

**INFLUENCE OF HUMAN RESOURCES MANAGEMENT STRATEGIES ON
EMPLOYEE RETENTION IN THE MEDICAL INSURANCE INDUSTRY, IN
KENYA**

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**A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT
FOR THE AWARD OF DEGREE IN MASTER OF BUSINESS
ADMINISTRATION OF KENYA METHODIST UNIVERSITY**

OCTOBER, 2021

DECLARATION

This thesis is my original work and has not been presented for a degree in any other University.

Signature.....

Date.....06/10/2022

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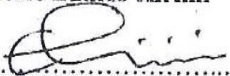
BUS-3-3035-2/2015

Declaration by the Supervisors

This thesis has been submitted for examination with our approval as the Kenya Methodist University supervisors.

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DEDICATION

I dedicate this work to my family for their love and support. Their sincere and relentless contribution by creating a conducive environment enabled me to further my studies. I also thank the Almighty God for having brought me this far.

ACKNOWLEDGEMENT

My gratitude is to the almighty God for enabling me to complete my studies.

My parents have been very keen and always encouraging me to finish this project. Many thanks for the love.

My sincere thanks to my supervisor, Dr. Douglas Ogolla, and Dr. Eunice Kirimi for the guidance and always being available when I needed to consult and also review my project.

Finally, I am grateful to my participants for their valuable contribution in responding to the questionnaires.

God Bless you all.

ABSTRACT

The most important assets in any institution are human resources. Retention of experienced and efficient employees in a firm is important since it reduces hiring costs. The objective of the research was to determine the link between human resources management strategies and the retention of employees in the medical insurance industry in Kenya. The specific objectives were; to examine the effects of training and development, reward and compensation strategies, recruitment and selection, and employee relations on retention of workers in the Kenyan medical insurance industry. The study design was the descriptive method. The unit of observation was the medical insurance industry. The unit of analysis was the staff at the medical insurance companies. The study targeted 150 top-level managers and 300 HR managers in the medical insurance firms in Nairobi County. A probabilistic sampling design was used to generate a sample size of 212 respondents in the hospitality sector. Questionnaires were designed to collect primary data that was quantitative. Descriptive and inferential statistics were used to analyze the data whereas the findings were shown through tables, charts, and narratives. Mean scores and standard deviation were used to analyze the Likert scale. Regression analysis was carried out to find out the association between human resources management strategies and employee retention. To determine the significance level of the model ANOVA was adopted. Recruitment, selection, and employees' retention revealed a $\beta=0.726$, training, development and retention revealed a $\beta=0.743$, employee relation, and retention revealed a $\beta=0.791$ whereas rewards, compensation, and retention revealed a $\beta=0.807$. Rewards and compensation had the greatest effect on retention among employees in medical insurance companies in Kenya. The study concluded that training, recruitment, employees' relations, and rewards strategies had a significant and positive relationship with staff retention in the medical insurance industry in Kenya. The study recommends medical insurance companies to use recruitment agencies and internal staff recommendations in recruiting and selecting employees; this ensures that the firm hires committed and productive workers. The study also recommends for the management of insurance companies invest more in training activities to ensure the employee is effective. The insurance company management should also adopt strategies that create an environment in which employees feel a sense of voice encouraging employee development. Finally, the study recommended for medical insurance companies give fair compensation to their employees by coming up with policies that ensure that employees get equitable rewards after doing their jobs.

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ABBREVIATIONS AND ACRONYMS

AET	Affective Events Theory
ANOVA	Analysis of Variance
ERM	Employee Relationship Management
FTP	Fairness of Training Policy
HRM	Human Resource
HRM	Human Resource Management
ITT	Increase in Internal Training
SMOs	Sewing Machine Operators
SPSS	Statistical Package for the Social Sciences
SWOM	Staff Word-of-Mouth

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Human resources are considered the most essential resources in organizations today. Human resources and the mode of their management are very essential since many methods of ensuring competitiveness are not as important as before. In organizations, human resources are very essential. Further, the function of human resource managing is rising in the firm hierarchy. The goal of employee management is to ensure that the firm acquires and retains, committed, motivated and skilled workforce. To achieve this, the organization needs to take steps to examine and ensure future employee satisfaction, improve and develop individual innate capacity their contribution, potential, and usage through the provision of continuous opportunities for learning and development (Armstrong, 2008).

1.1.1 Human Resources Management Strategies

Management strategies in human resource revolve around providing decisions solutions to create a better work environment for the employees. It is also the development of employees to ensure maximum utilization of their potential to improve the organization and individual performance. Armstrong and Baron (2004) the greatest source of competitive advantage for organizations in the 21st century is in the naturing of the skills, knowledge, talents, and capabilities of employees in an organization. These efforts are only possible through organizations providing a supportive, conducive, and safe working

environment for such employees. One of the ways to achieve this is to design retention mechanisms for the employees.

HRM strategies involve the management of human resources in today's organization based on the knowledge that the major organization resource is the human resource. Therefore, the management of human resources development practices that influence flexibility, teamwork and help workers feel that they are important and the contribution they make is vital for organization growth and development (Wright, 2005). According to Armstrong (2008), HRM strategies emphasize the importance of formulating a human resource plan in line with the overall firm goals and strategies and should be able to respond to the dynamic business environment. This method needs the practitioner's interpretation and adaptation to make sure that the human resource plans and firm strategies fit.

In professional groups, the strategies adopted in HRM assist in ensuring that the member's career needs and professional development are achieved. The behavior of workers is very vital in achieving a goal and enhancing productivity (Pattanayak, 2008). Torrington et al. (2005) note that firms that value service and quality offer training opportunities, review the firm, improve communication, and reward and appraisal employees. Strategies for HRM direct, guide, and ensure improved employees' job performance. Skilled managers create workgroups hoping that peer pressure will influence good performance.

1.1.2 Employee Retention

Sandhya and Kumar (2011) define employee retention as the activities used in an organization to encourage its workers to stay longer with the organization. Armstrong (2008) indicates that employee retention involves programs and policies whose goal is to ensure that productive employees are kept in the organization for a long time. Therefore,

programs on retention are designed to make sure that workers are committed to the company. It requires favorable HRM practices and policies that ensure that workers remain committed to the firm. Therefore, the retention of skilled staff is advantageous to a firm since the skills and knowledge of employees are essential in ensuring that the firms remain competitive. The inability of the organization to keep its workers affects its ability to fully utilize human resources in the company. (Jong & Hartog, 2010). Retention of employees starts with hiring the right individuals and continuous programs to ensure their engagement and commitment to the company (Freyermuth, 2004).

A study in Central Florida revealed that employee retention on an hourly basis was forecasted by work conditions, self-fulfillment, and monetary rewards (Milman, 2003; Milman & Ricci, 2004). The study further indicated that staff that had a good experience on job fulfillment, working hours, and high job satisfaction levels are likely to remain in the firm for long. Wildes (2007) study of servers in the food restaurant found that though monetary rewards highly motivate retention of employees, a fun work environment and flexible work schedule were also an essential source of motivation.

Companies providing experimental opportunities, career growth, options on promotion, transport and conditions for job moderation, personal and family growth are highly likely to keep talented workers. In Turkey, most companies that provide training, job feedback, career growth, and communication are progressing despite the present economic conditions globally. This helps companies in the region to improve employee efficiency and performance (Sangaran & Jeetesh, 2015).

A great challenge is in attracting, keeping, and people motivated (Punia & Sharma, 2008). In many firms strategic staffing is becoming a vital issue, this is because retaining great

employee talents is very crucial for the survival of the organization in the future. Retention of staff is beneficial in many ways because the development of regional economic blocs has led to the increase in mobility of labor across countries. Further, firms that have been able to retain their staff gain a competitive advantage since they can reduce labor costs and enhance productivity. Retention of highly skilled individuals is recognized by firms as essential in attaining growth and building competencies in the organization.

1.1.3 Human Resources Management Strategies and Employee Retention

The link of using HRM strategies like compensation, career development, training, and balance in work-life serves as an essential element to enhance the retention of employees. Whereby, the strategies for HRM impact on retention of staff by influencing and adjusting staff activities. From a human capital perspective, management of human resources is seen to add to staff skills, capacities, and information, which are referred to as unique valuable firm resources (Lahkar & Baruah, 2013). HRM strategies and policies should be reliable and related to the firm context and strategy (Jiang & Lepak, 2012; Wood, 2000).

The scope of HRM strategies compensation, career development, training and work flexibility is essential in retaining important staff in a firm who support one another, good work relationships, staff engagement and inclusion in making decisions, empowerment, and autonomy. Hailey (2010) revealed that HRM strategies, like performance management, appraisal system, training and development, and remuneration positively affect the firm innovation ability. Therefore, motivation is associated with occupation composition, attainment of goals, rewards, and sense of decency. This is affected by the management of performance and framework of payments and determining appropriate work organization, representatives, and training.

Spenser (2012) who conducted a study on issues involving high performance indicates that strategies concerned with retaining employees in an organization started in Asia, the USA, and Europe. Due to the effect of the labor movement that took place in the 1990s, the effect of labor turnover was felt by employees. This ultimately affected the performance of these employees negatively thereby leading to a drop in the productivity of the organization. As such, organizations focused more on developing strategies that will promote retention of employees and put effort to ensure that the strategies are successful.

Employees turnover is a major challenge affecting many organizations due to the huge costs associated with hiring new ones to replace the ones who leave. In a study by Azeez (2017), on the practices that encourage employees retention in Maldives National University, the study identified that an employee may leave an organization due to several reasons that may include: dissatisfaction with a current boss or a supervisor in an organization, the employer not been able to meet employee expectations such as compensation or work environment, therefore, an employee leaving a job to get such satisfaction somewhere else; besides, the study revealed that employees may not be able to fit in the culture of an organization such as those that do not encourage team work or innovation. The study revealed that it was important for an organization to come up with practices that enable the retention of the organization's skilled employees.

Studying the effect of employees' turnover among manufacturing companies in Qatar, Alyafei (2021), revealed that there exist two forms of turnover in these organizations. One of the forms is referred to as voluntary turnover where the employee leaves an organization to pursue their own life goals, in such as case a talent is lost by an organization which needs to be filled in the future. Besides, an organization may have involuntary turnover

where the employees are forced to leave an organization because of restructuring that might be happening, downsizing of the business activities, or even employees not being satisfied with the compensation that is received. No matter the exit approach by an employee the organization suffers through losing important skills that earlier resulted in producing goods and services in the organization.

Salolomo and Agbaeze (2019), studying the influence of work-life balance on employees' retention in Nigeria revealed that the requirements of the staff in terms of their goals in the different generations varies. The Xers and yers prefer their work-life balance and therefore would prefer organizations that provide them with time to pursue their other dreams. On the other hand, the traditionalists and the baby boomers prefer to commit their time to the organizations. The company, therefore, has to plan well in the adverse on the type of employees to place in the different management levels, at the top level the baby boomers and traditionalists are preferred because they commit their time in the organizations and therefore the organization is assured of employees throughout the time and are as symbols of organizational leadership. At the Lower level of management Xers and the Yers are more preferred because they are innovative and their role in the organization is more predesigned. Organizations would have a greater burden in recruiting employees of top management than that one in the lower level of management. Therefore, generation disparity can be a positive or negative thing in an organization. An organization would need to employ strategies that incorporate different sets of generations to enhance productivity. Organizations would need the baby boomers and the traditionalists to mentor the generation Xers and the Yers in becoming the future leaders.

1.1.4 Medical Insurance Industry in Kenya

Medical insurance protect the insured from high costs arising out of an illness or an accident provided they are covered on a health policy. This way, it is a great tool for financial planning. The policy is divided into two main categories: in-patient cover which is termed as a treatment to a patient who is admitted to a hospital for treatment that requires at least one overnight stay. Outpatient covers treatment to a patient who attends a hospital or clinic for treatment without staying there overnight. The joining age for most medical insurance policies in Kenya new members is from newborn babies at the time of hospital discharge to 75 years old depending on the health insurance company one opts for. Eligible candidates have the freedom to choose the plan they want it can be Inpatient cover alone or Outpatient cover alone or even both (Insurance Regulatory Authority [IRA], 2017).

There are factors to take into consideration when shopping for a medical cover, one should look for a cover that meets most if not all of his/her basic needs when it comes to treatment for example if it will take care of daycare treatment, Maternity, antenatal and post-natal care for young ladies who are looking forward to having a child, pre-existing and chronic conditions, dental and optical not forgetting laboratory test and prescribed drugs among others (IRA, 2017).

The majority of medical insurance companies in Kenya have opted to partner with hospitals, clinics, and specialist providers outside the country for their clients, it is reliable and affordable compared to the local hospitals, clinics, and providers. This has in a way changed the dynamics in the industry with every company running in that direction to ensure they are better placed and keep their current clients (Insurance Regulatory Authority report, 2017).

1.2 Statement of the Problem

Retention of experienced and efficient employees in a firm is vital since it reduces hiring costs. Equally the organization cannot undervalue human resource retention, administration, and development (Kadiresan et al., 2019). Noronha et al. (2020), studying the employees' productivity in Scandinavian medium enterprises revealed that enterprises rely more than 70% on human resources for survival. Employees are the ones involved on daily basis in dealing with customers/clients and usually handle the finances of the organization as well as making key decisions of the organization. Organizations can therefore not run without employees. Therefore, the retention of employees should be a priority for organizations.

However, employees retention is not as easy as it sounds, companies have to put a lot of effort to maintain and also retain a skilled and productive workforce. Unfortunately, employees leave at some point, Kadiresan et al. (2019) noted that turnover of employees in the organization has to do with harassment by a boss, being unable to cope with organizational culture or lack of opportunities to grow as well as resigning to pursue personal goals. Studying challenges faced by organizations in employees' retention in the developing countries in Sub-Saharan Africa, Sache and Lal (2017) noted that 34% of employees leave organizations because of financial incentives motives, 27% leave because of lack of work-life balance, 18% leave because the organizations do not provide opportunities for self-development and growth, whereas 7% leave to start their businesses. A survey by Dalayga et al. (2021), revealed that 68% of generation X and Y employees leave organizations in developing economies. Dalayga et al. (2021), added that the result of the employees leaving an organization is a huge financial implication of hiring new

workers, loss of business from low productivity as well as loss of time and low job morale Raza, St-Onge and Ali (2021) concurred that hospitality industry in India lost over \$ 100 billion from employees' attrition alone.

Local studies in human resource management strategies include; Mburu (2015) who evaluated the effects of strategies of HRM on retaining employees in Kenyan deposit-taking microfinance institutions (MFIs) and found a positive and significant relationship, Tonui (2017) researched how retaining staff in real estate Companies in Nairobi County is impacted by practices in HRM and found an insignificant but positive relationship.

Saverio (2018), studying determinants of employees' turnover revealed that culture, reward systems, and employees' vs supervisors' relationships were significant determinants. These studies are evidence that there are no conclusions on the effect that HRM practices have on employees' performance. Some posited existence of a relationship whereas others did not. The debate on the influence of HRM practices on employees is still ongoing where different studies in different industries, regions, and the use of different methodological approaches gave different results. The medical insurance industry in Kenya is a crucial sector easing the medical bill -a burden to patients. Loss of workforce may result in a delay in service delivery which may in effect result in a patient taking long to clear a hospital bill or inability to get a service. As such it was important to study the effect that HRM practices had on employees' retention in the medical insurance industry.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study was to establish the influence of human resources management strategies on employee retention in the medical insurance industry in Kenya.

