates and friends for their support throughout the years of my study. I particularly record my gratitude to Victoria kimeu for always remaining a great friend.

May God bless you all.

## **DEDICATION**

I dedicate this project to the following people for their love and sacrifice: To my dear husband, Julius K. Mutemi. To my dear sons: Tony, Caleb and Steve

## TABLE OF CONTENTS

Declaration.....	i
Acknowledgement.....	ii
Dedication.....	hi
List of tables.....	vi
Abstract.....	vii
<b>CHAPTER ONE: INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the study.....	1
1.1.1 Recruitment Practices.....	1
1.1.2 Job satisfaction.....	2
1.1.3 Employee retention.....	2
1.1.4 Recruitment practices, job satisfaction, and employee retention.....	3
1.1.5 The Kenyan Manufacturing Sector.....	4
1.2 Statement of the problem.....	6
1.3 Objective of the study.....	7
1.4 Importance of the study.....	7
<b>CHAPTER TWO: LITERATURE REVIEW.....</b>	<b>8</b>
2.1 Introduction.....	8
2.2 Recruitment.....	8
2.3 Selection.....	H
2.4 Job Satisfaction.....	11
2.5 Employee turnover.....	12
2.6 Employee retention.....	15
2.7 Best Human Resource Practices.....	16
<b>CHAPTER THREE: RESEARCH METHODOLOGY.....</b>	<b>20</b>
3.1 Research design.....	20
3.2 Population.....	20
3.3 Sample and sampling frame.....	20
3.4 Data collection.....	20
3.5 Data analysis.....	21
<b>CHAPTER FOUR: DATA ANALYSIS AND RESULTS.....</b>	<b>22</b>
4.1 Introduction.....	22
4.2 Bio-data and company history.....	22
4.3 Recruitment and selection.....	24
4.4 Job satisfaction.....	26

4.5	Job retention	27
4.6	Relationship between recruitment practices, Job satisfaction, and retention	28

**CHAPTER FIVE: SUMMARY, CONCLUSIONS ANI) RECOMMENDATIONS**

5.0	Introduction.....	30
5.1	Summary and conclusions.....	30
5.2	Suggestions for further study.....	31
5.3	Recommendations.....	32
5.4	Limitations.....	32

**REFERENCES.....33**

**APPENDIX I: LETTER OF INTRODUCTION.....36**

**APPENDIX 11: QUESTIONNAIRE.....37**

jk-

## **LIST OF TABLES**

- Table 1: Bio-data and company history
- Table 2: Number of years that the respondent has been in the company
- Table 3: Area in which the company specializes in
- Table 4: Company classification by no of employees
- Table 5: Recruitment and selection methods
- Table 6: Methods of selecting employees for vacant positions
- Table 7: Recruitment and selection process
- Table 8: Assessment of job satisfaction
- Table 9: Percentage of employees leaving the company yearly
- Table 10: Testing use of exit interviews
- Table 11: Testing use of job previews
- Table 12: Determination of product moment correlation

## ABSTRACT

This study was a survey whose objective was to determine the relationship between recruitment practices, job satisfaction and employee retention in the Kenyan manufacturing sector. The data was collected using questionnaires that had 4 sections A - D). Section A (on biographical data) and section C ( On job satisfaction) was completed by all respondents in low levels and middle levels of management. Section B (on recruitment and selection) and section D (on job retention) was filled in by Human Resource Managers or any senior officer in charge of HR.

The data was then analyzed using descriptive statistics that include mean, frequencies, percentages and standard deviation. Pearson's Product Moment correlation was also used to test the relationship among the key variables of study. From the study it was established that of all the recruitment and selection methods tested all of them were being used by all the companies, but interviews stood out as the most common used method while medical examination was least preferred. The survey results revealed that majority of employees were satisfied with their jobs However, the levels of satisfaction was different amongst individuals

The results further showed that there was weak relationship between recruitment practices and job satisfaction ( $r_{xy} = 0.2$ ) and recruitment practices and job retention ( $r_{xz} = 0.3$ ) was also established that there is weak re. On the other hand this research pointed out that there is high employee turnover within the first 2 years of employment 7.3% and 8.1% respectively. This, therefore, showed a strong positive relationship between job satisfaction and job retention, and ( $r_{yz} = 0.7$ )

In her conclusion the researcher outlines recommendations for effective implementation of job satisfaction indicators. The researcher also recognizes the limitations of the study and suggests areas of further research.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the study**

Manufacturing firms like all other organizations operate as open systems in the environment; they encounter problems from the environment, process solutions and offer those solutions to the society. The firms was find it inevitable to engage in strategic management and more so choose their Human Resource Management (HRM) strategies in the most systematic and prudent way. Therefore they was strife to position and relate themselves to their environments in a way which was ensure their continued success and make them secure from surprises (Ansoff. 1990).

#### **1.1.1 Recruitment Practices**

Recruitment is the process of searching candidates for employment and stimulating them to apply for jobs in an organization (Chhabra, 2005). According to Beard Well et al, (1994) recruitment and selection process is concerned with identifying, attracting, and choosing suitable people to meet an organization's human resource requirement.

According to Edwin B. Flippo recruitment needs to be underpinned by a clear link from the objectives and strategy of the organization to; the jobs people are asked to do, human resources management, training and development programs, career progression, performance management, health and safety, and welfare issues. If all the above are taken into consideration, employees was not only be satisfied in their jobs but was want to stay and work for the organization (Beardwell et. al. 2004).

Recruitment and selection are essentially concerned with finding, assessing, and engaging new employees or promoting existing ones (Schonbergcr, 1991). The focus is on matching the capabilities and interests of prospective candidates with the demands and rewards of a given job.

Recruitment and selection decisions are amongst the most important of all decisions that managers have to make because they arc pre-rcquisite to the development of an effective workforce. However, it should be noted that recruitment is only one aspect of human

resources management. To be able to stay on the competitive edge, organizations have to adopt the latest technology, have the best management styles and superior products (Schonberger, 1991).

### **1.1.2 Job satisfaction**

Job satisfaction is an attitude that reflects how people feel about their jobs (Mowday et al, 1992). There are many facets of job satisfaction with common classifications being pay, promotion, benefits, supervisions, co-workers, job conditions and nature of work, communication, and job security. When an employee experiences a discrepancy between what was expected and perceived in one or more of these facets, he/she experiences a decrease in job satisfaction especially if these facets were viewed as important by the employee (Robinson & Rousseau, 1994).

- \* When an employee perceives a discrepancy in the reciprocal of promises made between the employee and the organization, the response may manifest as job dissatisfaction, with resultant increase in absenteeism, poor service, destructive rumors, theft, sabotage, and turnover (Griffeth, Horn & Gacrther, 2000). These counter productive behaviors result in financial cost to the organization in relation to productivity and replacement costs. Dissatisfied employees have also been found to possess such symptoms as tension, anxiety, disturbed sleep patterns, tiredness, depression and stiffness in muscles and joints (Frese, 1985; Spector, 1997).

### **1.1.3 Employee retention**

People leave jobs for a variety of reasons, many of which are wholly outside the power of the organization to influence. The argument against staff turnover is equally persuasive. First the sheer costs associated with replacing people who have left, ranging from the cost of placing a recruitment advertisement through the time spent administering and conducting the selection, to expenses required in inducting and training employees. There are also other implicit losses to the organization arising as a result of poor performance of the inexperienced employee which are not measurable (Torrington, 2005).

resources management. To be able to stay on the competitive edge, organizations have to adopt the latest technology, have the best management styles and superior products (Schonberger, 1991).

### **1.1.2 Job satisfaction**

Job satisfaction is an attitude that reflects how people feel about their jobs (Mowday et al, 1992). There are many facets of job satisfaction with common classifications being pay, promotion, benefits, supervisions, co-workers, job conditions and nature of work, communication, and job security. When an employee experiences a discrepancy between what was expected and perceived in one or more of these facets, he/she experiences a decrease in job satisfaction especially if these facets were viewed as important by the employee (Robinson & Rousseau, 1994).

