

**EFFECT OF RETENTION STRATEGIES ON JOB SATISFACTION AMONG
EMPLOYEES IN SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN KENYA**

BY

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DECLARATION

I declare that this project is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

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

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ABSTRACT

The purpose of this study was to determine the effect of retention strategies on job satisfaction among employees in Savings and Credit Cooperative Societies in Kenya. The specific objectives of the study were to determine how rewards, job security, working environment and training and development influences job satisfaction in Savings and Credit Cooperative Societies in Kenya. As the world is becoming a global village, a lot of technological changes have to be emphasized to influence the day to day operations at the workplace. As a result, much emphasis has to be put on knowledgeable workers in order to meet the changing needs of the business environment. Organizations should therefore put in place various strategies to ensure recruitment and retention of workforce who possess the right skills and knowledge to ensure high quality delivery for a sustainable performance. Stratified random sampling technique was used in the study while the study population was consist of all the employees in the selected cadres of the 42 Sacco's based in Nairobi County while the sample size was derived through census whereby all the Sacco's were included in the sample. From the Sacco's 10% of the employee were selected where 4 respondents were picked from every Sacco. This made a sample size of 168 respondents. Primary data was used to collect information in this study through questionnaires. The data collected was processed using regression analysis technique. The researcher used Cronbach Alpha of 0.7 for this study as a measure of internal consistency. The data from the findings was then analysed by SPSS and presented using tables, pie-charts and graphs. The study established that employee rewarding, job security, training and development and work environment contributed to job satisfaction among SACCO's in Kenya. The inferential analysis of the study model however revealed that employee rewarding, job security and work environment had a significant and positive effect on job satisfaction while training and development had a positive but insignificant relationship on job satisfaction.

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DEDICATION

To my loving wife Diana Adhiambo and my son Liam David Okombo. You have been a source of my inspiration and strength. You have stood with me during the entire period of my studied. Your prayers have made me to excel in my studies and I would not have made this far without your encouragement and support. It is for this reason that I dedicate this work to you. God bless you.

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ACRONYMS AND ABBREVIATIONS

HR Human Resource

HRM Human Resource Management

SACCO's Savings and Credit Cooperative Societies

SASRA Sacco Societies Regulatory Authority

SPSS Statistical Package for Social Sciences

DEFINITION OF TERMS

Development: Development can be defined as the planned growth and expansion of knowledge and expertise beyond the present job requirement (Bessant&Tidd, 2011).

Job satisfaction: Job satisfaction is the pleasurable or positive emotional state resulting from the appraisal of one's job or experiences (Locke, 1976).

Job security: Job security is defined as the probability that an individual will keep his or her job (Dessler, 2010).

Retention strategies: Retention strategies refer to the plans and means, and a set of decision-making behavior put in place and formulated by the organizations to retain their competent workforce for performance (Gberrevbie, 2008).

Retention: Retention is defined as a systematic effort to create and foster an environment that encourages employees to remain employed by having policies and practices put in place to address their different needs (Workforce Planning for state Government, 2015).

Rewards: Rewards is defined as financial and non-financial extrinsic rewards that are provided by an employer for the time, skills, and efforts made available by employees in the fulfilment of job requirements which are aimed at organizational goals achievement (Swanepoel, 2000).

Training: Training can be defined as a process that seeks to change the employees' behavior at work through the application of learning principles with a view to enhancing human performance (Dessler, 2011).

Working environment: Working environment is defined as working conditions in which employees have to perform their duties (Lee, Back & Chan, 2015).

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The world is becoming a global village with a lot of technological changes that has brought about massive influence in the day to day operations at the workplace. As a result, much emphasis has been put on knowledgeable workers in order to meet the changing needs of the business environment (Holbeche, 2009; Kuruvilla&Ranganathan, 2010). As a matter of concern, organizations are putting in place various strategies to ensure recruitment and retention of workforce who possess the right skills and knowledge to ensure high quality delivery for a sustainable performance (Reiche, 2007; Harvey, 2009).

1.1.1 Overview of Retention Strategies

Retaining the best talents (employees) has been a key challenge facing modern organizations both in developing and developed countries. Many HRM experts uphold the fact that competitiveness in every firm comes way much from the employees especially those with special and unique capabilities (Johnstone, 2016). It is based on this motive that the leading businesses across the globe are adopting new ways of enhancing and retaining employees. These retention ways are mainly known as retention strategies. According to Gale Group (2006), retention strategies enhance the ability for organizations to adapt more effectively to on-going organizational change process. Workforce Planning for State Government (2015) defines employee retention as a systematic effort to create and foster an environment that encourages

employees to remain employed by having policies and practices put in place to address their different needs. It is also defined as a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project (Bidisha, 2013).