1.3.2 Specific Objectives

- i. To establish the effect of recruitment and selection strategies on employee retention in the medical insurance industry in Kenya.
- ii. To establish the effect of training and development strategies on employee retention in the medical insurance industry in Kenya.
- iii. To establish the effects of employee relations strategies on employee retention in the medical insurance industry in Kenya.
- iv. To establish the effects of reward and compensation strategies on employee retention in the medical insurance industry in Kenya.

1.4 Research Hypotheses

H₀₁ Recruitment strategies and selection do not significantly affect employee retention in the medical insurance industry in Kenya?

H₀₂ Training and development strategies do not significantly affect employee retention in the medical insurance industry in Kenya?

H₀₃ Employee relations strategies do not significantly affect employee retention in the medical insurance industry in Kenya?

H₀₄ Reward and compensation strategies do not significantly affect employee retention in the medical insurance industry in Kenya?

1.5 Significance of the Study

1.5.1 Policy makers in the Medical Insurance Sector

The managers in the medical insurance industry can now understand how human resources management strategies impact the retention of workers in terms of workers' retention,

reward systems recruitment strategies, training and the development of the workers as well as the employees' industrial relations and their interrelationships.

1.5.2 Human Resource Managers and Practitioners

The human resource managers are now able to understand how human resources management strategies influence employee retention. They can now make policies that work towards enhancing employees' retention.

1.5.2 Researchers and Academicians

The study is important to future academicians and researchers in the area of human resources who can use the study's empirical findings to build on their future research.

1.6 Scope of the Study

The study was conducted among 30 licensed medical insurance companies in Nairobi County. The study focus was on the four research objectives and sourced primary data from the staff working in the insurance companies in the medical sector.

1.7 Limitations of the Study

Some of the medical insurance companies were unsupportive in providing data for the study because they thought that the data collected was being given to the competitors. The researcher, however, assured the management of the organizations that the study was purely academic and that the provided information would be treated confidentially. Some of the participants claimed that they had busy work schedules, the researcher assured them that the data collection was to take a little time because the questionnaire was not lengthy. The study mainly used questionnaires for data collection hence most of the data collected was quantitative.

1.8 Definition of Operational Terms

Compensation: it is the total payments in terms of money and non-money terms given to an employee in turn for the work they do for your business (Alansari & Javed, 2021). The term was used in the study to refer to the salaries and wages given to the employees working in the insurance companies.

Development: It involves employee initiatives as well as the employer to improve the existing individual skills (Alansari & Javed, 2021). The term was used in the study to refer to the practices including workshops and training undertaken by the employees in the organization to handle the different roles given appropriately.

Employee relations: Refers to the efforts of an organization to create and maintain a positive link with its employees (Ramli, 2019). The term was used in the study to refer to the efforts undertaken by the organization to ensure that employees and the employees work in harmony by providing mechanisms through which they can negotiate about the work environment, the compensations, and the job design.

Employee retention: Refers to all activities which make workers remain in a company for a longer time (Ramadhan et al., 2020). The term was used in the study to refer to the efforts that the employer undertakes to ensure that employees show up at work, are loyal to their work and bosses, employees retention to continue working (commitment to the job), they are also committed to the job and also do not leave the work to join other organizations or other careers.

Human resources management strategies: It involves practices such as employee attraction, development, provision of rewards, and retention for the benefit of both individual employees and the firm as a whole (Alansari, & Javed, 2021). The terms were

used in the study to refer to the practices including rewards given to the employees, training provided by the trainers, recruitment, and relationship building with the employees.

Recruitment: It is a process within an organization where candidates for a job are attracted, short-listed, selected, and appointed on a permanent or temporary basis (Nawaz, 2019). The term was used in the study to refer to the process of successfully employing new staff to an organization.

Reward systems: These are organizational programs developed that the employees are motivated and their performance is appreciated on the group and/or individual levels (Hamza et al., 2021). The term was used in the study to refer to compensations given to employees after working in an organization.

Selection: It is the process of matching firm requirements with employee skills and qualifications (Hamza et al., 2021). In the study, the term selection refers to the process of identifying a particular employee for a certain job from several applicants.

Training: It is a process of learning which involves improving skills, ideas, change of attitude and acquire more knowledge to improve employee performance. In the study, the term training was used to refer to the activities of equipping the organization workforce with skills that suit their job roles.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Chapter two entailed the theoretical literature and framework, empirical literature conceptual literature, and the operationalization of the variables of the study.

2.2 Theoretical Review

The study was ground on the social exchange theory, Stacey Adam's equity theory, Herzberg's motivation theory, and affective events theory as it sought to determine how employee retention in the Kenyan medical insurance industry is influenced by practices in human resources management.

2.2.1 Social Exchange Theory

Blau (1964) pioneered the Social Exchange Theory. The theory originates from psychology, sociology, and economics. The major assumptions of rational choice and structuralism provide the features of this theory. With its main application being in the business environment, it implies that it is a worthwhile process that is jointly contingent, two-sided, and comprised of simple transactions or exchanges.

Aryee et al. (2002) argued that the provision of labor by employees results in compensation by the organization which is a form of a social as well as an exchange mechanism. The economic exchange involves enforceable contracts by the firms where an employee is entitled to a salary or some benefits (Gould & Davies, 2005). Therefore, people are attached to their firms in exchange for particular rewards from the firm. From this point of view, workers join an organization with particular desires, skills, and goals and they aim at getting into an environment where they can achieve their goals, make use of their skills and

satisfy their desires. According to employees' view, their perception of favorable exchange and rewards are expected to lead to an increase in organization retention. In the instance that an organization fails to provide the so expected returns, it results in employees leaving the organization either to join others where they receive the expected gain or leave to start their businesses.

From this view, this theory proposes that workers respond to supposed suitable work conditions by behaving in a manner that is beneficial to the firm and other staff. Further, workers resist poor working conditions through reporting at work late and also absenteeism, which may deteriorate to leaving work (Haar, 2006). Retention of employees in an organization has also been described by the exchange theory. From the exchange viewpoint, workers exchange their attachment, identification, and loyalty to the firm in exchange for incentives offered by the firm. This implies that a person's choice to remain in a firm is dependent on their view of the balance of fairness between the contribution of workers and the inducements of the organization. Meyer and Smith (2009), note that employees' perception of unfair treatment adversely affects their commitment to an organization. This theory explains the influence of development and training strategies on employee retention.

2.2.2 Stacey Adam's Equity Theory

This theory was advanced in the 1960s by Stacy Adams. Adams is a behavioral and workplace psychologist, who stated that workers want to uphold equity between the job inputs they bring to work and what they receive against the supposed other people's input and outcome (Adams, 2005). It is believed that individuals highly value fair treatment which motivates them to continue providing services to the organization.

Gupta (2011) stated that individuals foster fair treatment at work. The theory assumes that workers do not exist in a vacuum, they usually weigh their contributions in a job (input) against what they receive (outcome) and make a comparison of their input-outcome proportions with other individual's input-outcome proportions. A situation of equity exists if the ratios concur; the feeling of fairness and justice triumphs. Unequal ratios make workers feel that they are not given the reward they deserve and therefore they will try to resist which may mean leaving the job or reducing their commitment. Therefore, according to theory employee motivation levels depends on the view of whether there is fair treatment for efforts related to jobs when equated with other workers.

The theory posits that a person's level of motivation is linked to their view of justice, equity, and fairness practices by firm managers. Robbins and Decenzo (2012) posit that the existence of equity can be ascertained when a worker's input-outcome fraction is linked with other workers in the job network. Moreover, inequity is perceived in situations where their ratio is lower than others, this leads to employee dissatisfaction. An employee may observe that their current working environment and norms as unsuitable and decide to leave the current employment in search of a more equitable and better working environment. The theory helps to understand areas that the human resource managers and practitioners may improve to enhance the retention of skilled workers in an organization. Some of the ways advanced by Gupta (2011) included training and development of the workers through workshops, job rotations, coaching, etc. Besides employees can be productively be engaged in an organization by giving them equitable compensation. Highly productive workers should have compensation that commensurates the efforts.

2.2.3 Herzberg's Motivation Theory

The founder of the theory was Frederick Herzberg in 1959. The behavioral scientist came up with two theories; motivator-hygiene and two-factor theory. Herzberg's view is that there are job factors that lead to satisfaction while other factors create dissatisfaction. Herzberg proposed two factors first the hygiene factors; these factors are important in ensuring motivation in an organization. However, these factors, do not provide long-term positive satisfaction. The absence of these factors in the workplace result in job dissatisfaction. Hygiene factors represent an individual's physiological needs which are needed and expected to be achieved. Some of the hygiene factors are compensation, job security, fringe benefits, physical working conditions, and interpersonal relationships (Herzberg, 1965).

The second factor is the motivational factor. Herzberg asserts that the hygiene aspects cannot be referred to as motivators. Motivators bring about positive fulfillment. The factors are integral to jobs. They motivate workers for achieving good outcomes. The factors can be referred to as satisfiers; they are involved in undertaking tasks. Workers find the aspects intrinsically motivating. Motivators represent the psychological wants that are viewed as an added benefit. Motivational factors comprise opportunities for growth and promotion, recognition, responsibility, and work meaningfulness (Alshmemri et al., 2017).

It is therefore upon the managers to identify the factors which lead to more retention of the workers; some of the areas according to Alshmemri et al. (2017) which can result in more workers satisfaction include better remuneration, training the workers to give the skills that make them more useful to the organization, more productive as well as being more efficient. To enhance productivity and attitude at work, managers should understand that

the rise in individual satisfaction results to work satisfaction and subsequent employee retention. Dissatisfaction comes as a result of an unfavorable examination of factors related to work such as firm policies, administration, technical issues, interpersonal relationships, working conditions, and lack of career development. The factors result in dissatisfaction as well as the intention of employees to leave employment. This theory explains how employee retention is impacted by compensation and reward strategies.

2.2.4 Affective Events Theory

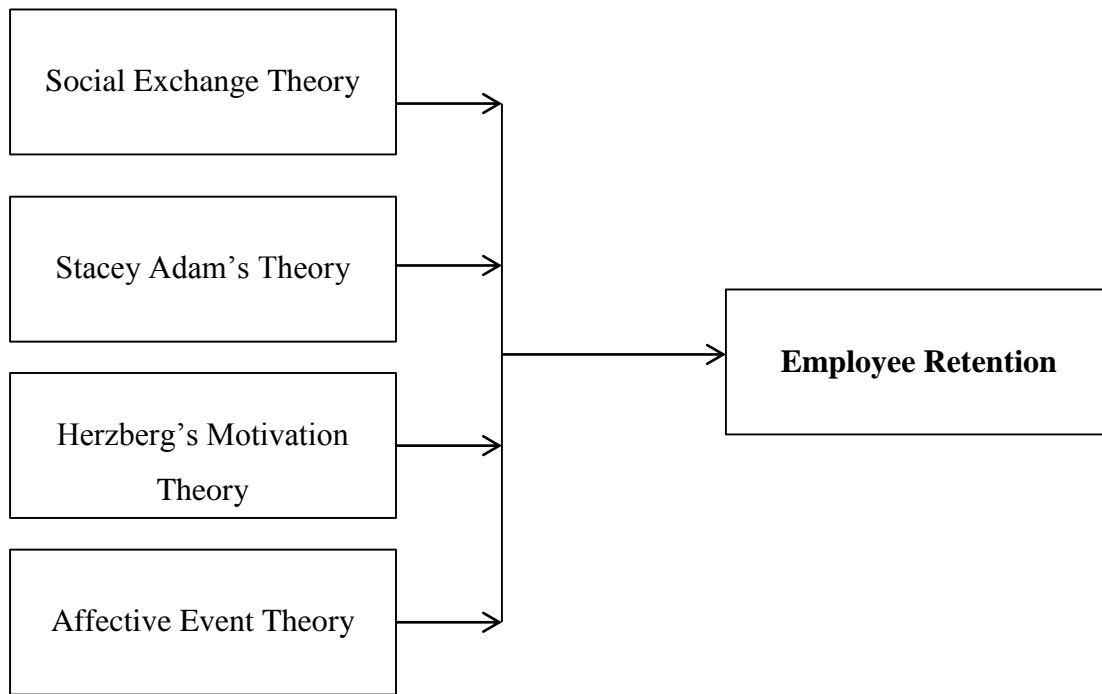
Weiss and Cropanzano (1996) advanced this theory. The theory explains the relationship between workers' internal inspirations and the way they react to activities that take place in the workplace that impact their performance, commitment at work, and work satisfaction. It suggests that positive induction and negative emotional occurrences at the workplace have a major psychological effect on the job satisfaction of employees. The effect leads to enduring responses displayed through work satisfaction, commitment in the organization, and work performance hence the inclination to stay in the firm (Phua, 2012).

Ashton-James and Ashkanasy (2005) posited that event at work generates employees' affective reactions and the affective reactions impact job cognition and behavior. The theory puts into consideration how explicit occurrence at the workplace rather than work features results in specific behavioral and emotional reactions (Briner, 2000). The theory asserts that these occurrences at the workplace impact employee's well-being thus influencing their decision to leave or stay in the organization. This theory explains how employee retention is impacted by selection and recruitment strategies.

2.3 Theoretical Framework

Figure 2.1:

Theoretical Framework



Source: Research (2021)

2.4 Empirical Review

The existing literature that relates to the study objectives is reviewed in this section. In specific, it reviews the literature on recruitment and selection strategies and employee retention, training, and development strategies and employee retention, employee relations strategies and employee retention and reward and compensation strategies and employee retention.

2.4.1 Recruitment and Selection Strategies on Employee Retention

In Sri Lanka, Chandrasekara and Perera (2016) evaluated how recruitments practices impact worker retention in large apparel companies. The study aimed to establish how recruitment strategies including referrals, job transfers, and promotions affect the retention

of workers in the companies in Sri Lanka. A mixed study method was used. Using the quantitative method, data collection was obtained from 127 operators of sewing machines who were randomly chosen from the targeted companies. Structured interviews were adopted. Results showed a positive association between recruitment strategies and the retention of employees in the selected organizations. Also, recruitment practices and policy positively correlate to the retention of workers.

A study by Sutanto and Kurniawan (2016) in Batik industry in Solo City, Indonesia was about the effective recruitment, worker retention, and labor relationships on job performance. The research was carried out to determine if there is a link between recruitment, worker retention, labor relationships, and job performance. The key objectives of the study included job promotions, referrals, and internal selection results in job commitment. The study's findings showed that recruitment, labor relations, and retention have significant impacts on employee job performance. Also, employee recruitment and retention significantly impacted their job performance. Similar to employee recruitment and retention, labor relations and retention of staff were significantly related. It was also noted that staff recruitment and retention significantly impact staff job performance through labor relations. Also, through retention of workers recruiting significantly impacted labor relations.