When an employee perceives a discrepancy in the reciprocal of promises made between the employee and the organization, the response may manifest as job dissatisfaction, with resultant increase in absenteeism, poor service, destructive rumors, theft, sabotage, and turnover (Griffeth, Horn & Gacrther, 2000). These counter productive behaviors result in financial cost to the organization in relation to productivity and replacement costs. Dissatisfied employees have also been found to possess such symptoms as tension, anxiety, disturbed sleep patterns, tiredness, depression and stiffness in muscles and joints (Frese, 1985; Spector, 1997).

### **1.1.3 Employee retention**

People leave jobs for a variety of reasons, many of which are wholly outside the power of the organization to influence. The argument against staff turnover is equally persuasive. First the sheer costs associated with replacing people who have left, ranging from the cost of placing a recruitment advertisement through the time spent administering and conducting the selection, to expenses required in inducting and training employees. There are also other implicit losses to the organization arising as a result of poor performance of the inexperienced employee which are not measurable (Torrington, 2005).

Another argument in favor of improving employee retention results from recognition that people who leave represent a lost resource for which the organization has invested time and money. The damage is much greater when people trained and developed at the organization's expense subsequently choose to work for competitors.

There is little that the organization can do to manage turnover unless there is an understanding of the reasons behind such turnovers. Analysis of turnover rates between different departments may well shed some light on causes of turnover. According to Torrington, (2005), high turnover rates are symptoms of poorly managed organizations, he suggests that people are dissatisfied with their jobs or with their employer and would prefer to work elsewhere.

#### **1.1.4 Recruitment practices, job satisfaction, and employee retention**

The most appropriate recruitment and selection techniques was continue to be those that balance the human resource requirements of an organization with the requirements of ^current and prospective employees. The approach adopted is likely to be determined, in part, by the external circumstances. If predictions about "Job for life" and the growth of "portfolio careers" are true, then the purpose of recruitment and selection may become an increasingly important feature in all our lives, regardless of the techniques used. The possible reasons for variation in approach to recruitment and selection include; the difficulties in agreeing on the corporate strategy and extent to which it is perceived as planned rather than emergent, a perception of critical time lag between 'strategic decision making' and implementation of the policies deemed necessary to achieve corporate objectives, the pressure to recruit and select in the short-term via the external labor market to meet urgent needs which may conflict the chosen long-term strategy of internal labor market development (Beardwell et al 2004).

Soft Human Resource Management (SIIRM) approach implies long-term commitment to invest in training and development and probably vigorous appraisal scheme with an emphasis on identifying potential and engendering commitment from employees. The

organization's expectation is loyalty and retention from staff in return (Beard Well et al 2004).

Soft contracting implies an elaborate internal labor market, managed by a sophisticated Human Resource (HR) function with strong HR policies to govern relationships, pay, promotions, appraisal, and employee development (Stoney and sission, 1993).

#### **1.1.5 The Kenyan Manufacturing Sector**

The manufacturing industry is a major player in the Kenyan economy. The manufacturing firms contribute about 13.6% of the gross domestic products (GDP) (GOK 2003). They include commercial food and allied, building, engineering and electrical, footwear and personal use, leather, medical equipment, metal welding, mining, paper and paper board, plastics and rubbers, textiles and timber sector.

Considering the country's aim in industrialization by the year 2030, the manufacturing firms was play an important role. To do this effectively, employees' contribution in terms of increased productivity was be paramount hence there is need for best recruitment and selection practices that leads to job satisfaction and employee retention. For continued production in the manufacturing firms employees performance is vital and for the employees to perform they must be satisfied in their jobs. Would be cost of production is reduced when employees' turnover is reduced.

Manufacturing sector contributes about 10 percent of the Gross Domestic Product (GDP) annually in Kenya. The sector grew by 4.7 percent in 2005 to 6.9 percent in 2006. The sector continues to play a crucial role in the Kenyan economy and is critical for the attainment of vision 2030. Although its contribution to GDP has oscillated around 13 percent, it has been generally accepted that this sector was play a key role in the growth of the economy (Kenya Association of Manufacturers, 2005). Employment within the manufacturing sector rose by 2.5 percent amid closure and relocation of a number of manufacturing entities in the review period due to high costs of production and competition from cheap imports.

Overall, employment in the Manufacturing sector increased from 247.5 thousand persons in 2005 to 253.8 thousand persons in 2006 (CBS 2006). Demand for loans and advances in the manufacturing sector also increased in 2006. This could be attributed mainly to the economic recovery and an increase in investor confidence. Overall, the manufacturing sector showed an improved performance output, the production in the food manufacturing sub-sector expanded by 1.2 percent in 2006, almost maintaining the 2005 level (CBS, 2006).

## **1.2 Statement of the problem**

Every organization strives and hopes for a satisfied workforce. It is believed that satisfied employees have a more positive attitude towards work. However, this is not always the case. The fact is that sometimes satisfied employees perform better but at other times they do not (Bruce & Blackburn, 1992). A worker may be extremely satisfied with a job, but still perform badly (Benett. 1998).

All companies expect to have a certain degree of turnover, without which it would stagnate because a large number of employees would retire simultaneously with insufficient new blood coming into the organization. It is noted that the separation rates in many companies are 10-15 percent per year.

However, labor turnover is very expensive and one way of reducing it, is ensuring that "selection procedures are not only adequate, but also capable of attracting the best employees. If this is done, employees are likely to stay much longer (Bruce and Blackburn, 1972).

The current state of recruitment and selection is complex because a variety of internal and external factors continue to influence the process. What is certain, however, is the fact that there is no universal solution to this complexity - no "one size that fits all" (Sisson and Marginson, 1995). This justifies the coexistence of both traditional and modern approaches to recruitment and selection of employees. Thus one was find differences in approaches not only between organizations but also within organizations depending on the level of vacancies and organizational requirement (Schonbergcr, 1991)

Although available literature suggests a possible relationship between recruitment practices, job satisfaction, and retention, I did not find and empirical study that links them to confirm the assumption. Any studies that might have been done in developed countries which operate in different environments e.g. most of them have low rate of unemployment. This therefore calls for the study in the Kenyan manufacturing industry. It is this gap in knowledge that the proposed study is expected to fill.

### **1.3 Objective of the study**

To determine the relationship among recruitment practices, job satisfaction, and employee retention.

### **1.4 Importance of the study**

- a) The study was to provide information that would be useful to manufacturing companies in Kenya in designing recruitment and selection policies.
- b) Scholars would use the findings of this study in further research on recruitment/selection practices and employee retention.
- c) The Government of Kenya would use the study findings to design and implement recruitment and selection policies for the public sector organizations in the country.

W ' »

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

In this chapter literature review pertaining recruitment, job satisfaction, and employee retention is reviewed. The main focus is on the link among these variables.

### **2.2 Recruitment**

Human Resource Management (HRM) is that part of human resource concerned with staffing the company, determining and satisfying the needs of people at work and governing relationships between employees and the organization (Graham & Bennett, 1998). It concerns the human side of the management of enterprises and employees relationships with their firms. The purpose of HRM is to ensure that the employees of a company are used in such a way that the employer obtains the greatest possible benefit from their abilities and employees obtain both material and psychological rewards from their work.

The staffing function has assumed greater importance these days because of the rapid advancement of technology, increasing size of organizations and complicated behaviors of human beings (Chhabra, 2005). The function of staffing comprises those activities which are essential to manage and keep manned the positions created in organization's structure. It is the task of HR managers to determine the requirements with regard to the number and types of people for the jobs, deciding on qualifications required for those jobs and recruiting, selecting, and training people to perform those jobs efficiently (Ghhabra, 2005).

After determining the number and type of personnel required for the job, the HR manager proceeds with identification of sources of recruitment of suitable candidates for the job. Recruitment precedes selection process, which is the selection of the right candidates for various positions in the organization (Chhabra, 2005).

In itself recruitment is a point to apply for available jobs that involves identification of different sources of labor supply. It also involves and evaluates the vacancies validity, then chooses the most suitable sources, and invites applicants from the prospective candidates for the jobs.