Gering & Conner (2002) asserts that retaining good manpower that are highly skilled and have the right knowledge and capability to perform is very cynical to any organization. If an organization does not have the required will and power to retain its employees, it will not be able to have and take a competitive edge on the core competencies developed within the organization required to outwit its competitors. Frost (2001) indicates that if employers treat their employees as valued contributors, they tend to remain in the organization. It is therefore of great significance that organizations keep their employees satisfied to prevent them from exiting the organization. Retaining of effective and efficient human capital is also of great significance to any organization that is keen on improving its productivity. Armstrong (2006) states that employers should come up with elaborate plans which should be based on retaining staff and establishing why human resources leave organizations. The retention strategy should centre on the areas in which the absence of connection between the employer and employees in terms of communication, participation and involvement, and dissatisfaction can arise, for instance; pay, job design, performance to create clear and elaborate job responsibilities that maximise on performance, apply performance review techniques, training, career development, increase in commitment, group cohesion, reducing conflict with managers and supervisors, recruitment, selection and promotion (Armstrong, 2006).

1.1.2 Job satisfaction

Job satisfaction has been found to be the most important tool for employee retention. Job satisfaction refers to how employees perceive their jobs (Mc Shane & Glinow, 2005). It is an emotional state resulting from experiences at work. Locke (2009) describe job satisfaction as the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values; and "the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs (Spector, 1997).

If employees experience high satisfaction with their jobs, it may create a pleasurable emotional state (Bartolo & Furlonger, 1999; Ivancevich, 2008) and a positive reaction with the organization (Feinstein, 2002; Oshagbemi, 2000). Both job content and job security are found to affect the overall job satisfaction of employees (Green and Tsitsianis, 2005; Benz and Frey, 2008). Employees feel satisfied when they are provided certain degree of freedom in carrying out their tasks and taking job related decisions. Moreover, they enjoy performing jobs which demand higher levels of skills and knowledge (Guthrie, 2001). Employee involvement practices have been reported to reduce turnover (Vera, 2001). According to Luthans (1989) satisfaction can arise from three different facets: (a) emotional response to work environment, (b) relationship between expectations and outcomes; and (c) satisfaction with pay. The significance of job satisfaction can be assessed from the fact that it not only influences the efficiency of workers but also impacts job behaviour such as absenteeism, accidents, work stress and employee turnover (Rajendran & Chandramohan, 2010). Igarria and Guimaraes (1993) have identified five components of job satisfaction – work, supervision, co-workers, pay and promotion.

While earlier generations viewed their jobs predominantly as a source of income, today's employees see their careers as more (Murray, 1999). An empirical study conducted by Stefan Gaertner (1999) revealed that opportunities for promotion and supervisory support have a direct and positive impact on job satisfaction. However, the same study suggested that the amount of pay received by employees is not related to job satisfaction. It is becoming increasingly difficult for employees to cope with demands of professional careers, home management and job relocation issues. Too much overlap between work and home may cause employee burnout. Hence, organizations need to help employees manage their work and home boundaries effectively. Measures taken by the organization to enhance the well-being of its employees contributes to job satisfaction (Bonke and Browning, 2003). Today more and more companies are offering spouse relocation assistance as an employee benefit. Other benefits provided by organizations may include vacations and recreation facilities to the employees and their family members. Some organizations even go to the extent of involving family members of their employees in company celebrations.

1.1.3 Savings and Credit Cooperative Societies (SACCO's) in Kenya

Co-operatives are an integral part of the Government economic strategy aimed at creating income generating opportunities particularly in the rural areas. The co-operative movement has been recognized by the Government as a vital institution for the mobilization of human and material resources for various development progress particularly in the rural areas where the majority of people reside, earning their livelihood mainly from agriculture. The Sacco industry is part of the co-operative sector in Kenya, which has impacted on lives of many disadvantaged

Kenyans over the years. Sacco's in Kenya may be categorized into financial and non-financial cooperatives (Sacco Supervision Annual Report, SASRA, 2016).