A study in the bank and insurance sectors in India by Vispute (2012) study focused on recruitment practice and retention of workers. The research goal was to provide results on recruitment practices used in Indian insurance and banks and workers' retention in the firms. Basing the study on prior literature and in-depth interview with human resources and hiring managers in the targeted organizations, surveys were administered to the

professionals in both firms. It was established that recruitment practices significantly relate to employee commitment and retention in the company. The study also revealed that only promotion and significantly influenced retention. Retaining employees in an organization is positively but insignificantly impacted by referrals. However, job transfers revealed an insignificant relationship with employees' retention. There was an insignificant link between recruitment practices and labor turnover. The study played an important role in understanding how recruitment activities related to employees' obligations and turnover intentions in the firm.

Oaya et al. (2015) evaluated how recruitment and hiring procedures on the output of employees in Nigeria's chosen manufacturing firms. The study was an examination of how staffing and hiring procedure impacts the performance of workers in real estate companies using the descriptive survey approach. T-test inferential statistics were used to determine the link-level amid staffing and hiring practices on the performance of staff. The results showed that the usage of recruitment agencies and recommendations by internal workers in the process of selection and recruitment helps the company to hire employees who are committed and productive and also recruitment that is influenced by the host community results in the efficiency in the organization. However, the study did not find any significant relationship between the influence of job transfers and retention. The study recommended for the company to do a background check on the employees hired as well as seeking information from people who worked with the staff before to give a reference, in that way the organization will be assured of employees who stay longer in the organization.

Samwel (2017), study was in manufacturing firms and sought to find out how firm performance is influenced by selection, motivation, recruitment, and retention. The study

was a critical examination and review of literature on how manufacturing firms apply staff selection, motivation, recruitment, and retention and all these contribute to firm performance and effectiveness. The analysis was on recruitment sources, employee staffing and selection on a global viewpoint, impact of recruitment through the internet in Tanzania, staffing, selection, retaining drive and performance of staff, staffing, selection, retaining and inspiration in manufacturing firms in Africa, staffing, retaining and motivating in East Africa. Different methodologies were analyzed and gaps were identified for future research. Overall results showed that recruiting, selecting, retaining, and motivating significantly relates to the performance and effectiveness of manufacturing firms. Specifically, the study revealed that referrals, promotion, and job transfer positively and significantly impacted retention. It was recommended that organizations should employ and retain qualified, skilled, and self-driven employees for prosperity and success.

Länsförsäkringar et al. (2011) researched the management of employee selection and retention. The study's goal was to explain and scrutinize the selection and retention processes and their effects on the firm's ability to identify and keep competent employees who are an important asset to the company. Interviews were used to obtain data from senior staff at LFB, e-mail interviews were used as a follow-up. The web, books, and journals were used in obtaining secondary information. The study was a case study and qualitative methods were used in data analysis. Adopting selection approaches with great analytical validity like work samples, structured interviews, assessment centers, and cognitive personality tests as well as understanding how the approaches impact the attitude of candidates and their importance in allowing the employer and candidate discussions on goals, views, and values is a way in which organization can use the selection practices to

get employees that can add to the organization value. The study revealed that effective recruitment procedures such as engaging professionals in the recruitment exercise, use of technology-based platforms to automatically select employees with attractive qualities have the effect of ensuring that the organization employs the most qualified worker. Besides, the study revealed that the use of referrals in the selection process helps an organization in saving costs of recruitment because the person referring the employee has knowledge of the worker and therefore the organization employs the most suitable candidates for the job.

Khattak and Rehman (2014) did a thematic synthesis on strategic recruitment and retention practices. The study goal was to provide an understanding of the elements related to workers' recruitment and retention in firms. The study was qualitative and therefore critically reviewed past literature in the areas of employees retention. The study made use of published articles between 2001-2013. The selected articles were those focusing on the strategies adopted by organizations in their recruitment and retention. Main themes were selected to examine organizations' novel hiring and retention practices. The review consisted of one hundred articles and the studies that achieved the needed criteria were fourteen. The thematic analysis showed how innovative and strategic staffing and retention practices are being used. The results provided companies and organization planners with the necessary information for decision-making regarding staff and retention to improve hiring in the firm. The results of the contextual studies revealed that the major recruitment practices carried out in the organizations include the use of referrals, past job performance records, promotions as well as referrals that enables organizations to hire the best employees in the organizations.

Karemu et al. (2014) studying staff recruitment practices on their retention in Kenya's Equity bank adopted a descriptive survey and the study participants comprised management staff at their main offices and branch managers who comprised relationship, branch, operations, credit, and customer service and agent managers employed or endorsed in past two years, divided in accordance to the recruitment method used. The strategies adopted for recruiting workers were found to positively impact staff intent to stay in the organization.

In Kenyan commercial banks, Mbugua et al. (2015) researched the link between strategic staffing and retention of workers. The goal of the research was to scrutinize the link between strategic staffing and the retention of workers in Kenyan commercial banks. To achieve the study goals a survey design approach was adopted to gather data. The techniques used were the quantitative and qualitative methods. The targeted commercial banks were those licensed by CBK. The collection of information was using a questionnaire. Correlation and regression analysis revealed the association between the variables. Results revealed that the firm's strategic recruitment practices like relations, psychometric examinations, and websites, focused on certain professionals, using the head-hunting methods, providing benefits, ranking probable candidates, and internet and other technology used which impacted the recruitment process.

Ramki (2015) studied the impact of selection and recruitment strategies on the retention of teachers in international primary education institutions in Nairobi. The study participants comprised fifty listed international primary education institutions in the county of Nairobi. The respondents' sample size was 128 in different ranks top and middle from the primary schools. A questionnaire was adopted to obtain primary data. The data was quantitative.

Regarding recruitment and retention, it was established that methods of recruitment largely impact teachers' retention in the selected education institutions, the vital ones being individual connections, firm websites, print media that is magazines and newspapers, and public agencies. It was also revealed that the methods of selection largely impact on teacher's retention in the international education institutions in Nairobi, mainly through channels like interviews, personality tests, job knowledge tests, aptitude tests, psychometric tests, and work samples tests.

2.4.2 Training and Development Strategies on Employee Retention

Anvari et al. (2014) evaluated how learning and development practices impacted engineer's retention in companies in Malaysia. An examination was done on the role of learning and development in both personal and firm features in engineering, basing the study on the theory of social exchange, which focuses on psychological contracts and ensuring good employer-employee relationships. The study explored the level at which firms afford efficient learning and growth activities that influence commitment by developing a sense of responsibility through career growth. The concepts were tested with managers and engineers in Malaysia. The psychological contract concept was adopted to conceptualize the intention of engineers to stay and it mediates the link between opportunities for learning and development and staff intention to remain in the organization. The study findings revealed challenges in the retention of employees, mismatch of retention strategies concerning the needs, wants, and expectations (psychological contract) of engineers.

A study in the Republic of Ireland by Omoikhudu (2017) focused on evaluating the effects of development and employee training on their retention in the retail sector, an exploration

of the goal of coaching in the leading retail company in Dublin that is the Mark and Spencer's Store. The goal was to establish how employee development and training impact retention in the Mark and Spencer. A questionnaire was used to create primary and secondary information. Open-ended and close-ended information was obtained by use of questionnaires. An investigation of the variables relationships by use of descriptive scale, processing case, scatterplots, Pearson correlations, and multiple regressions analyzed the discrepancies among the predictor and dependent variables. The analysis results indicated that coaching and training had no significant effect on the retention of labor at Mark and Spencer. However, job rotations had a significant influence on employees' retention. Although the reviewed literature indicated other essential aspects, these included the monetary and non-monetary rewards, good pay, and favorable work environment, proper communication between managers and workers, and employee skills developments. Inappropriate management of the factors can lead to employees exit in a company to find better competitors offers, this may result in an unsuccessful business.

Duah and Danso (2017) researched how the retention of employees working in capital banks is impacted by their development and training. The goal was to examine the role played by training and development in minimizing the rate of turnover in financial firms, the case of Capital Bank. A quantitative method was adopted. A case study method was used. A questionnaire was directly administered to gather primary data. The study selected one hundred staff. Quantitative methods were used in data analysis. It was revealed that most participants knew about the availability of plans for the career development of staff members in Capital Bank. The majority, that is seventy-eight percent of participants agreed. The participants agreed that employee training and development affect their retention.

It was also indicated by participants that the training received was very significant to their jobs. The challenges that were identified included inadequacy of remuneration, poor communication or poor information flow, unexpected appraisal systems, unavailability of career path and growth, and also the lack of clear-cut policies.

Chen (2014) evaluated the impact of employee training on their retention in China. The goal of the study was to establish how employee training relates to retention. Training played a significant role in the performance of the organization and it was specifically important in the firm strategy impacting on employees' retention and human capital growth. Moreover, there was a lack of adequate investment in training practices since many employers view training as an expensive activity.

In Adamawa State-Nigeria, Ldama and Bazza (2015) evaluated the influence of employee development and training on their retention in a selection of commercial banks. The research was an assessment of the impact of staff training and growth in their retention in financial institutions in Nigeria. The study was influenced by the small number of skilled workers and high cases of employee turnover in the banking organizations in Nigeria. A semi-structured questionnaire was used in data collection. Participants were 197 employees from local government areas in Numan, Yola North, Yola south, and Mubi north in Adamawa State-Nigeria. The regression method was applied in analyzing the study's data. The results indicated that development and training positively impacted retention practices in banking institutions. In commercial banks employee retention can be ensured by providing training and growth as a strategy of motivating employees.

Research by Nkosi (2015) in South Africa's Local Municipality was about how the retention, commitment, and performance of employees is impacted by their training. The

main goal of the research was to establish the impact of staff training on their commitment, performance, and retention in South Africa's Local Municipality in Mpumalanga Province. Sampling was done by use of the conventional technique. Participants in the study were 100 staff. A Likert scale questionnaire was structured and used in gathering information on employee commitment, training, and retention. Results revealed that training and development which was carried out through job rotations, hiring of consultants for training, workshops, and on-the-job training such as supervision significantly impacts the commitment, performance, and retention of employees.

Mandhanya (2015) researched employee training and growth practices as a motivational initiative for the rise in retention of labor in the automobile industry. The goal was to determine the association that exists between employees training and retention. The research attempted to determine the relationship between staff training and growth adopted in automobile companies that contribute to employee satisfaction, commitment, and retention. It can be stressed that job training is the most essential factor for staff retention in firms. The major features are decisions on training, methods of training, and training duration. The research was carried out using a sample of three hundred workers in two automobile organizations. The association between staff training and retention was established through correlation and regression analysis using SPSS. A positive effect between employee training, commitments, satisfaction, performance in ensuring staff retention was revealed. The study recommended the use of job rotation, use of supervisory training, conducting of workshops, and the use of online training to enhance employees' productivity and their long stay in the organizations.

Umer (2015) researched the impact of employee training and retention. The study goal was to establish the effects of employees' training practices on their intent to stay or leave a firm. The study determined the great effects of training strategies on the retention of staff. One hundred staff from private and public firms was selected through the convenience sampling method from where data was collected. The techniques used in data analysis were correlation, regression, and descriptive methods. It was established that a positive association is existent between staff training and retention. Further, the intent of employees to remain in an organization for long is determined by the training strategies. The study recommended for the organizations to carry out continuous training to enable employees to cope with new technology, new job demands and also enable employees to effectively carry out their jobs. Through continuous training, employees were found to also commit more to their roles which resulted in higher retention.

Mapelu and Jumah (2013) focused on the hotel industry in Kisumu County Kenya. They studied how employee training and development affect turnover in the firm. The main goal was to determine the impact HR activities had on the turnover of works in hotels. The study also sought out how employee training and growth resulted in a turnover in the firm. The theory guiding the study was Herzberg's two factors. The study used survey methods. Hotels targeted in Kisumu were 24 and the population consisted of three fifty staff. The method used in the selection of hotels was purposive sampling in selecting employees in their different departments. The research sample size consisted of 6 hotels and 187 staff and twenty-four managers. Employees and managers were given questionnaires to fill. Results showed that the development of staff significantly influences their turnover. Training can be used as a mechanism of helping hotels in developing a workforce that is

productive and committed. Though training plays an important role in the process, there is a need for hotels to come up with other practices and strategies to improve commitment. Training may provide a lot of benefits however a great effect can be experienced by the use of human resources strategies that involve numerous firm policies and practices. The study recommended both on the job as well as out of the job training to improve the employees' performance in the organization.

2.4.3 Employee Relations Strategies on Employee Retention

Rahman and Taniya (2017) studied the impact of managing employee's relationships on their job performance in private bank institutions in Bangladesh. The study goal was to provide insights regarding the impact of managing employee relationships on the performance of staff in private bank institutions in Bangladesh. Fifteen private banking institutions and eighty-five staff from the banks took part in the study. A five-point Likert scale questionnaire was adopted. The examination of the performance of staff was done using statistical measures.

relation and regression methods. Results showed that trust and communication have moderate effects on the performance of staff in the bank. The study also revealed that many organizations have come up with enterprise resource planning software that helps them in managing their key human resources such as the provision of opportunities for promotion, recognition of well-performing employees, and also carrying out effective communication.

A study in the hospitality industry by Chaudhry et al. (2013) focused on the impact of employee relations on the performance of staff in Pakistan. The study introduced (independent variable) staff relation strategies comprising (mediating variable) conflict

resolution and unions, motivation, discipline, training, participative leadership, benefits, and (dependent variable) staff performance were adopted. Evaluation questionnaires were used in the collection of data. Two hundred and forty-one staff from twenty-eight hotel firms. Assessment questionnaires were used in the collection of data. Two hundred and forty-one staff from twenty-eight hotels with four operational and a staff relation department of three, four, and five-star hotels. Handling of conflicts and the collective bargaining agreement were found to be significantly and positively correlated. A positive and significant correlation was found between conflict resolution and leadership involvement. Further, a positive and significant correlation was revealed between leadership participation and union collective bargaining agreement. The study supports the hypothesis that staff relation practices affect employees positively in the hotel sector in Pakistan. The hypothesis showed a significant relationship. The study also revealed that effective communication through the provision of multiple communication channels including the use of social media, use of memos, conferences, and meetings allowed employees to express their opinions, attitudes, needs as well as socializing with the entire workforce. Through employees' relationships workers felt safer, also felt being part of the organization, and ultimately resulted in the commitment of workers and therefore retention. Sawithri et al. (2017) studied the effect of employer-employee relationships on the commitment of employees in Sri Lanka. The study objectives were to analyze the effect of line manager's trust and relations with top-level manager's commitment in Sri Lanka at Ceylon Electricity Board (CEB). A deductive methodology was adopted. Structured questionnaires were used to gather primary information by use of a randomly selected sample of eighty-six assistant staff from CEB where information was gathered from fifty-

four participants. Results from the analysis revealed that a great positive effect of line managers' relations and senior managers' trust on the commitment of staff at CEB and is associated with productivity. The study also noted that effective communication through two-way communication where employees give feedback and air grievances enhanced job commitment. Besides, the use of multiple communication channels that enabled faster communication such as the use of social media, messaging and the use of memos enabled employees to keep in touch across all management levels. The study recommended for the organizations to develop employer-employee relationships through coordination and create a trust climate.