Gould and Campbell, (1987) consider that, when making the final hiring or selection decisions, MR managers should look for potential candidates whose qualifications characteristics and work related values and attitudes must closely conform to the requirements of the open positions and can fit well with organizations need; by effectively carrying out required tasks, and one who can collaborate with colleagues (Graham and Bennet, 1998).

According to Chhabra, (2005) there are many factors that limit or affect the recruitment policy of an organization. These include; size of the organization and kinds of human resources required, effect of past recruitment efforts, nature of the labor market, extent "and strength of trade unions, working conditions, wages, and other benefits offered by other concerns, social and political environment, and legal obligations created by various statutes.

According to Armstrong, (2004) role profiles for recruitment purposes may include a list of the competencies required for a particular job. These competencies include technical competencies (knowledge and skills) and any specific behavioral competencies attained to the role. For recruitment purposes, profiles are extended to include information on terms and conditions - pay, benefits, hours of work etc. The recruitment role profile provides the basics for a person specification (Armstrong, 2004).

Although line managers are often involved, much of the recruitment process is the responsibility of professionals in the MR Departments and they should be aware of the constraints and challenges surrounding the recruitment process before they undertake to find suitable applicants (Haile, 1986). Recruitment agencies should be familiar with the

organization's policies on IIR, affirmative action plans, and environmental incentives that can be used to induce recruits to become applicants (Halcrow, 1988).

The overall aim of the recruitment and selection process is to obtain at minimum cost the numbers and quality of employees required and the human resource needs of the company (Armstrong, 2004). An organization may accept what is on offer even when it falls below the job requirements due to applicants' scarcity and time taken for recruitment (Nexis, 2003).

It is ironic that the recruitment and selection process used can have such a major impact on staff resignation rates. The process of matching a vacancy's requirements to the skills and expenses offered by a group of candidates is far from straight forward despite the fact that there are clear cut criteria, such as skills, knowledge, and recent formal qualifications. Problems can occur where recruiters raise their sights too high. Conversely when an un-skilled candidate is accepted, he/she may be overwhelmed by job demands and fail to perform and disciplinary action may be taken on such an employee for poor performance. The employee may also become disillusioned and burnt out. In either case, early departure is likely.

According to Mowdy, (1990) burnout is a state of fatigue or frustration which stems from devotion to a cause, way of life, or relationship that did not provide the expected reward. Addressing these issues involves ensuring that the recruitment criteria have been identified in a careful, objective manner, and the recruiters have been trained to conduct recruitment and selection in an effective and fair manner (Mowdy, 1990).

Today, there is more pressure than ever before on organizations to make the most cost effective selection choices. Through legislation against discrimination which means that employers with practices that fall short of objectives and fairness could well face costly tribunal complaints.

### **2.3 Selection**

Selection is a move concerned with predicting which candidates was make the most appropriate contribution to the organization, now and in the feature (Hackctt, 1991). Recruitment and selection are integrated activities, "where recruitment stops and selection begin is a moot point" (Anderson, 1994). Organization's recruitment, selection, training, performance appraisal, and compensation practices can have a strong influence on the employee competency. The roles and training of those engaged in recruitment and selection may vary from one business unit to another and the extent to which divergence from organizational policy is permitted (Culley et. al. 1999). In addition, regional differences also influence methodology used (langstry, 1994 and Hall, 1995).

Some performance problems experienced by employees are due to lack of competence in appraising employees. Such deficiencies once identified, can often be remedied through counseling, coaching or training (Chhabra, 2005).

Vp"

1

### **2.4 Job Satisfaction**

Job satisfaction is an attitude that reflects how people feel about their jobs (Mowdy et al. 1992). Job satisfaction, according to this study, refers to the degree to which a person reports satisfaction with intrinsic features of the job (Warr. Cook and Wall 1979). Sills (1968) argued that job satisfaction and commitment are intertwined and one cannot do without the other. Thus for one to be committed, there must be certain factors that guarantee satisfaction to him or her. In the same way one cannot have satisfaction in the absence of commitment to one's duty.

Mullins (2002), states that job satisfaction is more of an attitude, than an internal slate. Lloyd, (2003) also views job satisfaction as a work related attitude influenced by several factors. According to Cranny, Smith and stone (1992) job satisfaction is generally agreed upon by researchers to be an effective reaction to a job that results from the employees' comparison of actual outcomes with those that arc desired.

Locke, (1976) equates job satisfaction to morale of workers. According to Guin, (1958), morale is the extent to which individual needs are satisfied and how the employee views

this satisfaction is coming from his/her work. The theory of hierarchy of needs talks about self esteem in particular as a result of satisfaction. Abraham Maslow (1943). Herzberg explains that satisfaction comes through the job itself, by the adjustment of motivators: achievement, recognition, the work, responsibility and professional growth. He also adds that the approach, through the job itself, however seems to have a larger and more lasting effect (Bettis, 2000).

Job satisfaction has been one of the most extensively discussed and studied concept in organizational and personnel management accounting for more than 5000 published works Chartered Institute of Personnel and Development (CIPD), 2002. The information generated by research into this area has practical implications for individuals and organizations alike, as employees strive for the best quality of life possible and managers are faced with the ever-increasing challenge of operating efficient and effective organizations using the human and technological resources available to them. Understanding job satisfaction and what it means is not only desirable but also a critical aspect to life of both organizations and individuals (Grady et. al 1992).

Although a manager who is successful in increasing the job satisfaction of employees may or may not benefit from an improvement in their productivity, such a manager may probably find the costs of running the department reduced.

Absenteeism can be extremely expensive to the company and may well be reduced if jobs are made satisfying (Graham and Bennett, 1998).

## **2.5 Employee turnover**

Employee turnover is the movement of people into and out of the organization. Recently engaged employees are more likely to leave than long serving employees. Separations and their consequent replacement can be surprisingly expensive. The cost of labor turnover increases when employees are more specialized because they are more difficult to find and require more training (CIPD 2002).

In recent years there has been a mismatch between the rhetoric about job tenure and the reality. People tend to move from employer to employer early in their careers, often staying in the employment for just a few months. But once they find a job (or an employer) that they like, the tendency is to remain for several years. Jobs for life have in truth been rare, but evidence suggests that they remain a reality for many employees, despite the predictions of the management gurus.

As a rule, the more highly paid people are, the less likely they are to switch jobs, but there remain some highly paid professionals such as sales executives whose turnover is higher. It is very easy for an organization to get itself into a vicious circle of turnover if it does not act to stem turnover problem. As soon as more than one or two people leave an organization, more is demanded of those left to carry the burden of the jobs left. Modest turnover rates can rapidly increase with pressure on remaining staff, leading to serious operational difficulties (Dossier, 2004).

There exists a time gap between the time an employee resigns and leaves the organization and the time a new employee is recruited and or placed. This problem is compounded with additional pressure being placed on managers and HR specialists charged with immediate responsibility of filling the vacant positions leading to the selection of people who are not wholly suited to the jobs in question. The result is increased turnover as the pressure on the remaining employees increase. This kind of problem was faced by the Japanese engineering company Makita in the late 1990's. The company addressed the issue by increasing its induction programme from half a day to four weeks and by taking a good deal and more care over its recruitment and selection processes. The result was reduction in turnover levels from 97 percent in 1997 to 38 percent in 1999 (CIPD 2000).

There are factors that affect employee turnover; pull factors and push factors. Pull factors relate to situations in which someone leaves for reasons that are largely unrelated to their work. The most common instances involve people moving away when a spouse or partner is relocated. It may also include individual's poor work performance or failure to fit in comfortably with an organizational or departmental culture.

Push factors are those that are related to dissatisfaction with work or the organization, leading to unwanted turnover. A wide range of issues can be cited to explain such resignation. Insufficient development opportunities, boredom, ineffective supervision, poor levels of employee involvement, and personal clashes are the most common precipitating factors. Organizations can readily address all of these issues. The main reason why so many fail to do this is the absence of mechanisms for picking up sign of dissatisfaction. If there is no opportunity to voice concerns, employees who are unhappy was inevitably start looking for jobs elsewhere as they arc prone to attractions from rival employers. This is where an employee leaves by being attracted by the rival employers. Further, salary levels are also a major factor in addition to other broader notions of career development and better opportunities elsewhere (Bennet, 1998).