Sacco Societies is the acronym representation of "Savings and Credit Co-operative" societies, which are a specific type of co-operatives societies. The key object and purpose for their incorporation is usually to deal with mobilization of savings and advancement of credit on the collateral of such savings, and thus the acronym "SACCO" simply denotes the "Savings and Credit Co-operatives". On the other hand, saving and credit activities are principally financial services, and this has led to Sacco's being referred to in some jurisdictions as financial services co-operatives, and in United States of America, United Kingdom and Latin Americas, they are specifically referred to as Credit Unions. In Kenya, Sacco's as a subset of their wider co-operatives have further expanded in the type of savings and credit financial services that they offer to their membership. Key among these financial services is the venturing into the deposit-taking financial business, similar to the one undertaken by commercial banking institutions except for the fact that, such deposits are taken from members. This expansion of the financial services to deposit to deposit taking led to the emergence of the Deposit taking Societies (DT-SACCOS), thereby giving rise to two clusters of Sacco's namely the Deposit-Taking segment (DT-SACCO's) and the Non-Deposit Taking segment (Non-Deposit Taking SACCO's). It is important to underscore that this is unlike other jurisdictions where there is no distinction between deposit-taking and non-deposit taking Sacco's. For instance, all Credit Unions in USA, UK and Ireland, Brazil, and Latin America are by law authorized to take deposits from their members; and so is with the Co-operative Banks in South Africa, India, and continental Europe (Sacco Supervision Annual Report, SASRA, 2016).

The formation of SACCO's is on the basis of an agreed common bond which could be employment, geographical location or economic activity. Ownership is therefore generally structured on these considerations. The four broad categories of licensed Sacco's in each category as at 31st December 2012 comprise government based SACCO's: drawing membership from government ministries, departments and agencies, public schools and colleges and local authorities, currently regional counties: Farmer based SACCO's; comprise farmers in different agricultural activities: Private institutions based SACCO's; drawing its membership from employees of private enterprises including non-governmental organizations operating in Kenya: Community based Sacco's; drawing its members from local communities where they operate and include SME traders and farmers and Teacher based SACCO's that draw their members from public schools, colleges and universities (Sacco Supervision Annual Report, SASRA, 2016).

The Kenyan DT-SACCO segment remained robust with regard to all the parameters on growth performance. The total asset base of the DT-SACCO's grew in 2016 to reach Kshs 393.49 Billion, as compared to Kshs 342.84 Billion recorded in 2015. This represented a 14.8% year to year growth rate, and was funded principally by members' deposits which also grew by a similar percentage to reach Kshs 272.57 billion in 2016 from Kshs 237.44 billion recorded in the previous year. On the other hand, the loans and advances constituted a huge portion of the total assets, accounting for 73.42% of the total assets and which stood at Kshs 288.92 Billion in 2016 up from Kshs 251.08 in 2015. This represented a 15.1% year to year growth rate. On the other hand, the gross loans stood at Kshs 297.6 Billion in 2016, up from Kshs 258.18 Billion in 2015 representing a 15.3% year to year growth rate. The capital reserves by the DT-SACCO segment also grew to Kshs 61.26 Billion from Kshs 50.83 Billion registered in the previous year (Sacco Supervision Annual Report, SASRA, 2016).

1.2 Problem Statement

SACCO's have over the recent past been recognized as key components of country's economy with numerous contributions to economic development and growth. In Kenya, SACCOs are upheld as the major drivers of savings and investment thus contributing to economic empowerment especially among the minority and to the general country's GDP. Being the largest in Africa and Sixth in the World (WB, 2015), the Kenyan SACCO sector has exceedingly been growing with new SACCO's coming up day after day. According to GoK (2015), over 40% of small businesses attribute their startup capital to SACCO's. Moreover, many jobs are created through the SACCO's thus making their contribution imperative to the country's economy.

However, despite the merit that surrounds SACCO's in Kenya, their performance and sustainability has always been minimal with most of the upcoming SACCO's closing their doors within the first few years of operation while other operating under losses for years (Chahayo, Bureti, Maende&Aketch, 2013). Among the stumbling blocks that have been affecting SACCO's as noted by the SASRA (2016) is the retention and management of talents among their workforce. Most of the SACCO's are dependent on inexperienced employees while those with high experience and capabilities in the sector are running to other bigger organization (Kimanzi et al., 2013). This has sent a warning signal to many SACCO's where cases of poor customer services as well as poor quality standards are the norm (Maingi, 2014). While describing the growth of cooperatives in Tanzania, Maghimbi (2010) pointed out that poor talent management and employee turnover due to insufficient satisfaction were the main hindrances to growth of the cooperatives.

Empirical studies across the globe have shown mixed results on the relationship between retention strategies and employee satisfaction. For instance, Bartlett and Gorshal(2013) found that keeping the best talents was key to firm performance and this is enhanced by promoting satisfaction. Naqvir and Bashir (2015) established that satisfied employees were more committed and willing to work in the same organization than those that are dissatisfied. On the other hand, Pitts, Marvel and Fernandez (2011) found no direct relationship between employee satisfaction and retention efforts by organizations similar to Karatepe (2013) who contemplated that employee turnover was influenced by other factors apart from the retention strategies.