Subramanian (2017) evaluated the relationship between employer and employees and how it affects the strategy and structure of the company. The research indicated that though constraints in strategies can be accommodated, the adaptability and flexibility of the organization should be focused on ensuring fruitful and cordial relationships. The goal and motive of firms are overcoming environmental difficulties and this depends on the firm human resource (employee) constraints and strategies used to promote employer-employee relationships. The research established that the flexibility of the firm structure can be seen in terms of intent and design. The organizations face constraints in their bid to manage employer-employee relationships to meet strategic requirements. The study further noted that a tall organizational structure resulted in poor communication between different levels of management. The study recommended for use of a flat organization structure that promoted effective, faster communication and giving of feedback. Through effective structure design employees' and employers' relations were boosted and therefore enabled employees to be committed to the jobs.

Sequeira and Dhriti (2015) evaluated employee relationship and how it affects their performance. The research goal was to provide an understanding of staff relation strategies and their effect on the performance of staff at Kavya Systems, Bangalore. The study adopted descriptive and casual approaches to describe staff relation initiatives and to link staff relation initiatives to performance. Questionnaires were used to gather information primary in nature. A convenient sampling technique was used. From the formulated research hypotheses, a relationship was established between staff relations practices and staff performance. The practices adopted by an organization to ensure good staff relations directly affect staff performance in a firm. Highly satisfied employees with the existing firm factors can remain in a firm for a long time. Employee relations were created through communication channels, events creation to recognize performing staff, and also working as a team in organizations. It was also noted that enhancing staff relation factors in the firm can enhance staff performance as well as the organization's productivity.

Mohamed and Alkerdawy (2015) did a study on the role of ERM in the development of employee word-of-mouth among academic workers at Universities in Saudi. The study made use of a survey questionnaire. From ten universities from Saudi, a sample of three twenty-seven respondents was identified. Results showed that partial support had a mediating impact on the development of staff between ERM and word-of-mouth. So, employee relationship management contributes to the development of word-of-mouth when there is articulated dissent. However, the contribution reduces when latent and displaced dissent coexists. Further, findings revealed that though the development of staff is fairly a novel concept, it plays a pivotal role in mediating the link between staff relationship management and word-of-mouth. The research advised that the universities

managers in Saudi require strategies that will support the creation of a good atmosphere to enable the academic staff to feel a sense of Staff Word-of-Mouth (SWOM) to reduce adverse staff development and ensure an optimal SWOM to ensure reliable recruitment practices.

Samwel (2018) focused on the influence of staff relationships on the performance and performance of the firm in small enterprises in Tanzania. The methodology adopted was the cross-sectional survey approach. The technique for sampling was the stratification method. From the targeted small enterprises, a sample of 387 individuals was obtained. To gather the study information structured interviews and questionnaires were used. Descriptive and inferential analysis was adopted. The findings of the study established that Tanzania's small firm understands the significance of ensuring good staff relations and takes actions to reduce poor staff relationships in the company. Consequently, there was a significant positive link between staff relations and their work performance. However, it is noted that small firms in Tanzania use unfair work practices.

Gunnigle et al. (2008) did a study on staff relations and work retention, the effects of management styles. The management styles used were; collectivist and individualist in staff relationships on strategic integration levels in staff relationships. Results revealed that a positive link existed between strategic integration and individualism. It was also noted that high strategic integration levels relate to low collectivism levels in staff associations. The most essential practice affecting various strategic integration levels was ownership.

Cho and Erdem (2015) researched programs of staff relation and the performance of hotels, effect on turnover, the productivity of labor, and Revenue per Available Room (RevPAR). The study goal was to determine how staff relation practices impacted firm performance in

the hotel sector. Employee relation programs give opportunities to workers to take part in planning and enhancing tasks related to work. Staff relations were measured using the following items: formal programs for resolving complaints, program participation, attitude reviews, and system suggestions. Additionally, measures of firm performance were staff turnover, output per employee, and RevPAR. Results showed that employee relationship programs resulted in an increase in RevPAR and productivity. Specifically, the study revealed that effective communication among employees, use of teamwork in carrying out activities in the organization results in better performance of employees, improvement of the employees' morale, and therefore increase in retention. The study recommended for use of teamwork, utilization of communication channels that led to effective use of employees' empowerment and therefore more job commitments.

Duah and Danso (2017) researched staff relations' impact on performance in Ghana. A group of 100 participants was identified for the study. From the respondent's views, many challenges affect career management initiatives in an organization. The challenges included; insufficient compensation, poor communication, and information flow, favoritism, unplanned appraisal system, unavailability of career development, unclear policies, and inexperience. Results showed that the commitment of workers in banks can be improved by providing them with rewards that match their level of skills and responsibility.

Karanja (2015) researched staff relationships and firm performance in the Tororo cement factory. The goal was to establish the staff relations and performance of firms in a Cement firm in Tororo. The study methods comprised the descriptive cross-sectional and explanatory approaches. The study participants were twenty-five. Information gathered

was primary and secondary using observation, questionnaire, interview guide, and survey. Analysis of information was by use on correlation and multiple regression method. Results showed that there is an increase in staff turnover due to poor work conditions, staff non-participation, lack of motivation, and poor communication. Professional staffs get more opportunities than unprofessional ones. Poor performance was recorded due to poor employee relations. However, a strong positive association was revealed between staff relations and firm performance, the study recommended the utilization of communication channels that enables employees to relate well and also commit to the job therefore more retention of workers.

2.4.4 Reward and Compensation Strategies on Employee Retention

Kathombe (2018) studied the relationship between reward systems and the performance of employees in selected universities in Nakuru. The study was descriptive, the population of the study included 345 lecturers in Kabarak. Through probabilistic sampling, 145 lecturers were selected. Descriptive analysis and correlation analysis was used to reveal the relationship between the influence of both non-financial and financial rewards, and the joint effect of financial, non-financial on the performance of employees in the universities. The study's variables were found to have a strong positive relationship. The study recommended the utilization of financial rewards, use of good retirement benefits as well as recognition of lecturers to enhance their retention at their place of work.

In Pakistan, Akhta (2015) evaluated rewards methods and retention in higher learning institutions. The study evaluated the association between rewards and retaining faculty workers in Pakistan's higher learning corporations. Data collection was from ten universities and respondents were faculty staff in twin city Pakistan. Data was analyzed

using SPSS. It was established that reward systems and retention are positively correlated. Nwokocha (2015) researched reward management strategies to improve staff productivity, performance, and retention in firms. The study explored how to reward strategy is used by firms to enhance the efficiency of staff productivity, performance, and retention. This was a library study. The research identified two firm rewards strategies: monetary and non-monetary. Results showed a positive association between reward and performance of workers, their output levels, and their willingness to remain in the company. Moreover, it was noted that the view of firm rewards as biased and inequitable can result in unsatisfied workers in a firm. The study recommended appropriate strategies and policies that enhance employees' performance in the organization through better salaries, as well as the use of bonuses.

Additionally, Terera and Ngirande (2014) studied how retention of staff and work satisfaction is impacted by rewards. This was an exploration of the influence of rewards on staff retention and work satisfaction in the health sector. The specific goals were to examine the influence of employee rewards on retention and to find out the link between staff satisfaction and the intent to stay in the organization and provide firm policymakers with recommendations on probable practices to enhance retention of their workers. Quantitative methods were used. Those who took part in the study were eighty nurses. Questionnaires were self-administered to the nurses. Analysis was through the use of SPSS and the formulation of hypotheses to determine links in the study variables. Results showed that rewarding employees will enhance job retention but may not lead to satisfaction. Therefore, the organization can focus more on other areas that enhance further

employees' satisfaction such as improving the work environment, supporting employees at their place of work to enhance retention.

In the Middle Eastern, Alhmoud and Rjoub (2019) researched on entire rewards on retention of workers. This was an examination of the impact of entire rewards which comprised social rewards, extrinsic and intrinsic on retention of staff in Jordan Islamic banks, a staff perspective. Information was obtained by use of questionnaires and a sample comprising five hundred staff at Islamic banks in Jordan. The use of structural equation models and partial least squares assisted in testing the study hypotheses. Findings showed that social, extrinsic, and intrinsic rewards are essential in ensuring the retention of workers. However, some rewards such as social rewards had a higher impact on the organization's retention level.

Osibanjo (2014) did a study on compensation strategies as an important tool for retention and staff performance. This was an examination of the impact of compensation methods on staff retention and performance in private universities in Ogun State Nigeria. The research came up with a model which was examined by use 111 questionnaires. The participants were the staff in academic and in non-academic areas in the universities. Analysis was done by use of simple percentages and hypotheses tested using SEM. It was established that compensation strategies strongly influenced the performance of workers and enhanced retention.

In another study, Tarus (2016) did a study on compensation methods and staff commitment in the Kenyan public sector. A case study methodology was used. It was at the Moi Teaching and Referral Hospital. The study participants comprised 3200 respondents. The results revealed that staff compensation and commitment were significantly and positively

correlated. It was also noted that compensation and empowerment were significantly correlated. This means that supposed employee empowerment in hospitals is likely to affect commitment positively.

Wangari (2014) studied the impact of staff rewards on their retention; Kenya's vision 2030. The main goal was to determine the impact of reward systems on the retention of staff using a descriptive survey method. The study population comprised all the individuals in the delivery secretariat who is in charge of Kenya Vision 2030. This was a census study of individuals targeted. Data was collected through the use of questionnaires and reliability was tested using the coefficient from Cronbach's alpha. Microsoft Excel and SPSS were used in data analysis. Results showed that the factors that impacted staff intent to leave or stay in a firm were the growth of career, compensation, training, and work-life balance. Moreover, the retention of employees was affected by poor structures of compensation and failure to provide career opportunities for employees. The main factors of ensuring that employees remain in the organization for long were compensation packages, balancing work and life, training and growth, and career development strategies. The study recommended for the organizations to provide compensation to the employees for work down as well as providing other benefits such as bonuses.

In Kenya, Mwangi (2015) did study the association between reward management and the retention rate of workers in insurance firms. The primary goal of the research was to determine the link between strategies in reward management and the retention of staff in insurance firms. A descriptive study method was used to show the link. Structured questionnaires were used to gather primary information using Likert questions. Analysis was done by using descriptive methods. Results showed that providing workers with

performance based-pay as well as proper recognition of their inputs in the organization highly impact their intent to stay. Providing staff with pension schemes and share ownership in the firm moderates the impact of staff retention and allowances and fringe benefits have a small impact on the retention of workers. Though, it was also noted that reward practices examined in this study considerably impacted workers' retention. The study's recommendation included the use of remuneration packages that enhances workers' security and also retention at the workplace.

Kimunge (2017) in his study on the retention rates through the reward practices. The goal was to find out whether rewards influenced staff retention in manufacturing firms in Kenya. A descriptive methodology was adopted. The targeted individuals were the workers in the manufacturing firms. Questionnaires and interviews were the main approaches for data collection. Descriptive and inferential methods were used in the analysis. Results showed that rewards such as payments based on performance, recognition, work-life balance, and career opportunities motivated employees to remain in the organization for long.

Anyango (2017) study in South Nyanza Sugar Company focused on how perceptions of managers influenced reward practices and the retention of workers. The main goal was to establish whether the perception of managers affects rewards as well as retention levels in the company. The study was descriptive. Study participants comprised ten departmental heads in the targeted public company. The study gathered primary and secondary data using a questionnaire and interview respectively. Quantitative study methods were used and analyzed by the descriptive methods. Results showed that reward policies influence the employee's intention to stay in the organization. The organization may face situations

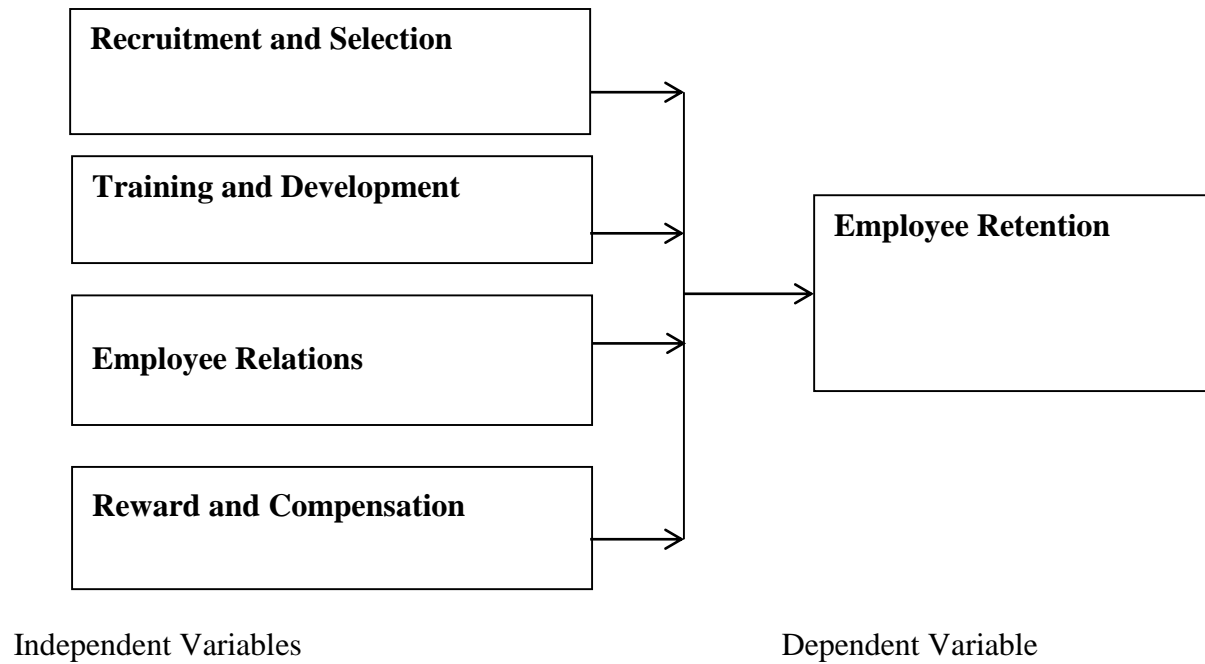
where employees leave but this is not due to a lack of a reward system. Results also showed that pension schemes help workers to develop a sense of power since it allows them to plan of their retirement, minimize worries that come about due worries of family security after retirement and impact on staff retention. It was also noted that sabbatical leaves minimize job monotony, ensures reduction of job stress, improves knowledge, and results in the retention of workers. Also, the provision of health insurance assists in reducing hospitalization costs, protect workers from uncertainties, enhance health outcomes and assist in retaining employees in the firm, and raises productivity in the organization. On the other hand, flexible work schedules assist in the motivation and retention of workers, enhances their morale, improves productivity levels, and improve attendance and individual performance.

2.5 Conceptual Framework

Figure 2.2 below shown the conceptual framework for the study which was used to show relationships between the variables: independent and the dependent variables.