Taylor and his colleagues (2002) interviewed 200 people who had recently changed employers about why they left their last jobs. They found a mix of factors at work in most cases but concluded that push factors were a great deal more prevalent than pull factors as causes of voluntary resignations. Interestingly this study found relatively few examples of people leaving for financial reasons. Indeed more of the interviewees took pay cuts in order to move from one job to another than it is commonly said that a pay rise was their principal reason for switching employers. They concluded that other factors played a much bigger role.

There is no set level of employee turnover above which effects on the organization becomes damaging. Everything depends on the type of labor markets. Where the labor market is loose, it is possible to sustain high quality levels of services provision despite having a high turnover rate (Armstrong, 2004)

Expectations are often raised too high during the recruitment process, leading to people competing for and subsequently to accepting jobs for which they are not competent. Organizations do this in order to ensure that they fill their vacancies with sufficient numbers of well qualified people as quickly as possible. However, over the long-term, the practice is counter productive as its leads to costly, avoidable turnover and the development of a poor reputation in local labor markets (Nexis, 2003).

## **2.6 Employee retention**

This can be achieved by; giving prospective employees realistic job preview at the recruitment stage, taking care not to raise expectations too high, only to dash them later, where possible inviting applicants to work on shift on the job before committing themselves, and making sure that new joiners receive sufficient induction training. All these help to minimize the number of people leaving the organization within the first six months of employment.

An effective management program can be formed. In general, the management of turnover was have the greatest organization benefit when it is targeted at encouraging the retention of valued employees and facilitates the replacement of less effective employees with more effective staff. Although each organization needs to assess the patters of turnover for its own particular circumstances, there are some general policies to consider that have been shown to improve satisfaction and, in return, reduce the level of turnover that should be part of any formal employee-retention program:

Establish and maintain both the practice and the impression of fair treatment of all employees, so as to help foster a positive, consistent and reassuring work environment. Ensure that senior management and immediate supervisors demonstrate their own sense of commitment to the organization.

Emphasize the need for a close match between the personality/work style of prospective employees with the organization's culture as well as providing prospective employees with realistic job previews - there is evidence to suggest that newcomers to an organization who leave within the first few years my have a different commitment propensity at the time they join the organization than do those employees who stay. A more thorough assessment of an employees' past experience and reasons for leaving their last job may help identify employees who arc more likely to feel a stronger sense of organizational commitment in the long run.

Properly incorporate new employees into the organization and manage their expectations and initial experiences with the organization - in fact, a large financial services firm found that it could effectively reduce turnover among new hires by deliberately improving the process of socializing new employees into the corporate culture, particularly through the use of mentoring.

Communicate realistic and attainable expectations of performance to all employees so as to avoid the potential for "shock" and the development of dissatisfaction.

Give positive and constructive feedback on a regular basis, including through both formal job performance reviews and informal channels of communication with employees, as well as ensuring that viable reward and recognition programs are used to motivate all employees and offer clear-cut opportunities for job enhancement, advancement and career development.

## **2.7 Best Human Resource Practices**

"Objectivity and fairness in recruitment are taken as the starting point for the compilation of accurate job descriptions and person specifications based on job analysis techniques. Job description and person specifications can contribute, particularly in providing the starting point for formal performance management review. When an individual's actual performance is measured against the requirements of the job (Monday, 1990). The importance of ensuring the selection of the right people to join the workforce has become increasingly apparent as the emphasis on people as the prime source of competitive advantage has grown.

Beaumont, (1993) identifies three key issues that have increased the potential importance of (he selection decision to organizations. First, demographic trends and changes in the labour market, have led to a more diverse workforce which has placed increased pressure on the notion of fairness in selection. Second, the desire for a multi-skilled flexible workforce and an increased emphasis on team work has meant that the solution decisions are concerned more with behavior and attitudes than with matching of individuals to immediate job requirements. Third, the emphasis on corporate strategic management and

strategic HRM has led to the notion of strategic selection. Strategic selection is a system that links selection processes to outcomes of organizational goals. It aims to match the How of people to organizational needs. Recruitment and selection are increasingly important from a HRM perspective. However, many of the traditional methods of recruitment and selection are being challenged by the need for organizations to address the increased competition and rapid pace of changes in the contemporary environment (Beardwell et. al, 1989).

When making the final hiring or selection decisions, HR managers should look for potential candidates whose qualification characteristics and work related values and attitudes closely conform to the requirements of the vacant positions and can fit well to organization's needs, and who effectively carries out required tasks and collaborates well with other employees (Graham and Bennct, 1998). On the whole, HR managers need to ensure, that the recruitment and selection practices that they adopt is coherent and consistent with their firm's business strategies and with other associated functions such as planning, training and development, pay and benefits. In other words recruitment and selection need to be considered as an integrated process rather than ad hoc activities.

Since recruitment and selection are the first stages of employment relationship between applicants and the organization HR managers need to identify staff with potential to match the needs of employers. I bis enhances achievement of desired IIRM outcomes like increasing employee performance and retention easier (Gould 1984).

Strategic IIRM is holistic. It is concerned with the organization as a total entity and addresses what needs to be done across the organization as a whole in order to enable it achieve its corporate strategic objectives. It is not interested in isolated programmes and techniques, or in the ad hoc development of HR practices (Armstrong, 2004).

The need for preferring certain approaches to the management of people received considerable attention in the 1980's as the influent HRM. This was a normative model based on a classical view of strategic decision making suggesting that recruitment and selection policies should be aligned to a variety of organizational factors (Tegge, 1995).

The model illustrated that HR strategies and activities, including recruitment and selection, should be both vertically integrated with the organization's position or preferred business strategy, and horizontally integrated with each other (Gould and Campbell 1987).

According to Beer et al, (1984), the policy areas of HRM include, employee influence, HRM flow, reward systems and work systems. This framework according to them stimulates managers to plan how to accomplish the major HRM tasks in a unified, coherent manner rather than in a disjointed approach based on some combination of past practice, accident and ad hoc response to outside pressures (Armstrong, 2004). CIPD 1994 describes trust as the only basis upon which commitment can be generated. However, in many organizations, inconsistency between what is said and done undermines trust.

Organizations' recruitment, selection, training, performance appraisal and compensation practices can have a strong influence on employee competence. Parallel strategies in recruitment, selection, pay and development, in particular are very important. (Beardwell, et al. 2004)

The Kochan and Barochei model, argues that organizations have life cycles and that recruitment, selection and staffing policies vary according to an organizational perceived stage in the cycle. Other models attempt to link recruitment and selection to product strategies (Fombrum et al 1984). HR strategies, including recruitment and selection depend on whether an organization's strategic management style can be classified as one of strategic planning, that is. maximum competitive advantages through the pursuit of ambitious long-term development of employees, financial control or strategic control "(Gould and Campbell, 1987).

These different ways of competing are significant for managing HR because they help determine desired employees behaviors. For competitive strategies to be successfully implemented employees have to behave in certain ways; and for employees to behave in

certain ways, strategic HR practices need to be put in place. This helps to ensure that those behavioral requirements are explained and rewarded (Beardwell, et al, 2004)

In an attempt to increase profitability and finance anticipated growth, the strategic objectives of call centers in UK at the turn of the century included reducing labor turnover and reduction of recruitment and training costs (Davis 1999). Among several suggestions made one approach that appeared to have considerable success was the introduction of vigorous selection techniques such as competence based interviews, psychometric tests, work sample tests, and simulation. This was meant to identify the ideal person for the call centre (Whitehead, 1999).

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Research design**

This study used a survey research design. The design was preferred because of the nature of the research objective which required a comparative analysis. Furthermore cross-sectional data was collected since the study was done at one point in time and across several firms.

