PERCEIVED INFLUENCE OF LEARNING AND DEVELOPMENT ON EMPLOYEE RETENTION AT KENYA POWER

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DECLARATION

I declare that this project is my original work and has not been presented to any university for award of any other degree.

Signature: ----------------------- Date--------------------------------

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D61/69003/2011

This research project has been submitted for presentation with my approval as supervisor.

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DEDICATION

This research project is dedicated to my late dad for believing in education, my beloved children Ian and Kyra, for their love and moral support and also to my dear mum for the sacrifices she made in educating me.

ABBREVIATION AND ACRONMYMS

KP   -   Kenya Power

L&D   -   Learning and Development

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ABSTRACT

Learning can be a particularly strong retention tool when it is combined with measures designed to allow people to develop and progress within a company (Meyer et al., 2003). It is important for employers to put in place effective internal promotion programmes that will allow even their unskilled and semi-skilled workforce to move towards positions of greater responsibility and remuneration within the company. The objective of the study was to determine the percept6ion of learning and development by employees as a retention strategy at Kenya Power Company. The research reviewed theories and empirical studies that explain the relationship employee retention and learning and development. This included stakeholder's theory and social exchange theory.The population of the study was employees of Kenya Power head office, Nairobi.The data collected relate to the learning and development practices. Data analysis was done using Statistical Package for Social Sciences (SPSS) version 21.The study found that Kenya Power has professional growth amongst employees which gives them opportunity for continuous learning and personal growth, coaching programs, mentorship program between senior and junior management, employee rewards, and off the job training provided outside work setting, However, special projects and assignments allocated to employees, learning groups, work-outs and self-directed learning are not strongly practiced at KP. It is also noted that job rotation and distant learning are not used as a means of learning at Kenya Power. Employees at Kenya Power also believe that learning and development increases their engagement, leads to career development and fosters professional growth and development. The study recommends that Kenya Power should adopt learning and development practices as it increases level of employee retention. Managers at Kenya Power should examine the sources of employee retention strategies so that they can be in a position to retain employees in their organization to enhance their competitiveness in the this world of globalization.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Employee Retention is one of the imperative issues within competitive organizations today as employees are the most valuable assets in any organization. Normally it is in a company's best interest to put its effort in retaining the talented employees that they have, and not recruiting anyone new (Branham, 2005). It will take true skill and knowledge to be able to guide such a challenging and hectic environment where change is almost apparent daily as new technologies are discovered in such a short span of time. The retention of top employees will also ensure the frequent outputs through products and services (Chew, 2004).

According to Saint (1992), African continent faces a huge challenge in terms of skilled human resource capacity, which has a debilitating effect on its stability to make strides in the areas of socio-economic and political development According to Lee et al. (2009), employees are only willing to stay with their current organizations for less than three years. Hence, retention of skill workers is seen as vital to the national policy approach to developing human capital (Gowry, 2001). Evaluation of how nations around the world acquire and preserve a competitive benefit indicates that industries investing the most on employee development are usually the most competitive (Porter, 2001). This suggests money spent on employee knowledge and training is actually decisive in gaining a competitive benefit.

Freeman (1984) in explaining the stakeholder theory argues that organization cannot operate on their own. They need to establish good working relationships with both internal and external stakeholders for their long run success. He further argued that identifying and managing a relationship with key stakeholders who include employees, individuals and groups with similar interests in a particular organization is important. The theory indicates that the strength of stakeholder and organization relationship is directly proportional to the benefits stakeholders accrue from their interactions with the organization. It also argues that an organization's survival and success is dependent on its ability to generate sufficient wealth, value, and satisfaction for its stakeholders. Employees of Kenya Power are part of the company's stakeholders. In order for KP to add value to employees and retain then for long, the organization must offer learning and development. This study seeks to identify how learning and development influence employee retention at Kenya Power.

1.1.1 Concept of Perception

Perception is the process by which we organize and interpret our sensory impressions in order to give meaning to the environment. The process is often subjective in nature, as it is never an exact recording of the event or the situation. The term perception is the way we understand the world around us. We gather information through our five sense organs, but perception interprets and adds meaning to these sensory signals (Gray, Young & Waytz, 2012). When someone is viewed as a moral agent, the observer automatically deduces the capacity for agency which implies that

simply doing something good or evil can bring along corresponding attributions of intention (Knobe, 2003).

Perceptions by group minds greatly shape and influence moral behaviors like sacrifice for one's organization, country and religion and also prioritizing group concerns before individual interests (Rao, 2012). Perception of learning and development on employee retention may differ from one employee to another and from one organization to another. It is for this reason that people will build their moral judgments not on the quality of a particular action but on the view of the actor to be a good or bad person (Pizarro & Tannenbaum, 2011).

1.1.2 Learning and Development

Learning and development is the formal activities designed by an organization to help its employees acquire the necessary skills and knowledge to perform current or future jobs (Lee-Kelly et al., 2002). Associated job development involves learning interventions that develop skills, knowledge and attitudes to match current or future job requirements makes employees feel their contribution is important to the organization and they will work for the organization many years in return (Rothwell & Sredl, 2000).

 L&D is considered one of the crucial activities of human capital development. This is because learning and development activities like job training, coaching, mentoring and counseling are important activities for employees to get valuable support,

knowledge, skills and abilities that may enhance their employability and marketability in the organization. Thus, L&D plays an important factor in career satisfaction of an employee in their career lives (Lee-Kelly et al., 2002). Learning provides employees with specific skills or helps to correct deficiencies in their performances while development is an effort to provide employees with abilities the organization will need in the future according to Gommez-Mejia et al, (1995).

1.1.3 Employee Retention

Employee Retention involves putting measures in place to encourage employees to remain in an organization for the maximum defined period. Employee retention is the efforts by which organization attempt to retain employees in their workforce (O'Neal & Gebauer, 2006). Organizations strategists develop employee retention as a strategy with focus of gaining competitive advantage that is aligned to the overall organizations strategy. It is the duty of the organization to focus on reducing employee turnover with an aim of decreasing recruitment cost, training costs, accidents of new employees are often higher and so is wastage of resources.

