ABSTRACT
Retention of employees is becoming a real challenge in today’s operating environment as employers begin to realize the value of people that make up the organization. State corporations are organizations formed and owned by the Government to provide services to citizens. The objective of the study was to establish the factors influencing employee retention in the state corporations in Kenya. The study adopted a cross-sectional design as it took a representative sample of its target group and based its overall findings on the views of those targeted. The target population of this study included all 155 state corporations in Kenya as of December 31st, 2012. The study took a sample of 54 state corporations and collected primary data using a self-administered questionnaire. The data was analyzed using descriptive statistics comprising of mean scores, standard deviations, frequency distribution, percentages and factor analysis. A summary of the findings showing the relative importance of factors influencing employee retention in the state corporations in Kenya ranked employee training and career development first as the most important factor followed by performance appraisal, employee empowerment, employee commitment and lastly employee compensation. The study concluded that employee’s retention is influenced by training and career development, performance appraisal, employees’ empowerment, employees’ commitment and employees’ compensation. It further concluded that the extent to which readily available loan facilities, guaranteed job security and stress management programs as measures of employee empowerment is moderate while adequate working equipment does not influence employee retention in their organization. The study also concluded that giving employees’ educational subsidies influenced the retention to a great extent and that their level of adoption at the state corporations is great. The study recommends that the government considers enacting policies that ensure that the working environment in the state corporations promotes employees retention. The study further recommends that the management should take actions aimed at ensuring that employees are rewarded accordingly and benefits offered to them be improved. This study also recommends that measures should be taken to ensure that the employees’ commitment is enhanced at the state corporation.