### **3.2 Population**

The target population in this study was manufacturing firms registered with Kenya Association of Manufacturers (KAM) and operating in Nairobi. There were 549 companies in total registered with KAM out of which about 400 companies were in Nairobi (KAM Directory 2005/2006).

### **3.3 Sample and sampling frame**

A sample of thirty (30) companies was selected for this study; this is because 30 respondents and above is considered adequate in a survey of this kind (Kothari, 2004). Using stratified sampling approach, (See Appendix III) companies in Nairobi were classified into three categories; small (10 to 49 employees), medium (50 to 99 employees), and large (100 and above employees) companies. This classification was adopted from KIRDI baseline survey of 1997 and Private Sector Development Strategy paper 2006-2010 by Ministry of Trade and Industry, Government of Kenya. Four (4) questionnaires were given out to each of the thirty (30) companies selected, giving a total of one hundred and twenty (120) respondents.

### **3.4 Data collection**

Primary data was collected using questionnaires addressed to each respondent and administered using the drop and pick method. Appointments were made to see respondents where further clarification was required. The questionnaires contained both open and closed ended questions. Casual laborers and part-time workers were not included. This is because FIR practices may not apply to them.

The questionnaire is divided into four sections; A to D. Section A focuses on biographical data and the organization's sector, size, and number of years in operation,

section B addresses recruitment and selection practices, section C focuses on job satisfaction, and finally, section D addresses job retention.

Section A (on biographical data) and section C (on job satisfaction) was be administered to all the respondents. Section B (on recruitment and selection) and section D (on job retention), was be filled in by Human Resource Managers or tiny senior officer(s) in charge of HR. Four questionnaires were given to each company, two for each of the two levels of management i.e. low level and middle level.

### **3.5 Data analysis**

Descriptive statistics was used to analyze the data collected; these statistics include mean, frequencies, percentages, and standard deviation. Pearson's product moment co-relation technique was used to test the relationship among the key variables of the study.

## CHAPTER FOUR: DATA ANALYSIS AND RESULTS

### 4.1 Introduction

### 4.2 Bio-data and company history

In this survey, a sample of 30 manufacturing companies was selected and each company was given (4) questionnaires. Thirty six (36) respondents in all filled the questionnaires as required. Of the thirty-six respondents who filled the questionnaires (19) or 52.78 % were male respondents and seventeen (17) or 47.22% were female (table 1 below).

**Table 1: Respondents by gender**

Gender	Number of respondents	Percentage
Male	19	52.78
Female	17	47.22
<b>Total</b>	<b>36</b>	<b>100.00</b>

Analysis of the thirty six (36) respondents who filled up the questionnaires, three (3) respondents did not disclose for how long they had worked with their respective companies. Twelve (12) respondents or 36.36 percent indicated that they had stayed with their current employer for up to three years, four or (12.12) percent indicated to have stayed for between 4 to 6 years while 17 respondents in or 51.52 percent had stayed for more than 7 years (table 2 below).

**Table 2: Number of years that the respondents have been with the company**

Number of years	Number of respondents	Percentage
0 to 3	12	36.36
4 to 6	4	12.12
7 and above	17	51.52
<b>Total</b>	<b>33</b>	<b>100.00</b>

Out of the seventeen (17) companies which responded to this questionnaire, two (2) companies were from food and beverages industry, two (2) from detergents industry, two (2) from the motor industry, and the rest were from various industries as shown in table 3 below.

**Table 3: Area in which the company specializes in**

	<b>Number of respondents</b>	<b>Percentage</b>
Food staff	2	11.8
Beverages	0	0
Detergents	2	11.8
Iron Steel	0	0
Motor vehicles	2	11.8
Baking powder	1	5.9
Construction	1	5.9
Wines & spirits	1	5.9
Steel wool manufactures	1	5.9
Pharmaceutical		0
Publishing	1	5.9
Manufactures of glass	1	5.9
Manufactures of cables	1	5.9
Manufactures of solar batteries	1	5.9
Manufactures of ink	1	5.9
Personal care & home care products	1	5.9
Other	1	5.9
<b>Total</b>	<b>17</b>	<b>100.00</b>

Out of these seventeen companies, (12 companies) had 100 and above employees while 17.65 percent 3 companies had between 50 -99 employees and the remaining 11.76 percent, (2) companies had between 10- 49 employees. None of the companies with less than 10 employees respondent to this survey (Table 4). Although the companies had been categorized into small, medium, and large companies, this was based on Kenya Industrial Research Development Institute (KIRDI) baseline survey of 1997 and the results of the survey have revealed that most companies have since grown hence the results of table 4.

**Table 4: Company classification by number of employees**

Number of employees	Number of companies	Percentage
1-9	0	0
10-49	2	11.76
50-99	1	17.65
100 and above	12	70.59
<b>Total</b>	<b>17</b>	<b>100.00</b>

### 4.3 Recruitment and selection

The extent to which different companies in the manufacturing sector use different recruitment and selection methods was assessed using a five point Likert scale. The results obtained indicated that all the recruitment and selection methods studied are used. However, Advertisement of vacancies and promotion from within are most preferred consultants and employment agencies are least preferred (table 5).

**Table 5: Recruitment and selections methods**

Scale	Scale & frequencies'					Mean score	Std dev
	1	2	3	4	5		
	Frequencies						
Promotion from within	0	7	11	9	7	3.5	1.05
Advertisement of vacancies	5	2	4	15	7	3.5	1.33
Employees referrals	4	5	11	10	2	3.0	1.12
Transfers	7	7	14	6	0	2.6	1.02
Consultants	13	8	2	5	1	2.3	1.41
Job rotation	4	13	8	8	0	2.6	1.00
Employment agencies	13	6	2	7	1	2.4	1.48
Data Bank	7	5	8	8	4	2.9	1.35
Collages and Universities	4	8	11	6	1	2.7	1.05
Other	2	1	5	1	0	2.6	1.01
<b>Average frequency</b>	<b>5.9</b>	<b>6.2</b>	<b>7.6</b>	<b>7.5</b>	<b>2.7</b>		

In selecting employees for vacant positions in the manufacturing sector, academic qualifications and competence emerged as the most widely used. Individuals flexibility is least considered as a method of selecting employees for vacant positions (table 6)

<sup>1</sup> In this research paper, 1=Not at all, 2=Little extent, 3=Moderate extent, 4=Great extent, and 5=Very great extent

**Table 6: Methods of selecting employees for vacant positions**

Scale	Scale & frequencies					Mean score	Std dev
	1	2	3	4	5		
Frequencies							
Academic qualifications	0	1	8	11	15	4.1	0.88
Professional qualifications	0	1	7	16	11	4.1	0.80
Competence	0	2	4	15	13	4.1	0.86
Experience	0	3	5	20	7	3.9	0.83
Past performance	1	9	5	14	4	3.7	1.11
Individual's flexibility	5	6	8	10	5	3.1	1.30
Compatibility	1	5	9	14	3	3.4	0.98
Accessibility/Availability	2	5	10	10	5	3.7	1.12
Credibility	1	1	12	12	8	3.7	0.96
<b>Average frequency</b>	<b>1.1</b>	<b>3.7</b>	<b>7.6</b>	<b>13.6</b>	<b>7.9</b>		

} -,

One of the objectives of this survey was to determine the extent to which various selection methods are used. Interviews stood out as the most used method followed by application forms, references, shortlists and selection tests respectively as indicated in table 7.