There is a paradigm shift from human resource to human capital which consists of the knowledge, skills and abilities of the people employed in organization which is indicative of their value (Armstrong, 2009). Chaminade (2007) on the other hand defines retention as a voluntary move by an organization to create an environment which engages employees for long term. According to Knobe (2003) organizations today is at taking great care in holding onto its valuable employees and good employees

while they are increasingly becoming more difficult to find. Walker (2001) was in the view that handling and retaining promising employees' is surely an important fundamental mean of achieving competitive advantage among the organizations. Glebbeek & Bax (2004) discovered that if appropriate employee retention approaches are adopted and implemented by organizations employees will truly remain and be employed by the successful accomplishment of organizational targets. In accordance with Gowry (2011), it is becoming more important to secure and control competent human resource because the most valuable useful resource of any business, because of the requirement for effective and efficient delivery associated with goods and providers by organizations, whether in public places or private sector.

1.1.4 Kenya Power Company

The Kenya Power (KP) is a public company under Ministry of Energy. It was first incorporated as East Africa Power and Lighting Company in 1978. It later changed to Kenya Power and Lighting Company until July 2011 when it was rebranded to 'Kenya Power'. CAP 314 Energy Act, Number 12, governs KP. The main function of KP is to transmit, distribute, and retail electric power energy to consumers in the Republic of Kenya. KP is listed at the Nairobi Stock Exchange since 1954. Its shareholding portfolio is distributed as 51% Government of Kenya and 49% private. The company has been in existence for over seventy years (KP, 2015). The mission of Kenya Power is to efficiently transmit and distribute high quality electricity though out Kenya at cost effective tariffs; to achieve the highest standards of customer service; and to ensure the company's long-term technical and financial viability. The vision is to achieve

excellent status as a quality service business enterprise to be the first of electric energy in a competitive environment (KP, 2015).

The company has adopted different strategies to improve business performance and gain competitive advantage. Mobile money transfer is amongst the operational strategies it has adopted to add value to the services being delivered. Energy is identified in Kenya Vision 2030 as infrastructure enablers of the social economic pillar. Affordable, sustainable, and reliable energy for all citizens is an important factor in realization of the Vision (Ministry of Energy, 2011). To meet the increasing energy demands and government policy of connecting 200,000 households per annum without having to increase fixed cost, the company had to outsource some of its main activities like survey, design, and construction of electricity lines.

1.2 Research Problem

Employees who are satisfied with their company's commitment to offering learning and development opportunities have positive views about their employer in several other key areas including its sense of direction, competitiveness, integrity, interest in their well-being, and employee engagement (Cropanzano et al., 2001). Employees represent the internal sides of their organizations and are identified as the most salient stakeholders and as such they can be expected to have the biggest power in terms of stakeholder engagement (Greenwood, 2007). Competitive advantage is based on accumulation and retention of resources, which are costly to put in place. Maintaining a pool of talent significantly increases organizational performance. Reducing staff turnover

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also reduces or eliminates the cost of advertising, interviewing, hiring, and training new staff. It is therefore vital to develop adequate internal organizational structures and processes that will emphasize learning and development more heavily to retain organizations' employees (Paul, Meyskens & Robbins, 2010).

The L&D policy of Kenya Power needs to be improved in order to promote the development skills, knowledge and attitudes of its human resource in the most equitable and efficient manner. Despite the huge amounts of financial resources spent on L&D, it is not clear the value it has amongst the employees retention. Company records show a 10% turnover of employees from time to time and the ratio of young (between 18 – 40 years) to old (between 40 and 64) employees is 3:2 (Otieno, 2013). However, it is not clear how many of these cases are as a result of low perception of learning and development or if L&D can play a role in retaining them. The company just like other organizations has both internal and external stakeholders, it has a human resources policy in place but lacks a proper L&D policy to streamline its various learning and development activities.

Many studies have been done related to employee retention. For example Tibelius (2010) did a study on terms of service (type of employment contract, remuneration and job security) and job retention among academic staff in Makerere University. The study revealed that satisfaction with employment contracts affects lecturers intentions to retain jobs which depends on remuneration obtained and satisfaction with job security coming out as the last retention influencer. Boyens (2007), in a study to

investigate organizational socialization, career aspirations and turnover intentions among design engineers, found out that turnover had negative effects on productivity, product and service quality, and that profitability and the cost involved in hiring new employees was high and finding skilled employees can be difficult.

Muathe and Nzulwa (2013) investigated the influence of employee rewards, job satisfaction, and human resource policies on employee retention in Safaricom Limited. The results showed that when organizations' reward systems are adequate, it does not only lead to equity, but increase retention and also that job satisfaction and favourable human resource policies have positive link with retention. Ng'ethe, Namusonge and Iravo (2012) sought to find out the influence of leadership style on academic staff retention in public universities in Kenya. From the research it was established that leadership style inversely and significantly influences intention to leave of academic staff and hence there is need to embrace leadership style that promotes staff retention for these institutions to thrive.

Arthur (1994) in a study to investigate role of human resource systems in employee retention, argued that human resource systems as an organizational context can moderate the relationship between turnover and organizational performance. He pointed out that employees in commitment-based human resource systems play more pivotal roles in organizational activities than employees in control-based human resource systems, and thus the negative relationship between turnover and

organizational performance (Arthur, 1994). Based on these and other related findings as demonstrated in the literature review, there was still very little known about link between L&D and employee retention. In view of these identified gaps this research was aimed at answering the question, what is the perception of Learning and Development by employees as a retention strategy at the Kenya Power Company?

1.3 Research Objective

i. To determine the perception of learning and development by employees as a retention strategy at Kenya Power Company

1.4 Value of the Study

The study will bring into the academic limelight L&D and employee motivations in developing countries. It shall provoke researchers and scholars to focus on the links between L&D and organization performance.

This study also contributes to the KP's human resources policy by shedding more light on the perceptions of her employees on L&D as a retention strategy. It will helps to identify the gaps of L&D as a retention strategy at KP and subsequently help in the alignment of L&D to the organization's vision, mission and values.

This study will provides key insights into the practice of human resources management in Kenya's energy sector. The findings will be vital for decision-making purposes among business corporate managers, L&D advisors, and HR practitioners.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter looked at what other researchers have done related to learning and development and employee retention. It contains theoretical review, concept of learning and development, concept of employee retention, strategies of employee retention, and empirical studies.