Figure 2.2:

Conceptual Framework

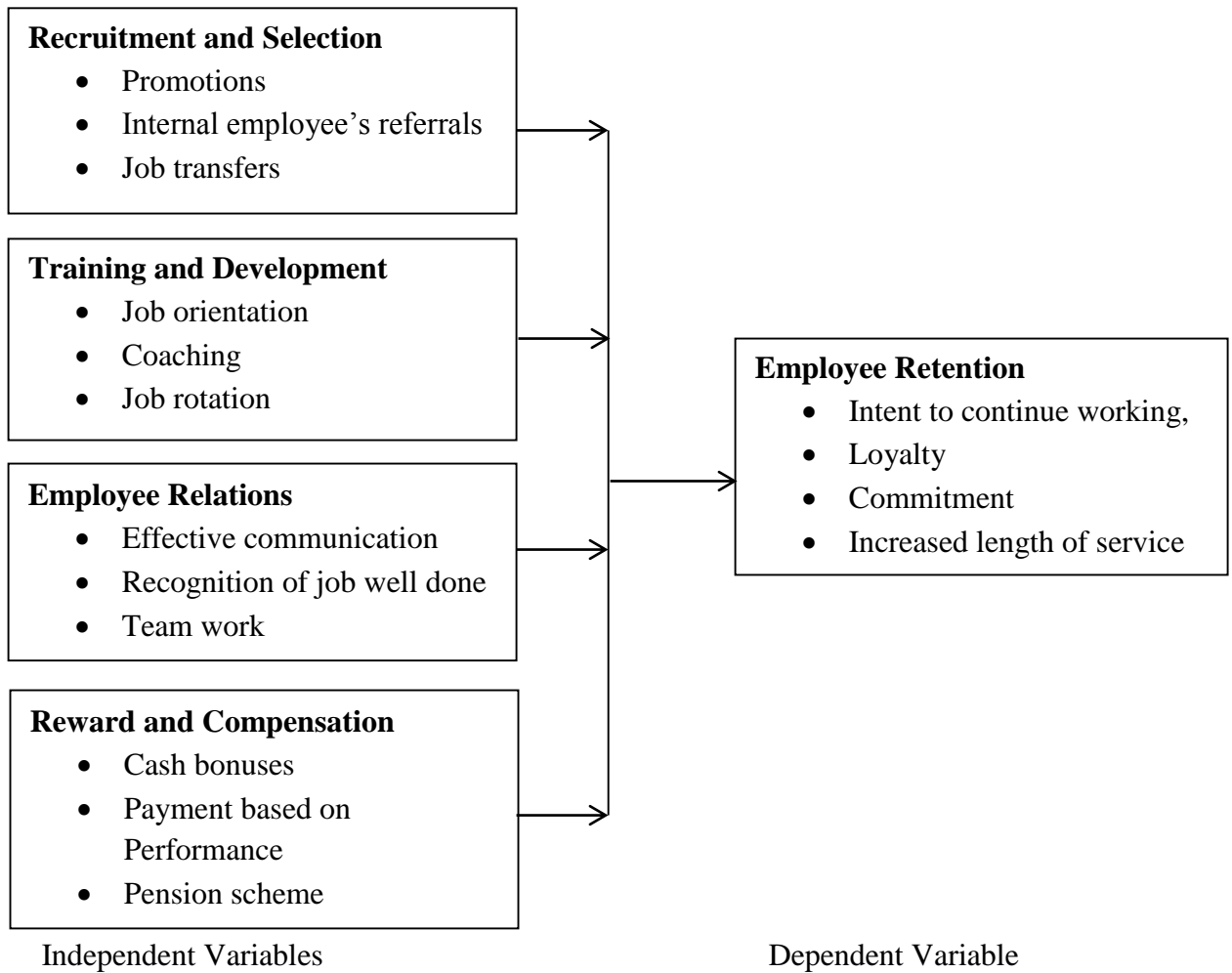


Source: Researcher (2019)

2.6 Operational Framework

Figure 2.3:

Operational Framework



Source: Researcher (2021)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter on the methodology comprised of the design, population of the study, sample and sampling procedures, piloting of the study through reliability and validity tests. Besides, the chapter provided the data collection tools, how the data was collected from the study, ethical practices observed as well as how the data was analyzed.

3.2 Research Design

Zikmund (2003) defines a research design as the main plan showing the procedures and methods of research analysis and data collection. A descriptive research design was used in the study. According to Creswell (2013), a descriptive study describes a condition, subject, behavior, or phenomenon. It helps in answering queries on who, what, when, where, and how that is linked to a certain research problem or question. A descriptive study is used in observing and describing a study problem or objective without interfering or affecting variables in any manner. The adopted study design was selected since it assisted in responding to the study questions by description, explanation, and validation of study findings.

3.3 Target Population

According to Kombo and Tromp (2006) population represents in totality the elements of items or persons which the researcher wants to conduct measure, observe or carry out an analysis. The study's unit of observation was the medical insurance industry. The unit of analysis was the staff at the medical insurance companies. According to the insurance

regulatory of Kenya, there are 30 medical insurance companies in Nairobi County. The study targeted the 5 top-level managers and 10 Human resource managers for each of the medical insurance organizations in Nairobi County. The study selected the human resource manager and top-level managers as they are the one conversation and highly involved in the human resources management activities in the organization. Insurance companies adopt different human resources practices therefore the opinions of the targetted population were heterogeneous. The target population is shown in Table 3.1.

Table 3.1:

Target Population

Target Population	Frequency	Percent
Top-level managers	150	33%
Human resource managers	300	67%
Total	450	100%

3.4 Sampling Design

Kothari (2010) posits that the stratified random sampling method process approximates the whole population measures with great accuracy and warrants a sample that is more representative obtained from a population that is fairly homogeneous. Stratification minimizes the error of estimation of the population to have normally distributed data. Various sub-groups are used in assessing the sample title of particular common characteristics. Yamane formula for determining sample size was used to determine the study sample size. The formula is of the following form;

$n=N/[1+N(\epsilon)^2]$. With n showing the end sample, N representing the entire population size.

Whereas the ϵ was the margin of error in the study.

The sample for the study was therefore given as :, $n= 450/ [1 + 450 (.05)^2] = 212$

212 respondents.

Table 3.2:

Sample Size

Target Population	Frequency	% sample	Sample Size
Top level managers	150	47%	70
Human resource managers	300	47%	141
Total	450	47%	212

3.5 Data Collection Instrument

The main item used in the collection of the data were questionnaires. The questionnaire was made up of 3 sections with the first section addressing demographic information, the second addressing the study's independent variables which include employees' relations, development and training, compensation and recruitment, and selection and recruitment.

The semi-structured questionnaire had close-ended and Likert scale questions. Closed questions were used because they are time and cost-effective (Kothari, 2004).

3.6 Pilot Test

Piloting was conducted to test for the research instruments' validity and reliability. A pilot test aims at establishing the precision and suitability of the study instrument as well as the design (Saunders, Lewis & Thornhill, 2009). Cooper and Schindler (2008) state that the objective of piloting is to find out whether there is a weakness in the study design and

execution and to afford a guide to the collection of data of a probability sample. In addition, Sekaran (2000) emphasizes that a pilot test is essential for testing the instrument's reliability and the study validity. Results from the validity and reliability were not included in the actual study but they were used to test the adequacy of such measures of the questionnaire.

3.6.1 Validity of the Research Instrument

Validity refers to the appropriateness of the instrument in the study in terms of the face or the construct. The wording of the questionnaire was ascertained by the university supervisors as well as the academicians in the area of human resources in the university. The improvement they gave on the appropriate wording to used helps in improving the face validity of the questionnaire, this was in agreement with Mugenda and Mugenda (2003) who noted that face validity can be ascertained through experts or practitioners in the same area of study. This facilitated the needed revisions and modifications of the study instrument to improve validity. The validity of the questionnaire was assessed through the use of construct validity; tests that were done included Keiser-Myer –Olins (KMO) and Bartlett's tests. KMO tests criteria were to adopt constructs indicators whose measures were above 0.7 and dropping the ones which were lower than 0.7. Bartlett's tests were conducted at a significance level of 0.05, where indicators variable showed a score that was less than 0.05 were adopted for further analysis.

3.6.2 Reliability of the Research Instrument

The Cronbach's alpha (α) at 0.7 was used to test the study instruments' internal consistency of the instrument/reliability. Cronbach's alpha is a coefficient of correlation between two data sets. The findings were utilized to determine the research tool that is the

reliability of the questionnaire. According to Cooper and Schindler (2008) scores that are attained on a test are referred to as the reliability coefficient. A reliability coefficient that is less than 0.7 shows that the scores from the test are unreliable. However, a high-reliability coefficient shows that the test scores are more precise and therefore reliable. The numerical values for a reliability coefficient range from Zero (0) to one (1). In this study, a reliability coefficient of greater than 0.7 is recognized as reliable (Cooper & Schindler, 2008). The measures were also dropped in case they had a reduction effect on the overall measures, therefore the researcher assessed what would happen if a particular indicator was dropped.

3.7 Data Collection Procedure

The administration of the questionnaire was carried out within two weeks with the assistance of two research assistants. Through in-person visits to the offices of the respondents, the researchers were able to present the questionnaires to the respondents after introducing themselves and following all COVID -19 protocols given by the ministry of health as well as the world health organization. The respondents were given three weeks to give their independent responses, after which the questionnaires were picked for entry and analysis.

3.8 Data Analysis and Presentation

Descriptive analysis was used in analyzing descriptive data. The tools for descriptive statistics are: MS Excel and Statistical Package for social sciences (SPSS version 21) assisted to describe the data. In the analysis of data frequencies, percentages, means, and other central tendencies were used as the descriptive statistics. Besides inferential analysis was conducted through correlation and regression analysis. Tests were conducted to ascertain whether the data was suitable for linear regression analysis; diagnostics tests

include, normality distribution of data tests, use of Durbin tests for auto-correlation, use of scatter plots for linearity tests, and use of variance inflation factor (VIF) for multicollinearity tests. The results presentation was by use tables and figures. The mean scores and standard deviation were used in the analysis of Likert scale questions. Open-ended questions analysis was by use of content analysis.

Multiple-linear regression was executed after carrying out assumption tests for the regression among them: linearity tests, normality tests, heteroscedasticity, multicollinearity tests, and correlation analysis. The regression equation was;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y= Employee retention

β_0 = Constant term

X_1 = Recruitment and Selection

X_2 = Training and development

X_3 = Employee relations

X_4 = Reward and compensation

ε =error term

$\beta_1, \beta_2, \beta_3,$ and β_4 are determination coefficients. To determine the significance level of the model ANOVA was adopted.

3.9 Ethical Consideration

Ethical practices conducted ensured that the researcher did not cause any psychological harm to the respondent, the practices also ensured that consent was given before the researcher engaged the respondents. Respondents were voluntarily engaged to provide the

required data for the study. Besides, confidentiality was assured by the researcher by assuring respondents that the researcher was a student pursuing an academic project as a requirement. NACOSTI and a letter for research authorization from the school helped the researcher build confidence among the respondents that the data collected was for academic purposes alone.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter is a discussion of the analysis of data, interpretations, presentations, and discussions of results that were gotten from the field. Included in chapter four were the demographic findings, descriptive findings, hypothesis analysis that included regression and the diagnostic tests.

4.1.1 Response Rate

The study sought to collect data from 212 respondents but only 182 of the administered questionnaires were received back forming an 85.8% response rate. Mugenda and Mugenda (2008) notes that 50% above shows that a response rate is adequate; 70% and above shows that the response rate is excellent and can be used for analysis and reporting. In this study, the response rate is 85.8% which means that it is excellent and can be used in data analysis. This is shown in Table 4.1

Table 4.1:

Response Rate

Questionnaires	Frequency	Percent
Response given	182	85.8
No response given	30	14.2
Total	212	100.0

Source: Researcher (2021)

4.1.2 Reliability and Validity Analysis

Before the actual data collection both reliability and validity were performed to ascertain whether the questionnaire was adequate to measure for actual data collection.

4.1.2.1 Reliability Analysis

Reliability Tests conducted on the questionnaire sought to establish the questionnaire's internal consistency. Cronbach alpha values above 0.7 were accepted as adequate to use the construct for actual analysis. Table 4.2 revealed the findings.

Table 4.2:

Reliability Results

Scale	Cronbach's Alpha	Number of Items
Recruitment and Selection	0.754	7
Training and Development	0.790	7
Employee Relations	0.776	7
Reward and Compensation	0.949	7
Employee Retention	0.943	4

Source: Researcher (2021)

Table 4.2 revealed under recruitment and selection strategies a Cronbach alpha value of 0.754 with seven (7) items under the variable example of a question sought was level at which the respondents agreed with the statement: Employees are hired in line with their qualifications. The table also revealed that the Cronbach value associated with training and development was 0.790 with seven (7) indicators/items. An example of a question that the study sought to establish was the level of agreement with the statement: New employees are guided on their new roles and responsibilities. It was also revealed that the Cronbach value associated with employees' relation was 0.776 which had seven items of measure. An example of a question sought was the extent that the respondents agreed with the statement: Communication in the organization flows from top to down and down to top. Besides, it was revealed that the Cronbach alpha value associated with reward and

compensation was 0.949 with seven items of measure. An example of a question sought was the extent to which the respondents agreed with the statement: Employees are paid their salaries at the right time. Finally, the dependent variable retention the Cronbach value associated with it was 0.943 with four items of measure. An example of a question sought by the study was the extent to which the respondents agreed with the statement: Training and development give employees intent to continue working. Therefore, the study revealed that all the variables had their indicators adequate for further analysis because the threshold was set at 0.7.

4.1.2.2 Validity Analysis

Both KMO and Bartlett Tests were conducted to ascertain whether the questionnaire constructs were valid for further analysis. The results are presented in Table 4.3.

Table 4.3:

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.943
Bartlett's Test of Sphericity	Approx. Chi-Square	5126.157
	df	435
	Sig.	.000

Source: Researcher (2021)

Table 4.3 revealed that the KMO was 0.943 which was adequate for further analysis, the set criteria were to adopt the questionnaire where the KMO value was above 0.7. Besides the study also revealed a Bartlett value of 0.001 which was lower than the set level of significance at 0.05. Therefore, the questionnaire was internally consistent for further analysis.

4.2 Demographic Analysis

General data of the respondents that included their age, experience, level of education, and experience were analyzed. The study specifically sought to determine the gender, length of service, level of education, age, and years of service in the organization. The findings are presented in subsections below.

4.2.1 Gender of the Respondents

This section of the study aimed to determine the respondents' gender distribution. The results were as presented in table 4.4.

Table 4. 2:

Gender of the Respondents

Gender	Frequency	Percent
Male	134	73.6
Female	48	26.4
Total	182	100.0

Source: Researcher (2021)

From the findings, 73.6% were male respondents while 26.4% were female. The results suggest that the study included both genders as respondents and hence it was not biased in terms of gender. The results also imply that medical insurance companies do not discriminate on gender when employing top managers and human resource managers.