**Table 7: Recruitment and selection process**

Scale	Scale & frequencies					Mean score	Std dev
	1	2	3	4	5		
Frequencies							
Application forms	6	0	4	9	14	3.76	1.48
Shortlists	7	0	6	11	10	3.50	1.46
Interviews	1	1	2	12	16	4.15	1.08
Selection tests	4	5	12	6	5	3.09	1.23
Medical examinations	11	2	6	11	2	2.72	1.42
References	2	4	8	15	6	3.54	1.09
Other	2	0	1	1	0	2.83	1.47
<b>Average frequency</b>	<b>4.7</b>	<b>2.0</b>	<b>5.6</b>	<b>9.6</b>	<b>7.6</b>		

#### 4.4 Job satisfaction

**Table 8: Assessment of Job satisfaction**

Scale	Scale & frequencies					Mean score	Std (lev)
	1	2	3	4	5		
	Frequencies						
I have a lot of variety in my job	0	j	9	13	9	3.82	0.94
I get a lot of information about the operations of the organization.	1	j	6	18	8	3.81	0.98
I am certain to be promoted to a job I do my job with more prestige and better pay package.	3	10	6	8	7	3.18	1.31
I have pleasant work environment.	2	2	10	15	7	3.64	1.05
I have a good relationship with my co-workers.	0	2	4	19	11	4.08	0.81
In my job I am treated as a responsible, important person.	0	1	6	20	9	4.03	0.74
I don't believe there is too much pressure in my job.	4	4	12	13	3	3.19	1.12
I don't mind a lot of work being given to me.	0	6	7	17	6	3.64	0.96
job is important to the organization.	0	0	3	15	17	4.40	0.65
I frequently see the results of my work.	1	2	5	11	17	4.14	1.05
The training I have received for my job is adequate.	2	4	10	11	8	3.54	1.15
I am given opportunity to participate in decision making in my organization	$j^j$	11	6	13	2	3.00	1.14
My co-workers co-operate with each other to get the work done.	1	$j$	13	16	$j$	3.47	0.88
My supervisor is very understanding and appreciates the difficulties I experience in my job.	4	6	9	10	7	3.28	1.28
Communication between my supervisor and me is good.	1	2	10	18	5	3.67	0.89
I have input into decision made in my department.	1	4	8	14	7	3.65	1.04
I have adequate authority to carry out my job.	1	4	11	12	8	3.61	1.05
I perform work that is meaningful.	0	0	7	11	18	4.31	0.79
The institution has a good reputation as a manufacturing company.	0	0	6	9	20	4.40	0.77
I believe that management has done enough to improve the relations of itself and its works.	1	6	12	9	8	3.47	1.11
I believe my salary is the same as I would earn elsewhere.	$j$	12	13	5	2	2.74	1.01
My supervisor encourages me to suggest new ways of doing things.	2	5	8	19	2	3.39	0.99
I have opportunity to use and develop my skills and knowledge.	1	6	5	14	10	3.72	1.14
I receive adequate and fair compensation.	i	4	17	10	3	3.29	0.89
Considering everything I am satisfied with my job.	1	4	11	12	7	3.57	1.04
Average frequency	1.3	4.2	8.6	13.3	8.2		

Table 8 above shows that majority of respondents felt that their organizations have a good reputation among the manufacturing companies in Kenya. Further, many pointed out that the jobs they do was important to the company implying that they like their work. A good majority of respondents felt that the work they perform is meaningful indicating that most employees in the manufacturing sector in Kenya appreciate their jobs. Most workers in addition revealed that they see the results of their work.

Survey results also revealed that generally there exist, good employee relationships and proper communication channels across manufacturing firms in Kenya. However, on the contrary, the results of my survey revealed that generally employees in the manufacturing sector are not involved in decision making process implying that though many like their jobs, they dislike management's failure to involve them in decision making process. Another area where employees voiced their concern is that in many occasions they are not given an opportunity to develop their skills.

A notable observation from Table 8 is that most employees believe that salaries in the manufacturing sector are low compared with those in other sectors in the economy. This could affect the industrialization process as outlined under Vision 2030 and thus the government should encourage employers in the manufacturing sector to consider paying their employees in line with salaries in other sectors.

#### **4.5 Job retention**

Table 9 shows collected data on job retention. The results obtained indicated that 7.3 percent of employees leave employment during their first year of employment contract while 8.1 percent leave during their second year of employment. 3.2 percent leave in their third year with those leaving in the succeeding years increasing to 5.0 percent and 5.6 percent respectively before declining to 3.3 percent in the sixth year.

**Table 9: Percentage of employees leaving the company yearly**

	<b>Average percentage</b>	<b>Std dev</b>
Leaving after 1 <sup>st</sup> year	7.3	9.2
Leaving alter 2 <sup>nd</sup> year	8.1	11.4
Leaving after 3 <sup>rd</sup> year	3.2	3.4
Leaving after 4 <sup>th</sup> year	5.0	7.5
Leaving after 5 <sup>th</sup> year	5.6	10.1
Leaving after 6 <sup>th</sup> year	3.3	3.6

62.86 percent and 61.76 percent of the interviewed respondents respectively felt that both exit interviews and Job previews are carried out in the manufacturing sector while 37.14 percent and 38.24 percent of respondents respectively felt otherwise (Table 10 & 11 below).

**Table 10: Use of exit interviews**

	<b>Number of respondents</b>	<b>Percentage</b>
Exit interviews done	22	62.86
Exit interviews not done	13	37.14
<b>Total</b>	<b>35</b>	<b>100.00</b>

**Table 11: Use of Job previews**

	<b>Number of respondents</b>	<b>Percentage</b>
Job previews done	21	61.76
Job previews not done	13	38.24
<b>Total</b>	<b>34</b>	<b>100.00</b>

#### **4.6 Relationship between recruitment practices, Job satisfaction, and retention**

To carry out this test, I took X to be the average measure of recruitment practices based on average frequencies to which each attribute (1: Not at all, 2: Little extent, 3: Moderate extent, 4: Great extent, and 5: Very great extent) was used as a measure of recruitment practices. Similarly I took Y as a measure of job satisfaction based on the same concept. I

further took Z as a measure of job retention as the difference between 100 percent and the percentage leaving each of the first five years.

The product moment correlation between these variables was then determined using the product moment correlation formula;

$$r_{xy} = \frac{\sum XY - \frac{\sum X \sum Y}{n}}{\sqrt{(\sum X^2 - \frac{(\sum X)^2}{n})(\sum Y^2 - \frac{(\sum Y)^2}{n})}}$$

**Table 12: Determination of product moment correlation**

Recruitment practices X	Job satisfaction Y	Job retention Z	X <sup>2</sup>	Y <sup>2</sup>	Z <sup>2</sup>	XY	XZ	YZ
5.9	1.3	92.7	34.8	1.7	8,587.1	7.8	546.7	122.3
* 6.2	4.2	91.9	38.4	17.3	8,441.0	25.8	569.6	382.2
7.6	8.6	96.8	57.8	73.3	9,364.3	65.1	735.4	828.3
7.5	13.3	95.0	56.3	176.4	9,021.8	99.6	712.4	1,261.4
2.7	8.2	94.4	7.3	66.6	8,904.3	22.0	254.8	770.0
HX =	MY =	∑Z =	∑X <sup>2</sup> =	∑Y <sup>2</sup> =	∑Z <sup>2</sup> =	∑XY =	∑XZ =	∑YZ =
<b>6.0</b>	<b>7.1</b>	<b>94.1</b>	<b>94.1</b>	<b>335.3</b>	<b>44,318.5</b>	<b>220.3</b>	<b>2,819.0</b>	<b>3,364.2</b>

From table 12,  $S_{xy} = 1.6$ ,  $S_{xz} = 0.9$ ,  $S_{yz} = 4.9$ ,  $S_x^2 = 3.1$ ,  $S_y^2 = 16.7$ ,  $S_z^2 = 3.0$ . Further, using these results,  $r_{xy} = 0.2$ ,  $r_{xz} = 0.3$ , and  $r_{yz} = 0.7$

These results indicate that there is a strong positive relationship between job satisfaction and job retention ( $r_{yz} = 0.7$ ) but weak positive relationships between recruitment practices and job satisfaction ( $r_{xy} = 0.2$ ) and recruitment practices and job retention ( $r_{xz} = 0.3$ ).

## CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

### 5.0 Introduction

In this chapter the conclusions arrived at from the research are discussed in the light of the objectives of the study. The objective of the study was to establish the relationship among Recruitment practices, Job satisfaction and Employee retention in the Kenyan manufacturing firms. To achieve this, a survey was carried out in 30 manufacturing firms out of which 17 responded making it a response rate of 57%. In a survey of this kind response rate above 50 % is deemed adequate.