2.2 Theoretical Review

Theories related to learning and development and employee retention are reviewed. The study considered stakeholders theory (Freeman, 1984) and social exchange theory (Eisenberger et al., 2002).

2.2.1 The Human Capital Theory

The human capital theory, developed by Becker in 1964, distinguishes between investments in general-usage and specific human capital. As pointed out by Becker (1964), this distinction is important if these investments take the form of training provided by employer. While the returns to specific training can be realized only in an ongoing relationship with the training firm, general training increases the productivity of a worker in many firms besides those providing it. Becker's theory separately addresses these phenomena and draws two main conclusions. First, employers will share the returns and the cost of investments in firm-specific skills with their employees. Second, in a

competitive labor market firms will not invest into general skills of their employees due to their inability to collect the returns from such investments. Therefore, workers will pay the full cost of general training (Becker, 1964).

Several researchers have analyzed human capital accumulation in the context of employment relationships. Katz and Ziderman (1990) suggest that firm may be willing to invest in a worker's general skills if his level of training is unobserved by the market. Acemoglu and Pischke (1998) studied a model where the training firm obtains superior information on the worker's ability during the training period. The informational disadvantage of firms in the external labor market gives rise to adverse selection, including the equilibrium market wage falls short of the marginal product of highly skilled workers. As a result, a training firm enjoys some monopsony power over its workers and is able to capture the return from general training.

Acemoglu and Pischke (1999) motivate the prevalence of employer-financed general training by the existence of market frictions that compress the structure of wages in the sense that the outside wage falls short of the marginal product from general skills and this wedge increases in the level of training provided. The authors show that such wage compression can endogenously emerge in economies with minimum wages, wage-setting unions, or worker moral hazard. Finally, they note that firm-sponsored investments in general training is encouraged if general and specific skills are complements in a firm's production function. A related argument has been put forward by Franz and Soskice

(1995) who recognize that employers may provide general training if general and specific investments are complements in the firm's investment cost function.

2.2.2 The Social Exchange Theory

It is important for employees to perceive a positive and valuing attitude of the organization toward them in order to have greater motivation for staying in the company. Such condition for employee retention is based on the social exchange theory which holds that the exchange relationship between employer and employee goes beyond exchange of impersonal resources such as money, information, and service. It also involves social exchange of socio emotional resources such as respect, approval, and support (Eisenberger et al., 1991). According to the social exchange theory, employees tend to perceive the organization as having a positive or negative attitude towards recognizing their contributions and valuing their well-fare (Eisenberger et al., 2002).

Social exchange theory holds that individuals are more likely to value received resources when based on discretionary decision rather than situations beyond the organization's control. Therefore, organizational rewards and favorable job conditions such as pay, promotions, and job enrichment tend to have greater contribution if employees perceive them being originated from voluntary actions instead of from external constrain (Eisenberger et al., 1986; Eisenberger et al., 1997). The theory also holds that individuals who perceive greater support for their employing organization would be more likely to feel obligated to 'repay' the organization (Allen et al., 2003).

Similarly, the social exchange theory argues that employees who are more likely to leave the organization tend to be those who perceive low support and low feeling of obligation toward the organization (Wayne et al., 1997).

2.3 Learning and Development Practices

According to Dessler (2005), there are many methods of developing employees in organization. Training of employees is intended to increase expertise of employees in particular areas. When thinking about training method to use, it is useful to consider current level of expertise that employees possess (Sims, 1996). Learning and development program is developed once organizations decide to train employees (Dessler, 2005). The Training methods can generally be categorized as either on the job or off the job. The training delivery options for either method can be sourced from either in-house or external sources or a combination of both (Lee-Kelley et al., 2009).

On-the-job training (OJT) is having a person to learn the job by actually doing it (Dessler, 2005: Sims, 2006). Tennanat et al. (2002), defines on the job training as a method where the learner develops skills in the real work environment by actually using the machinery and the materials during training. Coles (2000) concludes that it is an effective method, because the learners apply their training in real-time rather than sitting in a classroom environment and forgetting what they have learned when they return to their work. However, off-the-job training provides opportunities to widen the boundaries of the teaching and can often be a useful initial step ahead of on-the-job training. Van der Klink and Streumer, (2002) suggests that the frequent use of

this type of training is because of three incentives, the favorable relationship between training costs and benefits, the responsibility to train just-in-time; and the expectation of appositive transfer of what was learned to the employees' work situation.

Job rotation is another method of on job training. It means moving trainees from department to department to broaden the understanding of all activities of the business and to test their abilities (Dessler, 2005). The benefits of job rotation are that it provides a variety of job experiences for those judged to have the potential for added responsibilities. It can therefore be seen that job rotation serves the purpose of breaking down departmental provincialism-the feeling that only my department is important and others 'problems' are not worthy of my concern. Furthermore, job rotation injects new ideas into the different departments of the organization (Matthews and Ueno, 2000).

Off-the Job training methods are conducted outside of the normal work setting. In this sense, a classroom can be any training space set away from the work site, such as the organization cafeteria or meeting room (Sims, 2006). Smith, (2000) suggests that this method develops learners who are inquisitive, guide learners through the process of learning and applying effective oral and written communication skills, encourage learners to acquire the skills required to function in work environment.

Professional coaching is a type of development method to help a person achieve an objective in a real-life professional situation by relying on his or her own resources and skills. In the coaching approach, the person being coached is the only one in control of

his or her own journey and professional circumstances. The aim is develop the recipient's professional skills and autonomy, with the emphasis on the recipient as a person, on his or her strengths, weaknesses, personal obstacles, aptitudes, etc. Coaching will therefore allow the professional to implement skills at work, with individual support. Coaching is suitable for implementing skills and improving performance in professional situations in the field (Lee-Kelley et al., 2009).

Special projects and assignments are temporary duties performed by the employee on a full-time or part-time basis. Special projects and assignments are used to enhance an employee's knowledge or skills in a particular area, complete tasks, or assignments when a mix of people with expertise in different areas is needed. They prepare an employee for career advancement or develop specific knowledge or skills, broaden an employee's knowledge of other functions and departments in the organization, and motivate and challenge an employee who has been on a job for a long time (Boyens, 2007).