Locally, several studies have been done on SACCO's such as Kimanzi et al, (2013) who did a study on the factors influencing the implementation of employee benefits program in Sacco Society Industry in Kenya; Maingi (2014) evaluated factors affecting financial performance of SACCO's in Kenya; Ondiekiet al(2011) assessed the effects of external financing on financial performances of SACCO's in Kisii; and Nkuru (2015) evaluated factors affecting growth of SACCO's within the Agricultural sector in Kenya.

While these studies are beneficial to the researcher and the SACCO societies at large, they were done on a single selected Sacco's thus not representing the larger SACCO Societies represented by Kenya Union of Savings and Credit Co-operatives Ltd. None of these studies however highlighted the effects of employee retention strategies on job satisfaction in the Sacco societies hence a knowledge gap. This study therefore sought to fill this gap by determining the effect of retention strategies on job satisfaction among employees in Savings and Credit Co-operative Societies in Kenya.

1.3 Objectives of the Study

1.3.1 Main Objective

The general objective of this study was to examine the effect of retention strategies on job satisfaction among employees in Savings and Credit Co-operative Societies (SACCO's) in Kenya.

1.3.2 Specific Objectives

The specific objectives of this study were;

- i To determine the influence of rewards on job satisfaction among employees in savings and credit Co-operative societies (SACCO's) in Kenya.
- ii To establish the influence of job security on employee job satisfaction in Savings and credit cooperative societies (SACCO's) in Kenya.
- iii To evaluate the influence of working environment on job satisfaction among employees in savings and credit cooperative societies(SACCO's) in Kenya.
- iv To determine the influence of training and development on employee job satisfaction in savings and credit cooperative societies (SACCO's) in Kenya.

1.4 Research Questions

In order to determine the effects of retention strategies in SACCO's, the study was guided by the following questions;

- i. To what extent do rewards influence employee job satisfaction in savings and credit cooperative societies (SACCO's) in Kenya?

- ii. How does job security influence employee job satisfaction in savings and credit cooperative societies (SACCO's) in Kenya?
- iii. To what extent does working environment affect job satisfaction among employees in savings and credit cooperative societies (SACCO's) in Kenya?
- iv. Does training and development affect job satisfaction among employees in savings and credit cooperatives societies (SACCO's) in Kenya?

1.5 Significance of the study

The findings of this study will help in different ways. The findings will help SACCO's in Kenya to develop practical models and retention strategies that will improve the working environment in the workplace and ensure that employees are satisfied with their job for the better performance of the organization given that the more the staffs are satisfied the more they perform better.

The SACCO Society will also benefit given that they will be able to copy, adopt and develop practical strategies that will help develop policies that will ensure that the best employees are retained by the organization by identifying specific areas that can bring dissatisfaction among the employees hence improving on it to ensure a mutual understanding, loyalty and job satisfaction that will result into high retention rates.

The future researchers and academicians who are interested in the same area of study will be able to find relevant literature concerning their research. This will offer them materials and provide a deeper understanding on the employee retention strategies on job satisfaction and ensure that the organizations can improve their performance through satisfied workers.

1.6 Scope of the Study

The study sought to establish the effect of retention strategies on job satisfaction among employees in savings and credit co-operative societies in Kenya. The focus of the study was on SACCO's in Nairobi County, Kenya. According to the SASRA (2016), there are 42 SACCO's in Nairobi County as at December, 2016. These SACCOs formed the target population for the study. The focus on Nairobi County was influenced by the fact that the County contributes to more than 65% of the Country's GDP as well as most of the SACCO's are saturated in the County due to its high population of working and business operating persons thus it is best suited to represent Kenya. The variables focused in the study were; employee rewards, job security, working environment and training and development. The study was carried out between June and September 2018 to allow ample time for data collection and analysis.

1.7 Basic Assumptions of the Study

The study made the assumption that the main retention strategies adopted by the SACCO's similar to other organizations are employee rewarding, job security, working environment and employee training and development. Other strategies other than these four were therefore not to be focused in the study.

The study assumed that the employees in the SACCO's were cooperative and willing to provide the required information to enable the study's success. It is further assumed that the sampled employees were in a position to understand and respond to the questionnaires to facilitate the study achieve the intended results.

The study also assumed that the time provided for the study was enough to complete the study and did not require any extra time. It is also assumed that the resources available were enough for the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is devoted to reviewing literature relevant to the study on the effects of employee retention strategies of Sacco societies in Kenya. There is also a conceptual framework that outlines the relationship between independent variables and dependent variables which acts as a guide in the study. This chapter also looks at the empirical and documented research findings by other researchers on the subject matter as well as the theoretical review.