### 5.1 Summary and conclusions

The dynamism of the business environment caused by increased competition, increase customer demand and improved technology and the need for strategic planning call for a business management strategies that encompass use of strategic human resource management practices that include strategic recruitment and selection of human resources, improved employee satisfaction and employee retention. The results of research indicated that job satisfaction is a key requirement of employee retention. They indicate that there is a strong positive relationship between job satisfaction and job retention ( $r_{yz} = 0.7$ ) but weak positive relationships between recruitment practices and job satisfaction ( $r_{xy} = 0.2$ ) and recruitment practices and job retention ( $r_{xz} = 0.3$ ).

The research revealed that majority of the companies that responded were those that have over 100 employees forming 70.59% of the respondents. From the research it was established that during recruitment and selection in the Kenyan manufacturing sector Advertisement of vacancies and promotion are most preferred both with a mean score of 3.5 over consultants and employment agencies whose measurements were 2.3 and 2.4 respectively. When selection tools were tested, interviews were the most used method followed by application forms. Majority of the employees in manufacturing sector in Kenya appreciate their jobs and see the results of their work.

The study also revealed that there exists good employee relation and proper communication channels across manufacturing firms in Kenya. However, the results revealed that majority of employees were not involved in decision making process. It was also noted that employees were not given the opportunity to develop their skills.

At the same time they felt that their salaries in the manufacturing sector were low compared to other sectors in the economy.

According to the findings of the study, 7.3 percent of employees leave during their first year of employment contract while 8.1 percent leave during their second year of employment the trend declines to 3.2% in the third year but increased to 5.0 and 5.6 percent in fourth and fifth years respectively. This shows a high employee turnover with the first two years of employment in the manufacturing sector.

\*

From the respondents 62.86 of the manufacturing sector carried out exit interviews compared to 37.14 percent that did not. Moreover it was evident that 61.76% of companies carried out job previews. This is an indication that most firms in the manufacturing centre in Kenya understand the benefits of conducting realistic job previews and exit interviews as the firm apply best MR practice to a great extent.

## **5.2 Suggestions for further study**

- « Due to the scarcity of resources such as time and finance the study was limited to the relationship among recruitment practice, job satisfaction and job retention in Kenyan organizations and it is recommended that further research be conducted on key variables that affect job satisfaction.
- The study can also be conducted in to determine the relationship between job satisfaction and employee retention in other sectors of the Kenyan economic such as banking and tourism.
- The study used questionnaires and this implies that the findings could be opinions of the responding managers and therefore the findings may not represent the reality in the firm.

### **5.3 Recommendations**

Based on the findings it is evident that most manufacturing firms have adopted Best Human Resource practices. However the extent to which they are being used needs to be improved because the failure to adopt these practices could affect the achievement of vision 2030 by the government of Kenya.

There is also a need for the government to encourage employers in the manufacturing sector to consider paying employees in line with other sectors.

### **5.4 Limitations**

- Many contended that the information sought was confidential; respondents therefore took a lot of time to consulting for fear of disclosing information deemed to be important for the company's competitive advantage. This was in spite of assurance that the research was for academic purposes only.
- There was no available comprehensive and up to date grouping, listing or directory of the manufacturing firms industry in Kenya. The directory that was eventually used was the KIRDI directory of 1997. This had the shortcoming of listing some firms that had since closed, changed names, relocated or grown from their grouping then.
- The study dealt with three variables and given this breadth of the subject the respondents felt that the questionnaire was too long and as such would take a lot of time to complete this discouraged some respondents hence the response of 57%.

## REFERENCES

- Ansoff, I. and MacDonnell E. (1990), **Implanting Strategic Management**, 2<sup>nd</sup> edition, Europe: Prenticehall.
- Aosa, E. (1992) '**An empirical investigation of aspects of strategy formulation and implementation within large, private manufacturing companies in Kenya**' Unpublished Doctoral thesis, Scotland: University of Stathclyde.
- Armstrong M. (1995), **A Handbook of Personnel Management practices**. New York: Kogan page Ltd.
- Bcardwell Ian; lholden, Tim Claydon (1997), **Human Resource Management contemporary approach** 2<sup>nd</sup> ed. England: Financial times professional Ltd.
- Bcardwell; Ian Holder, Tim Claydon (2004), **Human Resource Mgt contemporary approach** 4<sup>th</sup> cd. UK: Pearson Education Ltd.
- Bruce W. and Bluckburn J. (1992), **Balancing Job satisfaction and performance, a guide for Human Resource professionals**, Greenwood publishing groups incl.
- Chhabra Dr. T. N. (2005), **Human Resources Management concepts and issues** New Delhi: Dhanpat Rai & Co. Ltd.
- Cole G. A. (2002), **Personnel and Human Resource Management**, 5<sup>th</sup> edition, Book power ELST.DP publishing Ltd.
- Dessler C. (2004). **Human Resource Management**, 9<sup>th</sup> edition New Delhi: Pearson Education.
- Frese, M. (1995) **Stress at work and psychosomatic companies; a casual interpretation**. Journal of applied psychology, 70, 314-328

Gold and Campell (1987), **Recruitment and Selection**, Singapore: Fusto publishers.

Graham H. T. and Bennet R (1998), **Human Resource Management**, 9<sup>th</sup> edition,  
London: Pearson professional Ltd.

Griffeth, R. W. (1995), Employee turnover, Cincinnati Ohio: South-Western College  
Publishing Co.

• *Aj*

Griffeth, R. W., Horn, P. W.. and Gaerther S. (2000), **A Meta analysis of antecedents,  
and correlation of employee turnover; update, moderator tests and research  
implication for the next millennium.** Journal of Management, 26 (3), 463-468

llalcrow (1990), **Employees are your best recruiters**, London: [htt://www.google.com](http://www.google.com)

Institute of Personnel Development (1994), **People make the difference:**  
[www.CIPD.co.uk](http://www.CIPD.co.uk).

IRS (2000c), **Improving retention and performance through employee induction .**  
Employee Development Bulletin, No 130 pp. 10-16, October, 2000.

KAM. F. (2007). **Kenya's manufacturing Industry:** A survey of the sector 2006 Kenya  
Association of Manufacturers, Nairobi

Kenya Directory of manufacturing Industries (1997) 3<sup>d</sup> ed. Kenya Industrial Research  
Institute (KRDI).

Kochan T and Borocci T. (1995), **Human Resource Management and industrial  
relations**, Boston MA little Brown

Kothari C. R. (2004), **Research Methodology: Methods and Techniques**, 2<sup>nd</sup> edition  
New Delhi: New Age International (p) Ltd.

Krulis-Randa, J (1999) **Strategic Human Resource Management in Europe after 1992:**

International journal of Human Resources Management 1(13) 131-9.

Legge, K (1995), **Human Resource Management Rhetoric and Realities**

London Mc Graw-Hill Press Ltd.

Lexis Nexis (2003), **IHR best practices in HR UK:** Eclipse group Ltd.

Locke (1976), **The nature and causes of job satisfaction** M.D. Dunnette (Ed.),

Handbook of industrial and organizational Psychology London: New York Wiley Ltd.

Mowday R. W. Allyn and Bacon (1990), **Management and organizational behavior**  
**160 Ground Street.**

› t

Mowday, R. W., Porker, L. W. and Steer, R. M. (1992) **Employee organization in Kenya, The psychology of commitment, absenteeism and turnover,** New York Academic Press.

Mwangi Pauline W. (2003), **A survey of the extent of global operations of local manufacturing firms** Unpublished MBA project University of Nairobi.

Rousseau, DM, and Wade-Benzoni, K.A. (1995, **changing industrial organization attachment in** A. Howard (Ed.), The changing nature of work Sanfransisco. Jossey Bass.

Rimberia C.K.(2001), **A survey of the use of flexible Human Resource practices by manufacturing firms in Nairobi.** Unpublished MBA project University of Nairobi.

Taylor, S. (2000), **The Employee Retention Handbook.** London: Cromwell Publishers.

Thomson M. (1998), **Trust and Rewards, In Trust Motivation and commitment: A reader,** ed Stephen Perkins and St. John Sanding Ham, Strategic Remuneration Research Centre, Larrington.