Mentoring is a formal or informal relationship between senior and junior employees for the purpose of supporting learning and development. The mentor provides ongoing support, advice, and career direction to an employee. A mentor holds a higher position and is usually outside the employee's chain of supervision. Mentoring is used to: Continue the development of talented and skilled staff members, groom individuals who show high potential for management or leadership responsibilities, retrain and prepare an individual for a new job or function, assimilate new individuals into the organization by

educating them about the norms, culture, and politics of the organization (Cappelli, 2008).

Distance learning is similar to classroom learning in that a participant interacts with a facilitator/trainer at a pre-assigned time and date, but in distance learning the facilitator and participant are in different locations. It includes instructor-led video or Web-based courses. Courses are typically offered by universities and professional vendors. Distance learning is used to: Deliver training to the employee's location, allow people to learn and participate without being in the same place and each large audience while reducing travel costs (Boyens, 2007).

Job aids are tools that give systematic guidance for completing a task including checklists, decision aids, procedure and policy manuals, work samples, flowcharts. Job aids can be paper-based or electronic performance support tools (Shivangee et al., 2011). They are used to help employees transfer skills learned in the classroom to the job, give employees quick access to just-in-time information or procedures, serve as reminders for how to follow procedures or processes, especially when they are used infrequency.

Encouraging professional growth amongst employees provide opportunities to promote superior service, proper job performance, continuous learning, supporting personal growth and career advancement among all staff (Boyens, 2007). A great way to retain staff and nurture employee skills is to consistently and actively promote professional

development activities. Encouraging professional growth shows your team you care about their progress and their future, and it inspires loyalty in employees.

Online learning is covered using the Internet to research work related topics, take self-paced courses, access real-time presentations by keynote conference speakers, and access reading materials (Boyens, 2007). Online learning is used to: deliver training to the employee's location, allow people to learn and participate without being in the same place, reach large audiences while reducing travel costs.

Learning groups (teams) are formed when employees meet to focus on their own learning and development in a particular interest area such as information technology, public speaking, or career paths. Learning groups are used to provide a mechanism for obtaining knowledge and skills when there is no formal training available in a particular area. It provide a means of learning when the environment or technology is changing so rapidly that there is no time to develop a formal training program, reinforce learning through the ongoing peer support provided by regular learning team meetings (Chaminade, 2007).

Self-Directed Learning refers to development activities an individual can pursue on his/her own, allowing employees to focus on developing specific areas according to their own needs and schedules (Sims, 1996). Self-directed learning encompasses any training source where the learner has control over the pace, for example, reading pertinent books, articles, and professional journals or magazines; listening to books and courses on tape or CD. It also involves taking online courses; and watching instructional or informational

videotapes or DVDs. Self-directed learning can help: introduce employees to a new and unfamiliar topic area, broaden employees' knowledge of relevant issues, trends, challenges, and solutions, and bring information and basic knowledge to employees who have significant time or travel constraints.

Action learning is a process for bringing together a group of people with varied levels of skills and experience to analyze an actual work problem and develop an action plan (Lee-Kelley et al., 2009). The group continues to meet as actions are implemented, learning from the implementation, and making mid-course corrections. Action learning is a form of learning by doing. It can be used to: address problems and issues that are complex and not easily resolved, find solutions to underlying root causes of problems, determine a new strategic direction, or maximize new opportunities.

Workouts are meetings of employees representing all levels and functions of the organization or unit, except management, to identify ways the organization can work together more efficiently and effectively. Workouts can last from 1 to several days. Workouts are effective when the organization needs to: accomplish rapid and far-reaching organizational change, develop creative and practical approaches to resolving work issues, and examine and redesign work processes and practices (Porter, 2001).

2.4 Factors that Influence Employee Retention

Previous researches suggested several factors which play pivotal role in employee retention. According to Cappelli (2000), the factors considered to affect employee

retention are; career opportunities, work environment, work life balance, organizational justice, and existing leave policy and organization image. Employees are loyal with organization where they have value, sense of pride and work to their full potential (Rao, 2012). The reasons for employee to stay in organization are organization reward system, growth and development, pay package and work life balance.

From literature review, it is recognized that human resource management play pivotal role in employee's retention. Researcher's finds that human resource management practices in compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice can help to reduce absenteeism, employee retention and better quality work (Meyer et al, 2002 1991; Griffeth, 2000). According to Tibelius (2010), employee satisfaction and retention are considered the cornerstone for success of organization.

Shivangee and Pankaj (2011) came up with suggestions for retaining employees. They summarized them as follows: organizations should hire the right people in the first place; organizations should empower the employees; show employees that they are valued; show trust, respect and faith in employees. Also provide employees with information and knowledge; have regular feedback on employee performance; recognize and appreciate employees achievements; create a good working environment ; offer good organizational leadership; and offer adequate compensation.

O'Neal and Gebauer (2006) identified the major drivers of employee retention as; competitive base pay, work-life balance, challenging work, career advancement opportunities and salary increases linked to individual performance. However, these studies do not consider mainly L&D as a retention factor. Arthur (2001) argues that employee retention can be enhanced by various means including compensation practices, leadership and supervision, career planning and development, creating good working conditions, team building, centralization, organization communication and commitment, counseling leavers, flexible working hours, employee participation, turnover policies and appreciations.

2.5 Relationship between Learning and Development and Employee Retention

There is a good relationship between L&D and a number of other retention-related practices, such as career development and planning, skill-based pay, and others. Taken together such practices can usefully complement one another. Learning can be a particularly strong retention tool when it is combined with measures designed to allow people to develop and progress within a company (Meyer et al, 2003). It is important for employers to put in place effective internal promotion programmes that will allow even their unskilled and semi-skilled workforce to move towards positions of greater responsibility and remuneration within the company.

According to Gowry (2011), in today's business environment, employees appear to be less committed to their respective organizations. An employer can no longer guarantee

the stability and longevity of corporate career paths or the security of employee's job. The old contract of employee loyalty in exchange for job security and fair work has broken down. Cappelli (2000) adds that it is important to note that employees of today realize that they have to take initiative in job resiliency, developing the skills and flexibility needed to respond quickly to shifting employer requirements.