4.2.2 Age of the Respondents

The study aimed at determining the respondents' age. This is as shown in Table 4.4

Table 4.3:

Age of Respondents

Category of Age	Frequency	Percent
20 years and 29 years	24	13.2
30 years and 39 years	25	13.7

40 years and 49 years	113	62.1
above 50 years	20	11.0
Total	182	100.0

Source: Researcher (2021)

Findings show that 62.1% of the respondents indicated that they were aged 40 and 49 years, 13.7% indicated 30 to 39 years, and 13.2% were aged above 20 and 29 years while only 11.0% were aged above 50 years. These results suggest that in medical insurance companies, the majority at the top are middle-aged adults, however, the top position is well comprised of a mix of youth adults and middle-aged adults.

4.4.3 Respondents Work Experience

The study aimed to find out the length of time respondents had worked in their respective organizations. The results were as presented in Table 4.5.

Table 4.4:

Respondents Work Experience

Category	Frequency	Percent
1-3 years	30	16.5
4-6 years	65	35.7
7-9 years	48	26.4
Above 10 years	39	21.4
Total	182	100

Source: Researcher (2021)

Findings show that 35.7% of the respondents specified that they had worked in the company for 4 to 6 years, 26.4% for 7 to 9 years, and 21.4% for above 10 years, and 16.5% for 1 to 3 years. These results suggest that respondents who took part in the research had worked in their organization long enough and therefore was assumed that they had the information needed for this study. The findings also suggest that top managers and human resource managers in medical insurance companies have long working experience.

4.4.4 Respondents Level of Education

The study aimed to determine respondents' level of education. Table 4.6 below indicates the results of the study

Table 4.5:

Respondents Level of Education

Category	Frequency	Percent
Certificate	19	10.4
Diploma	31	17.0
Undergraduate	57	31.3
Postgraduate	75	41.2
Total	182	100

Source: Researcher (2021)

From the results, 41.2% of the respondents indicated that their education level was postgraduate, 31.3% indicated theirs was undergraduate, 17.0% indicated it was a diploma while 10.4% had a certificate as their level of education. Therefore, the respondents who took part in the study had diversified levels of education with most of them having postgraduate. The findings also suggest that top managers and human resource managers in medical insurance companies have attained some educational qualifications at different levels of education.

4.4.5 Respondents Position in the Organization

The study sought to determine the position respondents held in the company. The results were as presented in Table 4.7.

Table 4.6:

Position of the Employee

Position in the Organization	Frequency	Percent
-------------------------------------	------------------	----------------

Human resource	11	6.0
CHRO	26	14.3
Human resource Manager	22	12.1
Assistant HR	87	47.8
Director for payroll	36	19.8
Total	182	100.0

Source: Researcher (2021)

From the results, 47.8% of the respondents indicated that they were assistant human resources managers, followed by 19% of the respondents who indicated that they were Deputy Director payroll, followed by 14.3% of the respondents who indicated that they were Chief Human Resource Officer, followed by 12.1 % of the respondents who indicated that they were general human resources managers, only 6.0% indicated that they were HR Director. These findings suggest that they are indeed people working in the insurance firms who would provide important information about the topic of human resource management strategies employed by their organization because their titles are mainly in the rest of human resource management.

4.3 Descriptive Analysis

In this section, the study presents findings of the descriptive statistics carried out on the study's objectives. The questions used a 5-point Likert scale with 1= strongly disagree, 2= disagree, 3= moderate, 4= agree 5= strongly agree. Mean values were used to interpret the results. The results were as presented in the subsections below.

4.3.1 Recruitment and Selection Strategies

The agreement level on the statement regarding recruitment and selection strategies was established through the use of the likert scale. The results were as presented in table 4.8.

Table 4.7:***Effect of Recruitment and Selection Strategies on Employee Retention***

Statements	1		2		3		4		5		M	Std. Dev.
	F	%	F	%	F	%	F	%	F	%		
Employees are hired in line with their qualifications	5	2.7	24	13.2	13	7.1	106	58.2	34	18.7	3.77	0.993
Recruitment and selection are usually a free and fair process	4	2.2	21	11.5	11	6.0	105	57.7	41	22.5	3.87	0.996
The management encourages internal promotions to boost employee's morale	5	2.7	18	9.9	10	5.5	96	52.7	53	29.1	3.96	0.996
Promotion prevents the organization from losing its valuable employees	6	3.3	16	8.8	12	6.6	85	46.7	63	34.6	4.01	1.033
Internal employee's referrals ensure that talented employees remain in the organization	7	3.8	0	-	6	3.3	96	52.7	73	40.1	4.25	0.849
Job transfers in the organization help to avoid monotony hence improving employee productivity	8	4.4	0	-	22	12.1	91	50.0	61	33.5	4.08	0.992
Job transfers improve employees' skills and knowledge in the organization	0	-	7	3.8	30	16.5	91	50.0	54	29.7	4.05	0.785

Source: Researcher (2021)

Table 4.8 above indicates that the respondents were agreed that employees are hired in line with their qualifications as shown by a mean of 3.77, also they agreed that job transfers in the organization help to avoid monotony hence improving the productivity of the employees as shown by a mean of 4.08, the management encourages internal promotions to boost employees morale as shown by a mean of 3.96, job transfers improve employees skills and knowledge in the organization as shown by a mean of 4.05, internal employee's referrals ensure that talented employees remain in the organization as shown by a mean of 4.25, recruitment and selection is usually a free and fair process as shown by a mean of 3.87, and promotion prevents the organization from losing its valuable employees as shown by a mean of 4.01.

Chandrasekara and Perera (2016) who evaluated how recruitment strategies impacted the retention of workers in Sri Lank large-scale firms agree with the findings of this study that recruitment initiatives have a positive significant link with the retention of employees in the firms.

4.3.2 Training and Development

The level of agreement with the training and development practices among the firms was established through the likert scale. The results were as shown in Table 4.9.

Table 4.8:***Training and Development Practices***

Statements	1		2		3		4		5		M	Std. Dev.
	F	%	F	%	F	%	F	%	F	%		
New employees are guided on their new roles and responsibilities	3	1.6	19	10.4	10	5.5	112	61.5	38	20.9	3.90	0.907
Job orientation assists new employees to adopt faster in their new roles	5	2.7	16	8.8	13	7.1	93	51.1	55	30.2	3.97	0.989
Coaching in the organization is mainly undertaken by the supervisors	7	3.8	16	8.8	16	8.8	77	42.3	66	36.3	3.98	1.074
Coaching in the workplace typically focuses on an improvement in individual performance	6	3.3	16	8.8	13	7.1	97	53.3	50	27.5	3.93	0.997
Job rotation in the organization helps employees to learn about different jobs	4	2.2	20	11.0	8	4.4	79	43.4	71	39.0	4.06	1.036
Job rotation in the organization helps the employee to improve their skills and knowledge about jobs	18	9.9			27	14.8	103	56.6	34	18.7	3.74	1.079
Job rotation exposes employees to a wider range of operations and	9	4.9	0	-	0	-	114	62.6	59	32.4	4.18	0.862

assists managers
in exploring
hidden talents

Source: Researcher (2021)

Table 4.9 above indicates that the respondents agreed that job rotation in the organization helps employees to learn about different jobs as shown by a mean of 3.90, coaching in the organization is mainly undertaken by the supervisors as shown by a mean of 3.97, job rotation in the organization helps the employee to improve the skills and knowledge about jobs as shown by a mean of 3.98, job orientation assists new employees to adopt faster in their new roles as shown by a mean of 3.93, coaching in the workplace typically focuses on an improvement in individual performance as shown by a mean of 4.06, new employees are guided on their new roles and responsibilities as shown by a mean of 3.74 and job rotation expose employees to a wider range of operations and assist managers in exploring hidden talents as shown by a mean of 4.18. These findings agree with Chen (2014) who evaluated the effect of training on employee retention in China and found that training played a significant role in firm performance and it was the major strategy in the firm that influenced the retention of workers and growth of human capital.

4.3.3 Employee Relations

The level of agreement on the employees' relation practices was determined through the likert scale. The results were as presented in Table 4.10.

Table 4.9:***Effects of Employee Relations Strategies on Employee Retention***

Statements	1		2		3		4		5		M	Std. Dev.
	F	%	F	%	F	%	F	%	F	%		
Communication in the organization flows from top to down and down to top	3	1.6	22	12.1	11	6.0	103	56.6	43	23.6	3.88	0.959
Communication is effective between the organization departments	5	2.7	18	9.9	13	7.1	93	51.1	53	29.1	3.94	1.004
Employees are appreciated for their outstanding performance	9	4.9	18	9.9	13	7.1	78	42.9	64	35.2	3.93	1.125
Teamwork helps employees to feel that their work is valued	10	5.5	0	-	17	9.3	116	63.7	39	21.4	3.96	0.897
Teamwork in the organization creates a system to make sure that deadlines are achieved and that the job is of high quality	10	5.5	16	8.8	13	7.1	86	47.3	57	31.3	3.90	1.108
Collaboration within groups in the organization helps to solve difficult problems.	10	5.5	7	3.8	27	14.8	88	48.4	50	27.5	3.88	1.031
Departments collaborate to achieve the set goals	0	-	0	-	24	13.2	99	54.4	59	32.4	4.19	0.649

Source: Researcher (2021)

From the results, the respondents agreed that teamwork in the organization creates a system to make sure that deadlines are achieved and that the job is of high quality as shown by a mean of 3.88, communication in the organization flows from top to down and down to top indicated by a mean of 3.94, employees are appreciated for their outstanding performance as indicated by a mean of 3.93, teamwork helps employees to feel that their work is valued as shown by a mean of 3.96, departments collaborate to achieve the set goals as shown by a mean of 3.90, communication is effective between the organization departments as shown by a mean of 3.88, and collaboration within groups in the organization helps to solve difficult problems as shown by a mean of 4.19.

Rahman and Taniya (2017) who studied the influence of management of staff relations on their performance concurs with the findings of this study and revealed that all staff relation management factors like the HR strategies, style of leadership as well as shared values/goals are highly and significantly affect the workers' performance. Also, trust and communication moderated the effects of staff performance in the organization. Therefore, the components of staff relations management should be integrated into the organization's strategy to enhance staff performance.

4.3.4 Reward and Compensation

The level of agreement on the reward and compensation practices was determined through the likert scale. The results were presented in Table 4.11.

Table 4.10:***Effects Reward and Compensation Strategies on Employee Retention***

Statements	1		2		3		4		5		M	Std. Dev.
	F	%	F	%	F	%	F	%	F	%		
Employees are paid their salaries at the right time	5	2.7	18	9.9	10	5.6	112	61.5	37	20.3	3.87	0.943
Employees are given cash bonuses on their exceptional performance	4	2.2	16	8.8	11	6.0	98	53.8	53	29.1	3.99	0.952
Employees are given non-cash rewards	4	2.2	18	9.9	11	6.0	96	52.7	53	29.1	3.97	0.974
Rewarding high performance assists in retaining staff	5	2.7	19	10.4	6	3.3	79	43.4	73	40.1	4.08	1.048
The contribution an employee makes is recognised with a tangible reward	13	7.1	11	6.0	11	6.0	81	44.5	66	36.3	3.97	1.146
Pension schemes help employees get prepared for their retirement	10	5.5	13	7.1	9	4.9	86	47.3	64	35.2	3.99	1.090
Employees are advised to save for their retirement	8	4.4	17	9.3	9	4.9	71	39.0	77	42.3	4.05	1.116

Source: Researcher (2021)

The findings showed that the respondents agreed employees are given cash bonuses on their exceptional output as indicated by a mean value of 3.87, employees are advised to save for their retirement as indicated by a mean value of 3.99, employees are given non-cash rewards as indicated by the mean value of 3.97, pension schemes help staff get

prepared for their retirement as indicated by a mean value of 4.08, the contributions employee makes is recognized with a tangible reward as indicated by a mean value of 3.97, rewarding high-performance assists in retaining staff as indicated by a mean value of 3.99, and employees are paid their salaries at the right time as indicated by a mean value of 4.05. The findings concur with Wangari (2014) who the impact of reward initiatives on the retention of employees and established that remuneration, career development, training, and work-life balance significantly impacted staff retention. However, unavailability of career growth opportunities and poor compensation adversely affect staff retention.

4.3.5 Employee Retention

This section presents the results of the responses of the respondents regarding whether they agree with statements of employee retention. The results were as shown in Table 4.12.

Table 4.11:

Employee Retention

Statements	1		2		3		4		5		M	Std. Dev.
	F	%	F	%	F	%	F	%	F	%		
Hiring talents ensures employee loyalty	8	4.4	15	8.2	10	5.5	90	49.5	59	32.4	3.97	1.053
Training and development give employees intent to continue working	10	5.5	16	8.8	11	6.0	74	40.7	71	39.0	3.99	1.142
Reward and compensation increase employee commitment in the organization	11	6.0	15	8.2	12	6.6	56	30.8	88	48.4	4.07	1.194
Good working relation ensures that employees are committed to their work	9	4.9	21	11.5	7	3.8	62	34.1	83	45.6	4.04	1.186

Source: Researcher (2021)

The findings reveal that hiring talents ensures employee loyalty as indicated (mean = 3.711), training and development gives employees intent to continue working as shown by a mean of 3.603, good working relationship ensures that employees are committed to their work as shown by a mean of 3.603 and reward and compensation increases employee commitment in the organization as shown by a mean of 3.575. These findings suggest that loyalty and retention of employees can be ensured through the hiring of talented individuals and their training and development. Also, commitment can be increased by reward and compensation and that good working relations ensured employee commitment.

4.4 Hypothesis Testing

The inferential statistic that was computed in this study included: diagnostic tests for regression analysis. To determine the influence of human resources management strategies on employee retention a multiple regression analysis was conducted. The results were in three tables as presented in the subsections below.

4.4.1 Diagnostic Tests

Among the tests of assumption for linear regression included the use of auto-correlation tests, multicollinearity tests, correlation analysis, and normality tests.

4.4.1.1 Multicollinearity Tests/ Test for the independence of Independent Variables

The presence of Multicollinearity can be a serious problem in regression analysis because its presence shows a lack of independence of the independent variables. The value above 3.0 shows the presence of little multi-collinearity whereas values near 10 show various multi-collinearity. Tests for multi-collinearity were done to tests whether the independent variables were indeed independent. To carry out the test of both correlation and use of variance inflation factor (VIF), Tolerance is the inverse of VIF. The results are presented in Table 4.13.

Table 4.13:

Collinearity Statistics

Variable	Tolerance	VIF
Recruitment and Selection	.496	2.015
Training and Development	.545	1.833
Employee relations	.365	2.738
Rewards and compensation	.487	2.052

Source: Researcher (2021)

Results of the study a VIF of 2.015 associated with recruitment and selection; training and development revealed a VIF of 1.833; employee relation revealed a VIF of 2.738; rewards and compensation revealed a VIF of 2.052. The results indicated that there was no multi-collinearity among the independent variables because the values for VIF were all much lower than 10. To confirm further the study also used correlation analysis.

4.4.1.2 Test for the Independence of Independent Variables/ Correlation Analysis

Tests for multi-collinearity were conducted through correlation analysis. Variables that are highly correlated have Pearson correlation values that are very close to one such as above 0.7. Table 4.14 below indicates the findings of the study.