Torrington, Dp (1989), **Human Resource Management and the Personnel function,** (in Jstorey, ed) New perspective in Human Resource Management. London: routeledge.

## APPENDIX I: LETTER OF INTRODUCTION

University of Nairobi,  
Department of Management Science,  
School of Business,  
P.O BOX 30197-NAIROBI

**August, 2008**

**Dear Sir/Madam,**

**RK: STUDY ON "RECRUITMENT PRACTICES, JOB SATISFACTION AND  
EMPLOYEE RETENTION IN THE KENYAN MANUFACTURING SECTOR."**

I am a student undertaking a Master of Business Administration (MBA) degree at the University of Nairobi. As part of the academic requirements towards the completion of this course, I am carrying out a study on "**recruitment practices, job satisfaction, and employee retention in the Kenyan Manufacturing sector**". In view of this therefore, I kindly request you to take a few minutes of your busy schedule and complete for me the attached questionnaire.

The information provided was to be treated in **confidence** and was to be **strictly** used for the purpose of this study only, further, your name and that of your organization was **not** appear in any case in the report since it is only the consolidated information that was relevant for this study. The findings of the study can be availed to you upon completion in case you may need them.

Your support was highly appreciated

Thank you in advance

Yours faithfully,

Linnah N. Kilonzi  
MBA Student

Prof. K'Obonyo P.  
Supervisor  
University of Nairobi

## APPENDIX 11: QUESTIONNAIRE

### Section A: Biodata and Company History (responded by all)

1) Gender

2) Number of years in the company

3) Name of the manufacturing company (optional)

4) Department

5) What does the company specialize in? (Tick) one

a) Food stuff

b) Beverages

c) Detergents

d) Iron steel

e) Other specify

I

6) How many employees do you have in your firm? (Tick) one

a) 1 to 9

b) 10 to 49

c) 50 to 99

d) 100 and above

**Section B: Recruitment and selection (responded by hr Department)**

To what extent does your company use the following criteria for recruitment/ selection .Tick appropriate point on the scale for each item that applies to you? Use the scales presented below where 1=Not at all, 2=Little extent, 3=Moderate extent, 4=Great extent, and 5=Very great extent.

	1	2	3	4	5
6) Promotion from within	1 ]	1 1	r i	t	
7) Advertisement of vacancies	1 1	[ J	i ]	t	
8) Employees referrals	1 ]	i ]	i i	[	
9) Transfers	1 ]	L 1	L i	i	
10) Consultants	1 ]	1 ]	i ]	[	
11) Job rotation	[ J	[ 1	[ i	i	
12) Employment Agencies	1 ]	[ ]	i i	t	
13) Data Bank	1 ]	1 ]	[ i	t	
14) Colleges and Universities]		[ J	i ]	t	
15) Other (specify)	1 1		i i	i	

To what extent do you use the following criteria in selecting employees for vacant positions in your organization? Tick appropriate point on the scale for each item that applies to you? Use the scales presented below where 1=Not at all, 2=Little extent, 3 Moderate extent, 4=Great extent, and 5=Vcry great extent.

	1	2	3	4	5
16) Acadcmic qualifications	[ 1	[ 1	[ ]	11	i ]
17) Professional Qualification	[ J	1 ]	i i	[ ]	[ 1
18) Competence	[ 1	[ ]	i ]	[ i	1 1
19) Experience	1 ]	I J	[ ]	11	[ J
20) Past performance	[ 1	[ 1	11	[ i	1 ]
21) Individual's flexibility	[ 1	[ ]	i ]	t ]	[ 1
22) Compatibility	[ 1	[ ]	[ ]	[ J	[ ]
23) Accessibility/Availability	[ ]	i i	i ]	t j	[ J
24) Credibility	[ J	[ ]	N	[ J	1 ]

To what extent does your organization use the following in the recruitment and selection process? Use the scale below, where 1=Not at all, 2=Little extent, 3=Moderate extent, 4 Great extent, and 5^Very great extent. (Tick as appropriate)

- |                          |     |   |     |
|--------------------------|-----|---|-----|
|                          | 2   | 3 | 4   |
| 25) Application forms    |     |   | I J |
| 26) Shortlists           |     |   |     |
| 27) Interviews           |     |   |     |
| 28) Selection tests      | [ J |   | ] [ |
| 29) Medical examinations | 1 ] |   |     |
| 30) References           |     |   |     |
| 31) Other (specify)      |     |   |     |

**Section C: Job satisfaction**

On a scale of 1-5, please indicate the extent to which the following statements describe how you feel about your-job. where 1 Not at all, 2 kittle extent, 3=Moderate extent, 4=Great extent, and 5 Very great extent.

- |   |     |     |   |   |
|---|-----|-----|---|---|
|   | 1   | 2   | 3 | 4 |
| 32) I have a lot of variety in my job.  | [ ] | [ ] |   |   |
| 33) I get a lot of information about the operations of the organization.                        |     |     |   |   |
| 34) I am certain to be promoted to a job I do my job with more prestige and better pay package. |     |     |   |   |
| 35) I have pleasant work environment.   |     |     |   |   |
| 36) I have a good relationship with my co-workers.  |     |     |   |   |
| 37) In my job I am treated as a responsible, important person.                                  |     |     |   |   |
| 38) I don't believe there is too much pressure in my job.                                       |     |     |   |   |
| 39) I don't mind a lot of work being given to me.   |     |     |   |   |
| 40) My job is important to the organization.  |     |     |   |   |
| 41) I frequently see the results of my work.  |     |     |   |   |
| 42) The training I have received for my job is adequate.  |     |     |   |   |

- 43) I am given opportunity to participate in decision making in my organization
- 44) My co-workers co-operate with each other to get the work done.
- 45) My supervisor is very understanding and appreciates the difficulties I experience in my job.
- 46) Communication between my supervisor and me is good.
- 47) I have input into decision made in my department.
- 48) I have adequate authority to carry out my job.
- 49) I perform work that is meaningful.
- 50) The institution has a good reputation as a manufacturing company.
- 51) I believe that management has done enough to improve the relations of itself and its works.
- 52) I believe my salary is the same as I would earn elsewhere.
- 53) My supervisor encourages me to suggest new ways of doing things.
- 54) I have opportunity to use and develop my skills and knowledge.
- 55) I receive adequate and fair compensation.
- 56) Considering everything I am satisfied with my job.

**Section D: Job retention**

- 57 what percentage of employees quit your organization in the:
- a) 1<sup>st</sup> year of employment
  - b) 2<sup>nd</sup> year of employment
  - c) 3<sup>d</sup> year of employment
  - d) 4<sup>th</sup> year of employment
  - e) 5<sup>th</sup> Year of employment
  - f) 6 Year of employment



## **APPENDIX III**

### **Sample Manufacturing Firms in Nairobi Registered By KAM**

#### Small firms

1. Brother shirts factory
2. Carbacid (Co2) Ltd
3. Dodhia Packaging Ltd
4. Galaxy Paint (K) Ltd
5. Ilenkel Kenya Ltd
6. Kenya Wine Agencies
7. Metoxide Africa Ltd
8. Napro Industries Ltd
9. Novelty manufacturers

#### Medium firms

10. Bluebird Garments Factory
11. C.M.C. Engineering Ltd
12. Impala Glass industries
13. Kappa Oil Refineries Ftd
14. Nairobi Flour Mills Ltd
15. Power techniques Ltd
16. Sadolin Paints
17. Uni plastics Ltd

#### Large firms

18. B.A.T Kenya Ftd
19. Cooper Motors Corporation (K) Ftd
20. Fast African Spectre Ftd
21. blast African Cables ltd
22. Firestone (F.A) Ftd
23. Ilaco Industries Ftd
24. Jomo kenyatta Foundation
25. Kenafic Industries Ftd
26. Laboratory and Allied Ftd
27. Mastermind Tobacco
28. Nairobi Bottlers Ltd
29. Tetra Pak Ltd.
30. Coates Brother (EA) Ftd