For employees to prosper and grow, they need to be encouraged to reach their full potential by providing learning and development. Learning & Development increase employee engagement, foster professional growth and development, and maximize career opportunities for top talent, making the company the employer of choice (Saint, 1992). A business that provides learning and development will be more competitive and productive and will win the loyalty of its workforce (Njanja et al., 2013). Learning and development are so enthusiastically embraced as key factors to good retention is no doubt due to the fact that well-developed training programs are becoming ever more essential to the ongoing survival of most modern companies, whether or not retention is an important issue to that company.

Meyer et al. (2003), suggest that employee learning and development contributes to retention by: building employee commitment through a show of support; providing employees with the means to deal with stress related to job demands and change; serving as an incentive to stay, and creating a culture of caring. L&D are seen as ways of building employee commitment in that they allow employees to remain where they work, and

provide them with the support necessary to face the on-going challenges related to their work (Meyer et al., 2003).

Many scholars agree that organizations that offer learning and development to their employees consistently have better outcomes than those that do not. When business environments change quickly and abruptly, it is typically the companies with the best-trained employees that adapt and adjust most efficiently. Glance, Hogg, and Huberman (1997) determined these statements to be accurate in their study that looked at training and turnover from the perspective of evolving organizations. The researchers affirmed that L&D encourages spontaneous cooperation in many large companies.

A study of several British companies found that when training sought to enhance and develop a culture of identification between the organization and the employee, the intention to search for another job decreased substantially (Green et al., 2000). Burke (1995) found that employees that participated in most number of learning and development programs and rated the trainings they attended as most relevant, viewed the organization as being supportive, looked at the company more favorably, and had less of intent to quit. Barrett and O'Connell (2001) found that the outcome of L&D depends on the effort that the participants put into it. The greater the sense of debt incurred with the training program, the more of a return on the investment that organizations will secure from the employee.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodological framework that was used in the study. It involves research design, study population, sampling procedure and sample size, data collection procedures, validity and reliability of instruments, data analysis techniques and ethical issues of the research study.

3.2 Research Design

The study was a descriptive research design. According to Cozby (2005), descriptive research is a research used to obtain information concerning the status of the phenomena to describe what exists with respect to variables in a situation, by asking individuals about their perceptions, attitudes, behavior, or values. This research was conducted using questionnaire and observations as the sources of primary and secondary data respectively. Newman (2003) outlines that surveys are appropriate for research questions about self-reported behaviors, attitudes, self-classification, knowledge, expectations and characteristics, and are strongest when the answers people give to questions measure variables.

3.3 Target Population

Mugenda (2003) defines population as entire group of individuals, events, or objects having common observable characteristic. The respondents of the study was 2400 employees of Kenya Power, head office (KP, 2015).

3.4 Sampling Design

In order to ensure that different groups in the population are adequately represented in the sample, stratified random sampling was used to select employees of KP. The population was divided into strata according to the departments and level of management in each department. The list obtained served as the sampling frame from which a representative sample of the population is obtained. The simple random sampling procedure was then used to pick the sample. It was preferred because it allows unbiased sampling and accords the research work more scientific features thereby making the validity of the research findings more concrete. The researcher used sample size determination table for continuous data with margin error of 0.03 developed by Bartlett, Kotrlik, & Higgins to determine the sample size. From Table 3.1, 115 respondents were selected. There are approximately 2400 people employed by KP.

Table 3.1: Sample Size

Department		No of employees	Percentage	Number selected
Finance	Top management	53	2	3
	Middle Management	97	4	5
	Lower level management	100	4	5
Customer service	Top management	75	3	4
	Middle Management	101	4	5
	Lower level management	324	14	15
HR and Administration	Top management	66	3	3
	Middle Management	145	6	7
	Lower level management	389	16	18

Supply Chain	Top management	142	6	7
	Middle Management	192	8	9
	Lower level management	366	15	17
Internal Audit	Top management	86	4	4
	Middle Management	120	5	6
	Lower level management	144	6	7
Total		**2400**	**100%**	**115**

Source: Kenya Power

3.5 Data Collection

This study was conducted using both primary and secondary data. Primary data was collected through administration of questionnaires. Questionnaires were used to obtain important information about the population. The questionnaire was divided into four parts. Part A focused on the demographic data of the respondents, Part B contained questions on learning and development practices, and Part C sought data on the impact of learning and development on employee retention, while Part D contained questions on the challenges experienced by KP in employee retention. The questionnaires were administered by drop and pick method.

3.6 Data Analysis

The data collected was analyzed using descriptive statistics with the help of SPSS version 20. The researcher used descriptive analysis to establish the relationship between Learning and Development and employee retention. Data collected will be presented using tables.

CHAPTER FOUR : DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis of the data collected from the respondent and discusses the research findings on perception of learning and development by employees as a retention strategy at Kenya Power Company. All completed questionnaires were edited for accuracy, uniformity, consistency and completeness.

4.2 Response Rate

A total of 115 questionnaires were distributed to the respondents. The response rate of 98 respondents was achieved. This good response has been attributed to the fact that quite a good number of the respondents were knowledgeable to fill the questionnaires themselves. Summaries of data findings together with their possible interpretations have been presented by use of tables, mean, percentages, frequencies, variances, standard deviation and graphs.

4.3 Demographic Data

The study sought to know the gender, age and level of education of respondents. This was to understand their characteristics and experience in answering the questionnaire.

Table 4.1: Gender of Respondents

Gender	Frequency	Percentage (%)
Male	54	55.1
Female	44	44.9
Total	**70**	**100.0**

Source: SPSS Output Data (2015)

From Table 4.1, 55.1% of the respondents were male while 44.9% were female. This indicates that majority of the respondents were male, although the difference is not significant enough to influence the results of the study towards any gender.