2.2 Theoretical Review

This section highlighted the theories used to strengthen the research study. The theories discussed included Herzberg Two Factor Theory and Maslow's Hierarchy of Human Needs Theory.

2.2.1 Herzberg Two Factor Theory

Herzberg Two Factor Theory, also referred to as the Motivation-Hygiene Theory, was introduced by Frederick Herzberg in 1959. Herzberg in this theory argued that employees are motivated by internal values rather than those that are external to work. This implies that motivation is internally generated and is driven by variables that are intrinsic to the work. He referred to them as motivators. These intrinsic variables include achievement, recognition, responsibility, the work itself, advancement and growth.

On the other hand, Herzberg also stated that there are certain factors that cause dissatisfying experiences to employees. These factors broadly result from non-job related

variables, also known as extrinsic factors. Herzberg referred to these variables as hygiene factors. These factors however, do not motivate employees although they must exist in the workplace to make employees happy. The dissatisfiers include company policies, salary, employee relationships and supervisory styles (Bassett-Jones & Lloyd, 2005). As pointed out by Bassett-Jones & Lloyd (2005), Herzberg argued that eliminating the causes of dissatisfaction through hygiene factors would not result into a state of satisfaction but instead would result into a neutral state. Motivation would only occur as a result of the use of intrinsic factors.

Empirical studies carried out by (Kinnear & Sutherland, 2001; Meudell & Rodham, 1998; Maertz and Griffeth(2004) acknowledged that extrinsic factors such as competitive remuneration, good interpersonal relationships, suitable working environment, and job security were mentioned by employees as fundamental motivational variables that swayed their retention in the organizations. This simply signifies therefore that organizations should not only rely on intrinsic variables to influence employee retention but rather a combination of the two. Both intrinsic and extrinsic factors should therefore be considered as an effective retention strategy by organizations.

2.2.2 Abraham Maslow's Hierarchy of Human Needs

The hierarchy needs theory was introduced by Abraham Maslow in 1943. In this theory, Maslow suggests that human needs form a five-level hierarchy consisting of: physiological needs, safety, belongingness/love, esteem, and self-actualisation. Maslow's hierarchy of needs postulates that there are essential needs that need to be met first (such as, physiological needs and safety), before more complex needs can be met (such as, belonging and esteem).

Maslow's needs hierarchy was developed to explain human motivation in general. However, its main tenants are applicable to the work setting, and have been used to explain job satisfaction. Within an organisation, financial compensation and healthcare are some of the benefits which help an employee meet their basic physiological needs. Safety needs can manifest itself through employees feeling physically safe in their work environment, as well as job security_and/ or having suitable organization structures and policies. When this is satisfied, the employees can focus on feeling as though they belong to the workplace. This can come in the form of positive relationships with colleagues and supervisors in the workplace, and whether or not they feel they are a part of their team/ organisation. Once satisfied, the employee will seek to feel as though they are valued and appreciated by their colleagues and their organisation. The final step is where the employee seeks to self-actualise; where they need to grow and develop in order to become everything they are capable of becoming. Although it could be seen as separate, the progressions from one step to the next all contribute to the process of self-actualisation. Therefore, organisations looking to improve employee job satisfaction should attempt to meet the basic needs of employees before progressing to address higher-order needs. As a result, employee job satisfaction ensures employees are happy with their jobs and also give their heart and soul to the organization. Such people seldom think of changing their jobs and motivate not only themselves but also others to work hard for the betterment of the organization.

Employee job satisfaction is also of utmost importance for employees to remain happy and also deliver their level best. Satisfied employees are the ones who are extremely loyal towards their organization and stick to it even in the worst scenario. They do not work out of any compulsion but because they dream of taking their organization to a new level. Employees need to be passionate towards their work and passion comes only when employees are satisfied with

their job and organization on the whole. Employee satisfaction leads to a positive ambience at the workplace. People seldom crib or complain and concentrate more on their work.

2.3 Empirical Review

Studies have revealed that many organizations are facing challenges in the development of an employee retention strategy and that turnover rates are increasing in various organizations (De Young, 2000); For instance, Schuler and Jackson (2006) stated that if employees are dejected with their organizations, they tend to leave the organization. In that event, it becomes a costly exercise, especially if valuable employee exits resulting into lost production. Besides, the costs affiliated with recruitment of other personnel are quite exorbitant and occasionally takes time. The focus therefore lies with the employer to ensure that they have suitable blend of employees in terms of quality and quantity in an organization.