Table 4.14:

Correlations

		Recruitment and Selection	Training and Development	Employee relations	Rewards and compensation
Recruitment and Selection	Pearson	1	.568**	.668**	.593**
	Correlation		.000	.000	.000
	Sig. (2- tailed)				
Training and Development	N	182	182	182	182
	Pearson	.568**	1	.646**	.520**
	Correlation	.000		.000	.000
Employee relations	N	182	182	182	182
	Pearson	.668**	.646**	1	.692**
	Correlation	.000	.000		.000
Rewards and compensation	N	182	182	182	182
	Pearson	.593**	.520**	.692**	1
	Correlation	.000	.000	.000	
	Sig. (2- tailed)				
	N	182	182	182	182

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher (2021)

The study also revealed that Recruitment and training had a positive and significant correlation ($r=0.568$, $p\text{-value}=0.001$); recruitment and employee relation had a positive and significant relation ($r=0.668$, $p\text{-value}=0.001$); recruitment and compensation had a positive correlation with rewards ($r=0.668$, $p\text{-value}=0.001$).

Training and development had a positive correlation with employee relations ($r=0.646$, $p\text{-value}=0.001$). Training and development had a positive correlation with rewards and compensation ($r=0.520$, $p\text{-value}=0.001$). Employee and relation had a positive correlation with rewards and compensation ($r=0.692$, $p\text{-value}=0.001$). The study, therefore, revealed that there was no multi-collinearity between the independent variables all the person correlation values were lower than 0.7, which implied that the model achieved the criteria for independence of variables.

4.4.1.3 Auto-Correlation

Auto-correlation was tested to establish the randomness of the variables. To test for autocorrelation Durbin Watson scale was used. The scale runs between 1 and 4. Figures that are around 2 shows that the model does not suffer from auto-correlation values above 2.5 indicates the presence of autocorrelation in univariate models. The results are presented in Table 4.15.

Table 4.15:

Test for Auto-Correlation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
dimension0 1	.760 ^a	.578	.568	.750	1.870

a. Predictors: (Constant), recruitment and selection, training and development, employees relations, employees relations

b. b. Dependent Variable: retention

The study revealed a Durbin –Watson value of 1.870 which indicated that error terms were not correlated and therefore the model was very accurate. The predicted standard error of the error term was therefore not inflated.

4.4.1.4 Tests for Normality

The assumption in linear regression is that the sample data came from the entire population that was normally distributed. The data should therefore show normal distribution. Data for the study were tested through Kolmogorov-Smirnov) Using SPSS. Where the significance values arrived at are greater than 0.05 then the assumption of the normal distribution is supported, however, if the resulting value is lower than the set criterion of significance then the normal distribution assumption is violated. Table 4.16 shows the results.

Table 4. 12:

Test for Normality

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Rewards and Compensation	0.238	182	0.113	0.817	182	0.364
Employee Retention	0.149	182	0.213	0.772	182	0.344
Training and development	0.161	182	0.316	0.702	182	0.431
Employee Relations	0.162	182	0.219	0.712	182	0.382
Recruitment and Selection	0.193	182	0.223	0.807	182	0.523

Source: Research Data (2021)

The results of the study revealed that for both Kolmogorov-Smirnov and Shapiro-Wilk tests the p-values attained were both greater than 0.05, therefore, proving that the data from

which sample was obtained was normally distributed. The findings are in agreement with Park (2015) who indicates that the data used in a study is normal if the Sig. value of the Shapiro-Wilk Test is greater than 0.05. However, the data is said to deviate significantly from the normal distribution if the value is below 0.05.

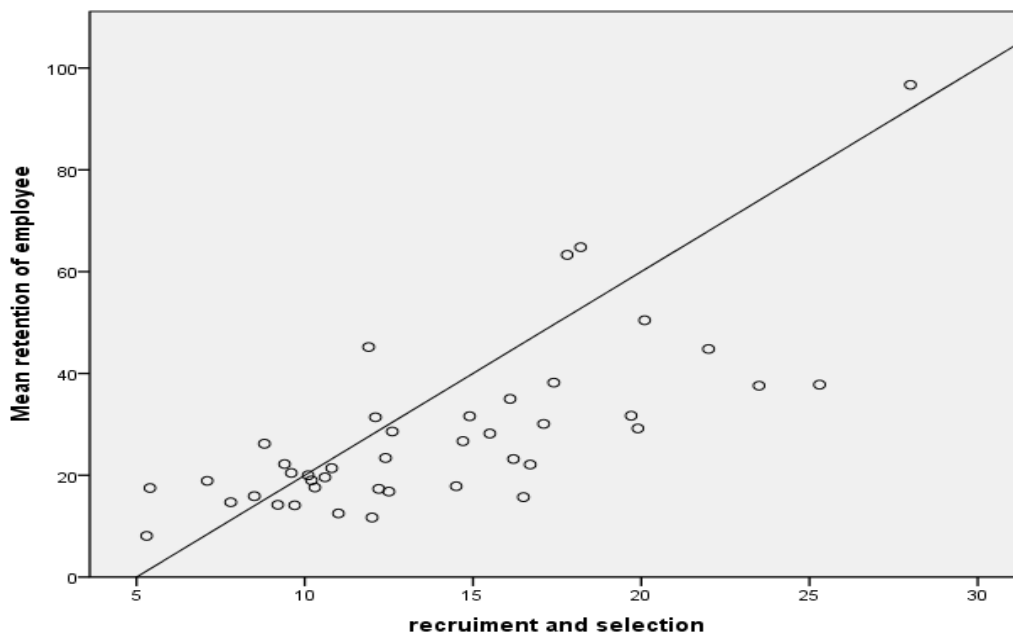
Now that the assumption of linear regression has not been violated the study conducted the regression analysis of both bivariate and multivariate linear regression analysis.

4.4.1.5 Linearity Test

Data for bivariate regression has the assumption that there is a linear relationship that shows a particular direction of the independent and dependent variables. Linearity can be observed through scatter plots and also see whether most of the data lie around the trend line. The results are shown in Figure 4.1.

Figure 4.1:

Linearity Test



Source: Research Data (2021)

Results of graph 4.1 indicated that there was a pattern of linearity between the independent and the dependent variable.

4.4.2 Bivariate Regression Analysis

4.4.2.1 Effect of Recruitment, Selection, and Retention

The study sought to establish the relationship between selection and recruitment and Retention. Results were presented under the model summary, ANOVA, and regression coefficients. The study revealed an R square of 0.399 which indicated that recruitment and section could explain about 39.9% of the changes in the retention. The results are presented in Table 4.17.

Table 4.17:

Model Summary on Recruitment, Selection, and Retention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0 1	.632 ^a	.399	.395	.888

a. Predictors: (Constant), Recruitment, Selection

The study also sought to establish whether selection and recruitment strategies had any significant effect on the retention among insurance firms in Nairobi County. Results of the study revealed an F-ratio which was associated with a p-value of 0.001 which therefore revealed that recruitment and selection had a significant effect on retention among the insurance firms. There is no significant effect of recruitment and Selection strategies on employee retention. Results are presented in table 4.18. These findings are in agreement with those of Chandrasekara and Perera (2016) who evaluated how recruitment strategies impacted the retention of workers in Sri Lank large-scale firms and established that

recruitment initiatives have a positive significant link with the retention of employees in the firms. The results are presented in Table 4.18.

Table 4.18:

ANOVA on Recruitment, Selection, and Retention

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	94.108	1	94.108	119.402	.000 ^a
Residual	141.870	180	.788		
Total	235.978	181			

a. Predictors: (Constant), Recruitment, Selection, and Retention

b. b. Dependent Variable: Employee Retention

The study also sought to establish the magnitude as well as the direction of the relationship between retention, selection, and Retention among the insurance firms. The study revealed a $\beta=0.726$, $t= 10.927$, and associated $p\text{-value}=0.001$ which indicated that recruitment and selection had a positive and significant effect on retention among the insurance firms. The results are shown in Table 4.19.

Table 4.19:

Coefficients for Recruitment, Selection, and Retention

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	1.251	.259		4.827	.000	.739	1.762
Recruitment and Selection	0.726	.066	.632	10.927	.000	.595	.858

a. Dependent Variable: Retention

4.4.2.2 Effect of Training, Development, and Retention

The study also sought to establish the effect of Training and Development on Retention among insurance firms. The R square associated with the relationship between Training, Development, and Retention was 0.345, which revealed that Training and Development could explain about 34.55 of the changes in the retention among insurance firms in Nairobi County. The results are shown in Table 4.20.

Table 4.20:

Model Summary on Training, Development, and Retention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0 1	.591 ^a	.349	.345	.924

a. Predictors: (Constant), Training and Development

The study also sought to establish whether Training and Development had any significant effect on retention. The study revealed an F-ratio of 96.525 which was associated with a p-value of 0.001 which therefore revealed that training and development significantly affected retention. The null hypothesis was therefore rejected that: there is no significant effect of training and development strategies on employee retention in the medical insurance industry in Kenya. Results are shown in Table 4.21.

Table 4.21:

ANOVA on Training, Development, and Retention

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	82.371	1	82.371	96.525	.000 ^a
	Residual	153.607	180	.853		
	Total	235.978	181			

a. Predictors: (Constant), Training and Development

b. Dependent Variable: Employee Retention

The study also sought to establish the magnitude as well as the direction of the relationship between Training and Development strategies on Retention. The study revealed a $\beta=0.743$, $t= 9.825$ which was associated with a p-value of 0.001 which indicated a positive effect of training and development strategies on recruitment among insurance companies in Kenya. These findings agree with Chen (2014) who evaluated the effect of training on employee retention in China and found that training played a role in firm performance and it was the major strategy in the firm that influenced the retention of workers and growth of human capital. Table 4.22 shows the results.

Table 4.22:

Regression Coefficients on Training, Development, and Retention

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.093	.303		3.610	.000
Training and Development	.743	.076	.591	9.825	.000

a. Dependent Variable: Employee Retention

4.4.2.3 Effect of Employee Relations and Retention

The study sought to establish the effect of employee relations on retention. The R-square associated with the relationship between employees' relations and retention was 0.439, which indicated that employee relations could explain 43.9% of the changes in employees' retention. Table 4.23 below indicates the findings of the study

Table 4.23:

Model Summary on Employee Relations and Retention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
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dimension0	1	.665 ^a	.442	.439	.856
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a. Predictors: (Constant), Employee Relations

The study also sought to test the hypothesis that there is no significant effect of employee relation on employee retention among Kenyan insurance companies. The study revealed through ANOVA analysis an F-ratio of 142.416 that was associated with a *p-value* of 0.001 implying that employee relations significantly influence the retention of employee retention. The null hypothesis was therefore rejected. Table 4.24 shown the results

Table 4.24:

ANOVA on Employee Relations and Retention

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	104.235	1	104.235	142.416	.000 ^a
	Residual	131.743	180	.732		
	Total	235.978	181			

a. Predictors: (Constant), Employee Relations

b. Dependent Variable: Employee Retention

The study also sought to establish the direction of the relationship between employees relations and employees retention among the insurance firms in Kenya. The study revealed a $\beta = 0.791$, $t = 11.934$ which was associated with a *p-value* of 0.001 which indicated that employees relations positively and significantly influence employees retention among insurance firms in Kenya. Table 4.25 shown the results.

Table 4.25:

Regression Coefficients on Employee Relations and Retention

Model		Unstandardized		Standardized		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.916	.265		3.455	.001
	Employee Relations	.791	.066	.665	11.934	.000

a. Dependent Variable: Employee Retention

4.4.2.4 Effect of Rewards, Compensation, and Retention

The study's fourth objective was to establish the effect of Rewards and Compensation on employees Retention among insurance firms in Kenya. Simple regression was conducted.

Results are presented under the model summary, ANOVA, and regression coefficients.

The model summary in table 4.27 revealed an R square of 0.443 which revealed that rewards and compensation could explain about 44.0% of the changes in the employees' retention among the insurance companies in Kenya. Table 4.26 shows the results.

Table 4.26:

Model Summary on Rewards, Compensation, and Retention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0 1	.666 ^a	.443	.440	.854

a. Predictors: (Constant), Rewards and Compensation

The study also sought to establish if there was a significant effect of rewards and Compensation on employees' retention. The study revealed an F-ratio of 143.436 that was associated with ap-value of 0.001 indicating that rewards and compensation significantly affected the employees' retention among insurance companies in Kenya. The study, therefore, rejected a null hypothesis that: there was no significant effect of rewards and

compensation on employees' retention among insurance companies in Kenya. Table 4.27 shows the results.

Table 4.27:

ANOVA for Rewards, Compensation, and Retention

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	104.651	1	104.651	143.436	.000 ^a
Residual	131.327	180	.730		
Total	235.978	181			

a. Predictors: (Constant), Rewards and Compensation

b. Dependent Variable: Employees Retention

The study also sought to establish the direction and the strength of the relationship between the rewards and compensation and employees and retention among the insurance companies in Kenya. The study revealed a $\beta=0.807$, $t=11.976$ that was associated with a p-value of 0.001. The results, therefore, revealed that rewards and compensation had a positive and significant effect on Employees retention. The findings concur with Rahman and Taniya (2017) who studied the influence of management of staff relations on their performance and revealed that all staff relation management factors like the HR strategies, style of leadership as well as shared values/goals have a significant effect on employees' performance. Also, trust and communication moderated the effects of staff performance in the organization. Therefore, the components of staff relations management. The findings concur with Wangari (2014) who the impact of reward initiatives on the retention of employees and established that remuneration, career development, training, and work-life balance significantly impacted staff retention. However, unavailability of career growth opportunities and poor compensation adversely affect staff retention. Results are shown in Table 4.28.

Table 4.28:

Regression Coefficients for Rewards, Compensation, and Retention

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.869	.268		3.241	.001
Rewards and Compensation	.807	.067	.666	11.976	.000

a. Dependent Variable: Employee Retention

4.4.3 Multivariate Linear Regression

4.4.3.1 Model Summary

Through the use of a model summary, the variations in the dependent variable as a result of changes in the independent variable are determined. In this study, the variations of employee retention as a result of changes in development and training, selection and recruitment, reward compensation, and employees' relations were analyzed jointly. The results were presented

Table 4.29:

Joint Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0 1	.760 ^a	.578	.568	.750

a. Predictors: (Constant), recruitment and selection, training and development, Employee Relations, Rewards, and compensation

b.

From the findings in Table 4.13, the adjusted R² value was 0.568 which implies that 56.8% of variations in employee retention may be attributed to variations in development and training, selection and recruitment, compensation and reward, and employees' relations were analyzed. The remaining 43.2% of the variation was not discussed in this study. The

findings concur with Tarus (2016) who found that staff compensation and commitment were significantly and positively correlated. It was also noted that compensation and empowerment were significantly correlated.

4.6.2 Analysis of Variance

ANOVA helps to determine the significance of variables in the study. The selected significance level was 0.05 which suggesting that the model is significant if the *p-value* obtained is less than 0.05. Table 4.30 presents the findings.