4.3.2 Age of Respondents

Respondents were asked to indicate their age and the findings are in table 4.2;

Table 4.2 Age of respondents

Age	Frequency	Percentage (%)
Below 25	9	9.2
26-35	15	15.3
36-45	37	37.8
46-55	20	20.4
Above 56	17	17.3
Total	**98**	**100.0**

Source: (SPSS Output, 2015)

From the findings in table 4.2, majority of the respondents (37.8%) were between 36-45 years old, 20.4% of the respondents were between 46-55 years, 17.3% were above 56, 15.3% were between 26-35 years, while 9.2% were below 25 years. This shows that the respondents were spread across all ages and the study will not be influenced by any age group.

4.3.3 Level of Education

Respondents were asked to indicate their level of education as indicated in Table 4.3

Table 4.3 Level of Education

Level of Education	Frequency	Percentage (%)
Masters	15	15.3
Bachelors	36	36.7
Diploma	31	31.6
Certificate	16	16.4
Total	**98**	**100.0**

Source: (SPSS Output, 2015)

Majority of the respondents had bachelor's degree (36.7%), 31.6% of the respondents had diploma, 16.4% had certificates while 15.3 were masters holders. This indicates that majority of the respondents were knowledgeable to understand the concepts of learning, development and retention.

4.3.4 Length of Experience

Respondents were asked to indicate their length of service in the company and indicated as in Table 4.4;

Table 4.4 Length of service

Length of service	Frequency	Percentage (%)
Below 5 years	15	15.3
6-10	36	36.7
11-15	31	14.29
Above 15	16	71.43
Total	**98**	**100.0**

Source: (SPSS Output, 2015)

From Table 4.4 most of the respondents had worked at the organization for over 15 years. 71.43% of the respondents had worked for the organization for over 15 years, 14.29% had worked for the organization for 6 to 10 years, 6.12% for 11 to 15 years and the rest 8.16% for less than 5 years. The respondent's working duration at the organization confirms that the respondents are knowledgeable with the organizations operations and as such will give responses relevant to the study. There is also sense of satisfaction and job security since 71.43% had worked for over 15 years in the organization.

4.5 Influence of learning and development Practices on employee retention

Respondents were asked to indicate on the level that they agree to statements that sought to influence learning and development practices on retention in Kenya Power. The following scales were used: 5= strongly agree 4= agree 3= undecided 2= disagree 1= strongly disagree. A score of ≤ 1.5 was interpreted to mean strongly disagree, 1.5 to ≤ 2.5

mean disagree, 2.5 to ≤ 3.5 undecided, 3.5 to ≤ 4.5 mean agree, 4.5 to ≤ 5.5 mean

strongly disagree. The findings are as indicated in Table 4.6

Table 4.5: Learning and Development Practices

Descriptive Statistics

The following learning and development Practices have contributed to my stay at Kenya Power	N	Mean	Std. Deviation
Mentorship program between senior and junior management are provided to support learning and development	98	3.59	.589
Employees are given training rewards to motivate them in learning and development	98	3.54	.691
On the job training are given to employees to improve their skills	98	4.37	.525
Distant learning where employees interact with facilitators are provided to improve skills and knowledge	98	2.24	1.065
Off the job training provided outside work setting are designed to enhance learning and development	98	3.54	.827
Coaching programs are provided to develop skills of employees	98	4.07	.677
Special projects and assignment are allocated to employees for learning and development	98	2.68	.832
There is job rotation is practiced by moving employees from one department to another to broaden understanding of activities	98	2.40	1.360
Encouraging professional growth amongst employees gives them opportunity for continuous learning and personal growth	98	4.26	.631
Learning groups (teams) are formed to help employees focus on their own learning and development in a particular interest	98	3.11	.823
Job aids are used as guidance for completing a task	98	4.38	.487
Action learning are set to bring a group of people to analyze an actual work problem and develop an action plan	98	4.41	.494
Self-Directed learning are provided to develop and individual focus on developing specific areas according to their own needs	98	3.50	.944
Work-outs are meetings held by employees to identify ways organization can work effectively & efficiently	98	3.31	1.296
Learning and development leads to career development	98	4.64	.482
Learning and development increase employee engagement	98	4.43	.674
It foster professional growth and development	98	4.65	.478
Increases job satisfaction	98	4.52	.596

It results to skill-based pay	98	3.45	.921
Valid N (listwise)	98		

Source: (SPSS Output, 2015)

From the findings, respondents strongly agreed that distant learning where employees interact with facilitators are provided to improve skills and knowledge and special projects and assignment are allocated to employees for learning and development with a mean of 4.56 and 4.54 respectively. The respondents agreed that the following practices are done in KP; action learning are set to bring a group of people to analyze an actual work problem and develop an action plan (4.41), job aids are used as guidance for completing a task (4.38), and on the job training are given to employees to improve their skills (4.37). They also agreed that encouraging professional growth amongst employees gives them opportunity for continuous learning and personal growth (4.26) and coaching programs are provided to develop skills of employees (4.07) Mentorship program between senior and junior management are provided to support learning and development (3.59), employees are given training rewards to motivate them in learning and development (3.54), and off the job training provided outside work setting are designed to enhance learning and development (3.54).

However, the respondents were undecided whether self-directed learning are provided to develop and individual focus on developing specific areas according to their own needs (3.43), meetings are held by employees to identify ways organization can work effectively & efficiently (3.31), and learning groups (teams) are formed to help employees focus on their own learning and development in a particular interest (3.11).

They disagreed that job rotation is practiced by moving employees from one department to another to broaden understanding of activities (2.40).

In conclusion, analysis shows that Kenya Power has professional growth amongst employees which gives them opportunity for continuous learning and personal growth, coaching programs, mentorship program between senior and junior management, employee rewards, and off the job training provided outside work setting. This were the practices perceived by respondents as the most effective in learning and development. However, special projects and assignments allocated to employees, learning groups, work-outs and self-directed learning are not strongly practiced at KP. It is also noted that job rotation and distant learning are not used as a means of learning at Kenya Power. Employees at Kenya Power also believe that learning and development increases their engagement, leads to career development and fosters professional growth and development.