Maud (2011) singled out that there are areas of intense that an organization must focus on in order to ensure they retain motivated and loyal workforce who are satisfied with their jobs. They include terms and conditions of employment which must be enhanced such that individuals feel that they are valued by the organizations by the way they are treated, recognized and rewarded of their accomplishments, since failure to do so often leads to loss of competent personnel whether there are career advancements which helps the individual in reaching the appropriate standard of performance.

CaplanandTesse (2007) also affirm that employee retention is recognized as a matter of contention that is emerging as most critical workforce management problems of the immediate future. Pertinent investigations have demonstrated that in the future, successful organizations

were those which adapt their organizational behaviour to the realities of the current work environment where longevity and success depend upon innovation, creativity and flexibility.

According to Stein (2008), studies that were carried out in the United States indicates that costs related to directly replacing an employee can be as high as 50-60% of the employees' annual salary, but the total cost of turnover can reach as high as 90-200% of the employees' annual salary. These costs comprise candidate interviews, new recruits, training, recruiter's salary, separation processing, job errors, lost sales, reduced morale and a number of other costs to the organization. He also stated that, high turnover industries such as retailing, food services, call centres, elder-care nurses, and salespeople make up almost a quarter of the United States population. Replacing workers in these industries is less expensive than in other more stable employment fields but costs can still reach over \$500 per employee (Stein, 2008).

Effective employee's retention strategies will certify that employees do not only stay with the organization longer but they are also satisfied. These can be measured by establishing what levels the employees are satisfied with their jobs. Employee satisfaction or job satisfaction is, quite simply, how content or satisfied employees are with their jobs (Chapman, 2012). Employee satisfaction is routinely measured using an employee satisfaction survey which then determines the eves of employee satisfaction. This survey touches on topics such as compensation, workload, perceptions of management, flexibility, teamwork, resources, etc.

Heathfield (2010) observes that, at its most general level of conceptualization, job satisfaction is simply how content an individual is with his or her job. At the most specific levels of conceptualization used by academic researchers and human resources professionals, job satisfaction has varying definitions. Affective job satisfaction is usually defined as a unidimensional subjective construct representing an overall emotional feeling individuals have

about their job as a whole. Hence, affective job satisfaction for individuals reflects the degree of pleasure or happiness their job in general induces.

For any organization to succeed in its performance, productivity and profitability, it must advance excessive emphasis to retain its competent employees so as to achieve its corporate goals and objectives. In spite of that, Karanja (2010) admits that most of the organizations in the private sector all over the country in Kenya have not attained its expectations in employee retention as a result of many challenges despite having a human resource policy in place with staff turnover reported as being excessive.

A simple statistical representation of employee retention can be expressed as follows; a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period (Wikipedia). In spite of this, observations made by Cole (2007), states that many consider employee retention as relating to the efforts by which employers attempt to retain employees in their workforce.

2.3.1 Rewards

The significance of pay and retention has been a subject of various studies. The researchers in this area are not always in absolute agreement about the influence of pay and retention. Some say, satisfaction with pay resolutely have a mutual relationship with employees' decision to stay put in an organization. Others disagree with this statement and say, pay does not have a direct link with retention of an organizations workforce. For example, Trevor et al, (1997) in their study, 'Voluntary turnover and Job Performance', observed that an increase in pay enhances retention power of organizations.

Davies et al, (2001) established that organizations especially those in accommodation industry in Western Australia do not depend on salaries and benefits policies to boost retention. According to Armstrong (2008), reward system comprises clear-cut policies, practices, procedures which are organized and managed comprehensively. This makes the employees feel appreciated and wanted and as a result enhance their connection with the organization. Consequently, rewards play a vital role in employees' retention by making them feel wanted, desired and motivated which in turn leads to their satisfaction and an intention to stay with the organization.

According to Snell and Bohlander (2007), employee rewards incorporates all types of pay and compensation given to employees for the performance of their jobs. They comprise both direct and indirect rewards. Direct rewards encompass employee wages and salaries, incentives, bonuses and commissions. On the other hand, indirect rewards comprise the fringe benefits provided to the employees and non-financial compensation that include leave, overtime, pension plans, health care, life insurance, transport and canteens providing subsidized lunch. Direct rewards acts as the most ultimate and crucial concern in attracting and retaining talents (Willis, 2000).

Parker and Wright (2000) is of the same opinion that money has a positive influence on the behaviour of individuals, hence equitable pay is the key foundation of a constructive agreement between employees and employers. Due to this fact, some organizations may issue pay packages which are reasonably above the market rates to enable them attract and retain highly skilled and competent employees (Parker & Wright, 2000).