Table 4.30:

Joint Anova^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	136.289	4	34.072	60.496	.000 ^a
	Residual	99.689	177	.563		
	Total	235.978	181			

a. Predictors: (Constant), recruitment and selection, training and development, Employee Relations, Rewards and compensation

b. Dependent Variable: Employee Retention

From the analysis, the F-statistics revealed an F of 60.496 which was associated with a *p-of* 0.001 which is less than the selected level of significance 0.05 (i.e. $0.001 < 0.05$). This hence implies that the model was significant and fit for predicting the employees' retention. Because the significance value was 0.001, this implied that the variables in the model including development and training, selection and recruitment, Employee Relations, Rewards, and compensation can significantly predict employee retention in the medical insurance industry in Kenya. The findings concur with Wangari (2014) who established that career development, proper remuneration, and work-life balance positively affected

the decision of employees to remain in a firm. Lack of a good structure for compensating workers and failure to provide career development opportunities negatively affects the retention of employees.

4.6.3 Multivariate /Joint Coefficients of the Study Variables

The regression coefficient through the multilinear regression model was analyzed. Where the four independent variables (rewards and compensation, training and development, employees relations and rewards and compensation) were regressed against employees retention). Results are shown in Table 4.31.

Table 4.31:

Multivariate /Joint Coefficients of the Study Variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.181	.279		-.648	.518
Recruitment and Selection	.251	.080	.218	3.146	.002
Training and development	.235	.083	.187	2.820	.005
Employees Relations	.215	.096	.181	2.236	.027
Rewards and Compensation	.381	.085	.314	4.494	.000

Employee retention and selection and recruitment were statistically significant ($\beta = 0.251$, $t = 3.146$, which was associated with a p -value = 0.002). This indicates that staff retention in the Kenyan medical insurance industry is positively and significantly impacted by selection and recruitment. This implies that a unit increase in recruitment and selection will positively affect staff retention. The findings agree with Oaya, Ogbu, and Remilekun (2015) who found that during recruitment and selection using a staffing agency and internal staff recommendations enable the firm to hire more committed and productive

staff whereas recruiting through the influences of the results to efficiency in the organization.

Development and training was statistically significant to staff retention ($\beta = 0.235$, $t=2.820$ associated with $P\text{-value} = 0.005$). This implies that development and training had a significant positive effect on staff retention in the medical insurance industry in Kenya. Therefore, a unit increase in development and training will positively affect staff retention in the medical insurance industry in Kenya. The findings concur within (2014) who found that training was essential to the performance of the firm and more so key to the strategy of the firm impacting on the retention of staff and growth of human capital.

Employee relations and reward and staff retention were statistically significant ($\beta= 0.215$, $t=2.236$ which was associated with a $P\text{-value}= 0.027$). This indicates that employee relations and reward had a significant positive association with staff retention in the medical insurance industry in Kenya. This implies that a unit increase in employee relations ns and rewards will positively affect the retention of staff in the medical insurance industry in Kenya. The findings concur with Rahman and Taniya (2017) who noted that HR practices, styles of leadership, and common values/goals significantly impact staff performance.

Reward and compensation and staff retention were statistically significant ($\beta = 0.381$, $t=4.494$ associated with $P\text{-value}=0.001$). This implies that unit increase in reward and compensation will positively affect staff retention in the medical insurance industry in Kenya. The findings concur with Akhta (2015) who indicated a strong and positive relationship and influence of total reward on retention.

The regression model became:

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

Chapter five focused on the study's key findings, conclusions, and recommendations guided by the four research questions; to establish the effect of recruitment and selection strategies on staff retention, to evaluate the training and development strategies on employee retention, to examine the effects of employee relations strategies on employee retention and to assess the effects reward and compensation strategies on employee retention in the Kenyan medical insurance industry.

5.2 Summary of the Findings

In this section, the study presents a summary of the findings based on the specific objectives of the study. The study's specific objectives: to establish the effect of recruitment and selection strategies staff retention in the Kenyan medical insurance industry; to evaluate the training and development strategies on employee retention in the Kenyan medical insurance industry; to examine the effects of employee relations strategies on employee retention in the Kenyan medical insurance industry and to assess the effects reward and compensation strategies on employee retention in the Kenyan medical insurance industry.

5.2.1 Recruitment and Selection Strategies

The study found that employees are hired in line with their qualifications, job transfers in the organization help to avoid monotony hence improving employee productivity, the management encourages internal promotions to boost employees morale, job transfers

improve employees skills and knowledge in the organization, internal employee's referrals ensure that talented employees remain in the organization, recruitment and selection is usually a free and fair process, and promotion prevents the organization from losing its valuable employees. These findings relate to Chandrasekara and Perera (2016) who evaluated how recruitment strategies impacted the retention of workers in Sri Lank large-scale firms and established that recruitment initiatives have a positive significant link with the retention of employees in the firms.

5.2.2 Training and Development

The revealed that job rotation in the organization helps employees to learn about different jobs, coaching in the organization is mainly undertaken by the supervisors, job rotation in the organization helps the employee to improve the skills and knowledge about jobs, job orientation assists new employees to adopt faster in their new roles, coaching in the organization improves the individual performance of employees, new employees are guided on their new roles and responsibilities and job rotation exposes employees to a wider range of operations and assists managers in exploring hidden talents. These findings agree with Chen (2014) who evaluated the impact of training on staff retention in China and found that training played a significant role in firm performance and it was the major strategy in the firm that influenced the retention of workers and growth of human capital.

5.2.3 Employee Relations

The study revealed that teamwork in the organization creates a system to makes sure that deadlines are achieved and that there is high job high, communication in the organization flows from top to down and down to the top, employees are appreciated for their outstanding performance, teamwork helps employees to feel that their work is valued,

departments collaborate to achieve the set goals, communication is effective between the organization departments, and collaboration within groups in the organization helps to solve difficult problems. These findings agree with Rahman and Taniya (2017) who studied the impact of management of staff relations on their performance and revealed that all staff relation management factors like the HR strategies, style of leadership as well as shared values/goals have a highly significant effect on the workers' performance. Also, trust and communication moderated the effects of staff performance in the organization. Therefore, the components of staff relations management should be integrated into the organization's strategy to enhance staff performance.

5.2.4 Reward and Compensation

Results showed that employees are given cash bonuses on their exceptional performance, employees are advised to save for their retirement, employees are given non-cash rewards, pension schemes help employees get prepared for their retirement, the contribution an employee makes is recognized with a tangible reward, rewarding high-performance assists in retaining staff, and employees are paid their salaries at the right time. These findings concur with Wangari (2014) who studied the impact of reward initiatives on the retention of employees and established that remuneration, career development, training, and work-life balance significantly impacted staff retention. However, unavailability of career growth opportunities and poor compensation adversely affects staff retention.

5.3 Conclusions

5.3.1 Recruitment and Selection Strategies

The study revealed that selection and recruitment and staff retention were statistically significant. The study also found that staff retention in the Kenyan medical insurance

industry is significantly and positively related to selection and recruitment. Concerning the findings, the study concludes that a unit rise in recruitment and selection will positively affect staff retention.

5.3.2 Training and Development

The study indicated that development and training were statistically significant in worker retention. The study also revealed that staff retention in the Kenyan medical insurance industry is significantly and positively related to development and training. Concerning the findings, the study concludes that a unit rise in training and development positively affects the retention of employees in the Kenyan medical insurance industry.

5.3.3 Employee Relations

The study revealed that employees' relations and rewards were statistically significant to worker retention. The study also revealed that worker retention in the Kenyan medical insurance industry is positively related to rewards and employee relations. From these findings, the study concludes that a unit increase in worker relations and reward will positively affect the retention of employees in the medical insurance industry in Kenya.

5.3.4 Reward and Compensation

The study found that reward and compensation statistically and significantly affected employee retention. The study also revealed that reward and compensation had a significant positive link with staff retention.

5.4 Recommendations

Since recruitment and selection were found to influence the retention of employees. The research recommends medical insurance companies use recruitment agencies and internal staff recommendations in recruiting and selecting employees; this ensures that the firm

hires committed and productive workers. The study also recommends the insurance companies use strategic staffing practices such as associations, psychometric exams, and webs, target particular professionals, use strategies on head-hunting, provide incentives, rank potential applicants, and the use internet and technologies which impact staff recruitment.

Training and development were found to have a positive impact on employee retention. The study recommends management medical insurance companies offer training to their employees. The management of the companies should invest more in training activities to ensure they are effective and should ensure that training and growth are used as strategies for motivation.

Employee relations influence retention. The study recommends the management of the insurance companies properly address components of employee relations management factors like HR initiatives, styles of leadership, and common values/goals. It's the responsibility of the management to ensure that the organizational structure is flexible by design and intent and can properly manage employer-worker relations to fit strategic needs. The management should adopt strategies that create an ambiance in which employees feel a sense of voice encouraging employee development.

Rewards and compensation positively influence retention. The study recommends medical insurance companies provide their employees with rewards in form of cash bonuses, payments based on performance, and pension schemes. Offering employee's performance-based pay and recognizing their contribution greatly influences their retention decisions.

5.5 Area for Further Research

The study recommends a study where firm characteristics moderate the relationship between human resources management strategies and the performance of employees.

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APPENDICES

Appendix 1: Questionnaire

Part A: Demographic Information

1. Gender
Male () Female()

2. Kindly indicate your age group
20 -29 years ()
30-39 years ()
40-49 years ()
Above 50 years ()

3. How long have you been working in the organization
Less than 5 years ()
5-9iyears ()
Above 10 years ()

4. What is your position in the organization?
Chief human resource manager ()
Human resource Director ()
General human resource manager ()
Assistant human resource manager ()
Deputy Director Payroll ()

In parts B, C, D, E, F, and G, indicate your level of agreement about the Likert statements using the scale: 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, and 5-strongly agree)

Part B: Recruitment and Selection Strategies

5. The statements below are about recruitment and selection strategies on workers' retention.

Statements	1	2	3	4	5
Employees are hired in line with their qualifications					
Recruitment and selection is usually a free and fair process					
The management encourages internal promotions to boost employees morale					
Promotion prevents the organization from losing its valuable employees					
Internal employee's referrals ensure that talented employees remain in the organization					
Job transfers in the organization help to avoid monotony hence improving employee productivity					
Job transfers improve employees skills and knowledge in the organization					

Part C: Training and Development

6. The statements below are about training and development strategies and employee retention

Statements	1	2	3	4	5
New employees are guided on their new roles and responsibilities					
Job orientation assists new employees to adopt faster in their new roles					
Coaching in the organization is mainly undertaken by the supervisors					
Coaching in the workplace typically focuses on an improvement in individual performance					
Job rotation in the organization helps employees to learn about different jobs					
Job rotation in the organization helps the employees to improve their skills and knowledge about jobs					
Job rotation exposes employees to a wide range of operations and assists					

managers in exploring hidden talents					
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Part D: Employee Relations

7. The statements below are about the effects of employee relations strategies on employee retention

Statements	1	2	3	4	5
Communication in the organization flows from top to down and down to the top					
Communication is effective between the organization departments					
Employees are appreciated for their outstanding performance					
Teamwork helps employees to feel that their work is valued					
Teamwork in the organization creates a system to ensure that deadlines are meet and that there is high-quality work					
Collaboration within groups in the organization helps to solve difficult problems.					
Departments collaborate to achieve the set goals					

Part F: Reward and Compensation

8. The statements below are about the effects of reward and compensation strategies on employee retention

Statements	1	2	3	4	5
Employees are paid their salaries at the right time					
Employees are given cash bonuses on their exceptional performance					

Employees are given non-cash rewards					
Rewarding high performance assists in retaining staff					
The contribution of an employee is recognized with a tangible reward					
Pension schemes help employees get prepared for their retirement					
Employees are advised to save for their retirement					

Part G: Employee Retention

9. The statements below are about employee retention

Statements	1	2	3	4	5
Hiring talents ensure employee loyalty					
Training and development gives employees intent to continue working					
Reward and compensation increases employee commitment in the organization					
A good working relationship ensures that employees are committed to their work					


THANK YOU


Appendix II: List of Licensed Medical Insurance Companies

1. Acropolis Insurance Brokers
2. Afrocentric Health Solutions Limited
3. AON Kenya Insurance Brokers Limited
4. Armchair Insurance Brokers Limited
5. Bahari Insurance Brokers Limited
6. Bhanji & Associates Limited
7. BTB Insurance Brokers Limited
8. Changamka Micro Insurance Limited
9. Chester Insurance Brokers Limited
10. Clarkson Insurance Brokers Limited
11. Eagle Africa Insurance Brokers Limited
12. Executive Healthcare Solutions Limited
13. Goldfield Insurance Brokers Limited
14. Goldstar Healthcare Limited
15. H. S. Jutley Insurance Brokers Limited
16. Health line Solutions Limited
17. Indemnity Insurance Agents Limited
18. J.W. Seagon and Company Limited
19. Jani Insurance Brokers Limited
20. Ken bright Healthcare Administrators Limited
21. Liaison Healthcare Limited
22. Lifecare International Insurance Brokers Limited
23. MIC Global Risks (Insurance Brokers) Limited
24. Mutual Trust Insurance Agencies Limited
25. Pacific Insurance Brokers (EA) Limited
26. Pelican Insurance Brokers Limited
27. Plan & Place Insurance Brokers Limited
28. Planned healthcare Limited
29. 29Sedgwick Kenya Insurance Brokers Limited
30. Sobhag Insurance Brokers Limited

Source: Insurance Regulatory Authority report (2017)


AppendixII1:ResearchLicense


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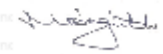


This is to Certify that Miss. MOREEN NTHENYA of Kenya Methodist University, has been licensed to conduct research in Nairobi on the topic: INFLUENCE OF HUMAN RESOURCES MANAGEMENT STRATEGIES ON EMPLOYEE RETENTION IN THE MEDICAL INSURANCE INDUSTRY, IN KENYA for the period ending : 19/August/2020.


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Appendix IV: Letter of introduction.

KENYA METHODIST UNIVERSITY

27 June 2018

Dear Respondent,

RE: REQUEST TO FILL THE QUESTIONNAIRE

My name is [.....], I am a postgraduate student at Kenya Methodist University and I am carrying out a study on the influence of human resources management strategies on employee retention in the medical insurance industry in Kenya as part of partial requirement for the award of degree of Master in business administration (Human Resource Management Option).

The information sought from you will be treated with utmost confidence, and results of this study will be available for your use/reference.

Thank you,

Yours sincerely.

[.....]



Kenya Methodist University

P.O. Box 267 - 60203, Meru, Kenya. Tel: (+254-020) 211542247, 064-909075/1229. Email: info@kemu.ac.ke, Web: www.kemu.ac.ke

July 18, 2019.

TO WHOM IT MAY CONCERN

RE: MAUREEN NTHENYA MWANZIA BUS-3-3035-2/2019

This is to confirm that the above named is a student in the Department of Business Administration, in this university, pursuing a Master of Business Administration.

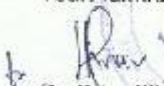
As a requirement, the student is expected to undertake an independent primary research in their area of specialization.

The purpose of this letter is therefore, to introduce the student to you and request you to allow her undertake the research in your organization.

The student has been advised to ensure that all data and information from the organization is treated with utmost confidentiality and only used for academic purposes unless otherwise stated.

Any assistance accorded to her will be highly appreciated.

Yours faithfully,


Dr. Peter Kihara, PhD.
Registrar - Academic Affairs