4.6 Correlation Analysis

Correlation analysis was done to relationship between the learning and development practices variable and length of service as per Question 4 of section A of the questionnaire. The findings are shown in table 4.6

Table 4.6: The Relationship between Learning and Development and Length of Service

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.614	7.340		.356	.723
Mentorship program between senior and junior management are provided to support learning and development	-.212	.188	-.134	-1.127	.263
Employees are given training rewards to motivate them in learning and development	-.424	.242	-.315	-1.749	.084
On the job training are given to employees to improve their skills	.215	.677	.121	.318	.752
Distant learning where employees interact with facilitators are provided to improve skills and knowledge	.110	.104	.126	1.065	.290
Off the job training provided outside work setting are designed to enhance learning and development	-.248	.375	-.220	-.660	.511
Coaching programs are provided to develop skills of employees	.170	.202	.124	.841	.403
Special projects and assignment are allocated to employees for learning and development	.130	.456	.117	.286	.776
There is job rotation is practiced by moving employees from one department to another to broaden understanding of activities	.090	.088	.131	1.016	.313
Encouraging professional growth amongst employees gives them opportunity for continuous learning and personal growth	-.743	.578	-.504	-1.285	.203

33

Learning groups (teams) are formed to help employees focus on their own learning and development in a particular interest	-.006	.148	-.006	-.043	.966
Job aids are used as guidance for completing a task	1.163	1.475	.609	.788	.433
Action learning are set to bring a group of people to analyze an actual work problem and develop an action plan	-.961	.637	-.510	-1.508	.136
Self-Directed learning are provided to develop and individual focus on developing specific areas according to their own needs	.073	.355	.074	.204	.839
Work-outs are meetings held by employees to identify ways organization can work effectively & efficiently	-.086	.289	-.119	-.297	.768
Learning and development leads to career development	.904	1.305	.468	.693	.491
Learning and development increase employee engagement	.526	.623	.381	.844	.401
It foster professional growth and development	-.736	1.027	-.379	-.717	.475
Increases job satisfaction	.143	.365	.092	.391	.697
It results to skill-based pay	-.083	.380	-.083	-.219	.827

(Source: SPSS Output, 2015)

Positive effect was reported on distant learning, on the job training, coaching programs, special projects and assignments, job rotation, job aids, self-directed learning, career development, increase employee engagement, job satisfaction. Negative effect was reported on mentorship program between senior and junior management, employees given training rewards, off the job training, encouraging professional growth amongst employees, learning groups formed, action learning, foster professional growth and development, results to skill-based pay. Hence, organizations should implement the learning and development practices with positive effects.

ANOVA test was carried out to determine whether level of learning and development and length of service were significant across the network at 95% confident level. The results are indicated in table 4.6

Table 4.6 Anova

Model		Sum of Squares	Df	Mean Square	F	Sig.
					ANOVAa	
1	Regression	12.275	19	.646	.703	.013[b]
	Residual	71.684	78	.919		
	Total	83.959	97			

Source: SPSS Output, 2015)

Analysis of Variance (ANOVA) consists of calculations that provide information about levels of variability within a regression model and form a basis for tests of significance. Correlation exist between the response and predictor variables if P-value < 0.05. As shown in table 4.6, P-Value = 0.013 < 0.05 indicated that there is enough evidence to support the alternative hypothesis, that there is a significant linear relationship between learning and development and employee retention.

4.7 Discussions of Findings

From the findings of the study, learning and development practices have positive effects in an organization as it leads to employee retention. From the findings, it's evident that

the following practices are perceived to be effective by respondents; distant learning where employees interact with facilitators, special projects and assignment, action learning were employees analyze an actual work problem and develop an action plan, job aids as guidance for completing a task, and on the job training given to employees to improve their skills. The Company should also encouraging professional growth amongst employees gives them opportunity for continuous learning and personal growth, coaching programs, mentorship program between senior and junior management, employee rewards, and off the job training provided outside work setting. These were the practices perceived by respondents as the most effective in learning and development. Positive effect was reported on learning and development and employee retention. Respondents agreed that L&D leads to career development, foster professional growth and development, L&D results to skill-based pay, increases job satisfaction, and increase employee engagement.

Many related studies have been conducted and it seems evident that there exists a strong relationship between learning and development and employee retention done in firms based in different industries. This agrees with the findings of the study for example Cappelli (2000) concluded that it's important to note that employers of today realize that they have to take initiative in job resiliency, developing the skills and flexibility needed to respond quickly to shifting employee requirements. Coles (2000) agreed that on-job training is an effective method of L&D, because the learners apply their training in real-time rather than sitting in a classroom environment and forgetting

what they have learned when they return to their work. Job rotation injects new ideas into the different departments of the organization (Matthews and Ueno, 2000).

Lee-Kelley et al. (2009), agreed that coaching is suitable for implementing skills and improving performance in professional situations in the field. Boyens (2007) also agrees that special projects and assignments prepare an employee for career advancement or develop specific knowledge or skills, broaden an employee's knowledge of other functions and departments in the organization, and motivate and challenge an employee who has been on a job for a long time. Mahanta (2012) concluded that mentoring is used to: Continue the development of talented and skilled staff members, groom individuals who show high potential for management or leadership responsibilities, retrain and prepare an individual for a new job or function. Distant learning allows people to learn and participate without being in the same place and each large audience while reducing travel costs.

The findings also agree with studies by Gowry (2011) who states that several factors are considered significant in a well-functioning of employee retention. The determinants that are considered to have influence are career opportunities, work environment and work-life balance. Chaminade (2007) attest that people remain at companies where there is a sense of pride and will work to their fullest potential. The reasons to stay, according to Chaminade (2007) are work environment, rewards, growth and development and work-life balance.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the major findings of the study. This study sought to find out perceived influence of learning and development on employee retention in Kenya Power. In addition, this chapter provides a direction for further studies and gives some recommendations for policy making by the relevant authorities. Questionnaires were used to gather primary data. The questionnaires comprised of both closed and open-ended questions and were strictly administered by the researcher. Both primary and secondary information was used to determine the findings of the study.

5.2 Summary of Findings

The study inquired on the learning and development practices in Kenya Power. The following is the summary of findings.

Majority of the respondents were male, although the difference is not significant enough to influence the results of the study towards any gender. Most respondents were spread across all ages and the study will not be influenced by any age group. The level of education qualification was important in this study as it evaluated whether the respondents had the prerequisite knowledge to understand the concept under research, the fact that most respondents were knowledgeable means that they were able to understand the concept of learning, development and employee retention.