According to Mathis and Jackson (2004), a majority of managers are of the opinion that money is the crucial retention factor and most employees adduce better pay as the reason for not

staying in their current jobs. Khan (2010) asserts that for one to attract the best candidate, shape the employees' behaviour and performance outcome as well as to facilitate the retention of talents there must be an element of a complete compensation and rewards compounded by an effective scheme of distribution. Indirect rewards which comprises employee benefits, on the other hand also influences employee attraction and retention (Rusbult & Farrell, 1981). The employees' intention to quit is as a result of the absence of enough benefits to employees. Organizations can compensate for moderate salaries in terms of non-cash payments by offering a large amount of benefits (Buffardi, 2004).

According to Mitchell et al., (2001), increased worker commitment in the organization is enhanced by providing benefit packages to them and this would reduce their tendency of thinking about other job opportunities. Organizations that provide incentive plans to their staff are most likely to experience lower turnover rates (Cho et al., 2006). Moncarz, Zhao and Kay (2009) similarly states that organizations would reduce labour turnover rates if they invest in reward systems in the form of incentive plans to more employees across the organization. Horwitz et al., (2003) in their study 'Attracting, Motivating and Retaining Knowledge Workers' established that transparency of pay decisions had a greater influence of boosting retention. This was also acknowledged by Gardner et al, (2004) who did not only see pay as only a motivator but also as a retention strategy.

Hytter (2007) in her study 'Employee Retention: Organizational and Personal Perspectives found out that there is a correlation between retention and reward. She demonstrated that workplace factors such as rewards, leadership style, career opportunities, the training and development of skills, physical working conditions, and work life balance among other factors have an influence on employee retention. Milkovich and Newman (2007) were also

of the view that rewards specifically monetary pay was the most relevant factor that influences the employees' decision to stay. Ramburet.al., (2005) also in their study observes that performance related pay has an influence on employee retention in the workplace. Trembley et al., (2006) also indicated that performance related pay is a great contributor to staff retention.

According to Hausknecht et al., (2009), extrinsic rewards are in a greater extent contributes to employee retention. Pitts et al., (2011) also established that compensation is a predictor of employee turnover. Moncraz et al., (2009) were also of the same assertion though they were very categorical on the calibre of workforce that rewards influences most. They indicated that pay reduces turnover and increases commitment among managers. Shields and Ward (2001), Gifford, Zammuto, and Goodman (2002), and Hayes et al. (2006) stated that rewards alone does not only constitute as an important retention factor. They noted that improved compensation can only increase retention effectiveness in a short-term. In addition, they as well noted that improved compensation should be coupled with quality of work life balance to enable the employees to stay longer in an organization. This was supported by Ellenbecker (2007) findings where she demonstrated that wage rates especially among nurses only have a limited impact on retention rate. Bhatnagar (2007) also pointed out that pay/compensation, dissatisfaction with internal job postings, work profile and personal causes are some of the reasons that cause employee attrition in an organization. Devi (2009) in his study asserted that organizations must improve pay/compensation among other factors in order to retain a skilled workforce.

2.3.2 Job Security

Abegglen (1958) in his study of Japanese factory expressed that employment attributes like job security lead to high commitment, job satisfaction as well as employee retention in an

organization. According to Ruvio and Rosenblatt (1996), job security tends to do well with an employee who is contented with his job than the one who is discontented with the job. Davy et al., (1991) in their study of job security and job satisfaction established that job dissatisfaction is as a result of insecurity among employees. Muhammad et al., (2012) in their study also found a positive relationship between employee retention and job security.

According to Hoppock (1935), lifetime employment and seniority, job security leads to loyalty, job satisfaction and as a result creates employees desire to stay with the organization. Ashford et al., (1989) and Davy et al., (1991) in their studies on job security and job satisfaction established that job dissatisfaction is as a result of insecurity among the workforce. Job security as described by Dessler (2008) is the probability that an individual will keep his or her job. A job with a greater level of security is where an individual with the job would have a small chance of losing his or her job. It is therefore an assurance the employee has about the continuity of gainful employment for his or her work life in a particular organization. Dessler (2008) further states that the dynamics of the job market is changing and staffs need to be guaranteed of their job security in order to feel satisfied.

Aspects influencing job security relies on the status of the economy, prevailing market conditions, and individual's personal skills. People have more job security in times of economic expansion and in times of less recession. Abdullah (2010) in his study on the effects of motivation in performance of banking institutions in Kenya found out that government jobs and jobs in education sector, healthcare and law enforcement are considered to be very secure while private sector jobs are generally believed to have lower job security varying by industry, location, occupation and other similar elements. He also found out that job security also varies by labour laws of a given country.