The respondent's working duration at the organization confirms that the respondents are knowledgeable with the organizations operations and as such will give responses relevant to the study.

The analysis shows that Kenya Power has professional growth amongst employees which gives them opportunity for continuous learning and personal growth, coaching programs, mentorship program between senior and junior management, employee rewards, and off the job training provided outside work setting. This were the practices perceived by respondents as the most effective in learning and development.

However, special projects and assignments allocated to employees, learning groups, work-outs and self-directed learning are not strongly practiced at KP. It is also noted that job rotation and distant learning are not used as a means of learning at Kenya Power.

Employees at Kenya Power also believe that learning and development increases their engagement, leads to career development and fosters professional growth and development.

Retention of key employees is critical to the long-term health and success of any organization. It is a known fact that retaining your best employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning and deeply embedded organizational knowledge and learning. Intelligent employers always realize the importance of retaining the best talent. Some of the learning and development practices leads to employee retention as identified in the study.

5.3 Conclusion

The study concluded that learning and development has positive effects on employee retention. As evident from this study, learning and development leads to career development , increase employee engagement, foster professional growth and development, increases job satisfaction and results to skill-based pay. Hence, Kenya Power should invest more on learning and development practices as it improves employee retention. Having proper retention strategies is important for organizations to attract and retain a high quality work force. Employees need to feel valued and appreciated. This study has provided readers with a better understanding of tools to motivate and retain individuals through best techniques available. These practices helps the companies in minimizing employee turnover, drain on management time, cost of training new employees, interruption of work, and reduction in productivity. This is in agreement with the argument of several studies including: Dessler (2005), who states that there are many methods of developing employees in organization and that training of employees, is intended to increase expertise of employees in particular areas. Coles (2000) concludes that on-job-training is an effective method, because the learners apply their training in real-time rather than sitting in a classroom environment and forgetting what they have learned when they return to their work.

Smith, (2000) suggests that off-job method develops learners who are inquisitive, guide learners through the process of learning and applying effective oral and written communication skills, encourage learners to acquire the skills required to function in work environment. Lee-Kelley et al. (2009) agrees that coaching is suitable for

implementing skills and improving performance in professional situations in the field. Encouraging professional growth amongst employees provide opportunities to promote superior service, proper job performance, continuous learning, supporting personal growth and career advancement among all staff (Boyens, 2007).

5.4 Recommendations

From the findings, the study recommends that Kenya Power should adopt learning and development practices as it increases level of employee retention. Managers at Kenya Power should examine the sources of employee retention strategies so that they can be in a position to retain employees in their organization to enhance their competitiveness in the this world of globalization. Managers must understand that employees must be treated as the most liquid assets of the organization which would make the organization to withstand the waves of globalization. This asset needs to be monitored with due care, otherwise their organizations would cease to exist.

5.5 Limitations of the Study

The respondents were regularly very busy and therefore they required a lot of time in order to fill in the questionnaires. The challenge was overcome by giving the respondents the questionnaires early.

Getting accurate information from the respondents was one of the major challenges since some of the respondents were unwilling to give the information. The challenge was minimized by informing the respondents the importance of the study to KP in order to

win their will to respond and offer accurate information. The location in distance of Kenya Power proved tiring coupled with dusty grounds. Effective means of transport were sought by using a private car to access respondents. The sample selected for the study was small considering the number of population of Kenya Power Employees. The study only considered employees based at head office.

5.6 Suggestions for Further Research

The research recommends that further study needs to be undertaken as learning and development practices advances and new practices are adopted and incorporated in companies.

The researcher suggests that this study could be a useful starting point for further academic research. Learning and development practices and employee retention is a potential area for further research studies in developing countries of the world. Continued refinement of this study will be valuable to the companies as it improves education and increases economic growth.

The study also suggests that further study should be done considering all branches of KP. This study only focused on Nairobi head office. Due to the limited time that the study had, the study used a small sample as compared to the total number of KP. The study hence suggest that further study be conducted using a large sample size.

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APPENDIX 1: QUESTIONNAIRE

Information collected from this questionnaire will be handled with high confidentiality and will strictly be used for academic purposes by the researcher.

SECTION A: Demographic Information

1. What is your gender? Male   [ ]   Female   [ ]
2. How old are you?

Age (years)	Below 25	26-35	36-45	46-55	Above 56
Response					

3. What is your highest level of education?

   Degree   [   ]   diploma   [   ]   certificate [   ]others   Specify
   ………………

4. How many years have you been in service?

   Below 5 years [ ]   between 6-10   between 11-15   above 15 years [ ]

5. Please indicate the department you work in ……………………….

SECTION B: Learning and Development Practices

Please indicate on the level that you agree to the following statements that seek to the contribution of learning and development practices to your continued staying in this organization.

The following scale will be applicable: 5= strongly agree 4= agree 3= undecided 2= disagree 1= strongly disagree

No.	The following have contributed to my continued stay in this organization	1	2	3	4	5
1	Mentorship program between senior and junior management are provided to support learning and development					
2	Employees are given training rewards to motivate them in learning and development					

3	On the job training are given to employees to improve their skills					
4	Distant learning where employees interact with facilitators are provided to improve skills and knowledge					
5	Off the job training provided outside work setting are designed to enhance learning and development					
6	Coaching programs are provided to develop skills of employees					
7	Special projects and assignment are allocated to employees for learning and development					
8	There is job rotation is practiced by moving employees from one department to another to broaden understanding of activities					
9	Encouraging professional growth amongst employees gives them opportunity for continuous learning and personal growth					
10	Learning groups (teams) are formed to help employees focus on their own learning and development in a particular interest					
11	Job aids are used as guidance for completing a task					
12	Action learning are set to bring a group of people to analyze an actual work problem and develop an action plan					
13	Self-Directed learning are provided to develop an individual focus on developing specific areas according to their own needs					
14	Work-outs are meetings held by employees to identify ways organization can work effectively & efficiently					
15	Learning and development leads to career development					
16	Learning and development increase employee engagement					
17	It foster professional growth and development					
18	Increases job satisfaction					
19	It results to skill-based pay					