Uchitelle and Leonhardt (2006) on the other hand stated that personal attributes such as education, work experience, job description, industry, and location play an important role in determining the need for an individual's services, and influences their personal job security. Alterman (2013) in his observation states that since job security relies on having the necessary skills and experience that are in demand by employers and which in turn depend on the current economic conditions and business environment, individuals whose services are in tremendous demand by employers will tend to enjoy enhanced job security.

Job security varies from country to country. Galbraith (2006) states that job security in the United States is more reliant on the economy and business environment than in most countries due to its capitalist system and slight government intervention in businesses. Job security in this case varies a lot since the supply and demand for jobs depend on the economy. If the economic conditions are favourable, companies are exposed to more demand for their products and create more jobs which increase job security. However, Cherry (2010) on the factors that affect job security in financial institutions in the United States financial sector observes that in periods of economic recession, companies try to minimise costs and lay off workers which as a result leads to minimised job security. Fundamentally, employment in most countries is spontaneous, implying that apart from certain confined exceptions, an employee's job security is basically controlled by the employer.

2.3.3 Working Environment

One of the major factors that influence employee's decision to stay with the organization is the work environment. Employee's capacity to perform their duties diligently is directly affected by how people work and this is equitably affected by their work environment. Some of the aspects of work environment include issues such as office space, equipment, air conditioning,

comfortable chairs among others. George and Jones (1999) stated that poor working conditions will result to a more dissatisfied staff. However, working environment that is comfortable with relatively low physical physiological stress, adequate facilities and attainment of work goals will tend to produce high levels of satisfaction among employees

Lee, Back and Chan (2015) described a work environment as working conditions in which employees have to perform their duties. These conditions describing the work environment include nature of work, work schedules, reporting times, nature of supervisors, and work life balance among others. Organizations with reasonable human resource policies have higher chances to satisfy and retain their employees by bestowing them an appropriate level of privacy and sound control on work environment which at the end will create positive motivation levels to commit with the organization for long (Das &Baruah, 2013).

According to Kock and Ramarumo (2015), challenging work conditions can bring about heightened levels of fatigue and job stress amongst organizations workforce which in turn can lead to their departure. Timothy and Teye (2009) on the other hand stated that employees who enjoy and are satisfied with their work environment can be positively influenced to stay with the organization. These calibre of employees are also likely to be inspired and productive when they are happy with their working conditions.

Spence et al., (2009) established that favourable working environment contributes to employee retention. They described working environment as a flexible atmosphere where working experience is enjoyable and resources are adequately provided. Alexander et al. (1998), Wood (2013) in their respective studies established that availability of resources can be a determinant factor in employee retention. Ellet et al. (2007), Dews (2010), and later Loan-Clarke

et al. (2010) in their studies mentioned that flexibility plays an important role especially in the retention of health workers.

According to Miller et al., (2001) employees get relieved by work environment that provides a sense of belonging and where they feel comfortable. Organizations that offer acceptable, reasonable and generous human resource policies have a very good chance to satisfy and retain employees by providing them with an appropriate level of privacy and sound control on work environment which enhances the motivation levels to commit themselves with the organization for a longer period of time, Wells and Thelen (2002). Ramlall (2003) emphasized the need for recognizing the individual needs of an employee in an organization to encourage commitment and provide a suitable working environment. Horwitz et al. (2003) noted that for a workplace to be a conducive factor of retention, it should be enjoyable. Moncraz et al. (2009) also emphasized the importance of a fun working environment and flexibility. From the above, we can conclude that the contributing factors of a conducive working environment are flexibility, a fun workplace and availability of resources.

2.3.4 Training and Development

In this era of intellectual capital, developing employees' proficiency is an integral part of organizations competitiveness. Intelligent, well-informed and sensible employees improve organizational profitability and productivity, boost quality of products and services as well as effecting positive changes in processes and remit quality services to customers (Khan, 2010). In this respect, a majority of organizations opt to use career management programmes in order to help their employees to clearly and properly plan for their careers. Khan (2010) further states that training and development produces tangible results, for instance, enhanced productivity, quality products and services, and resource optimization. The intangible results include improved self-

esteem, high morale and satisfaction of employees as a result of acquiring additional knowledge, skills and abilities.

Training is a planned activity geared towards improving employees' performance by helping them realize an obligatory level of understanding or skill through the impartation of information (Forgacs, 2009). Armstrong (2000) described training as an organized process to amend employee proficiencies so that they can achieve its objectives. According to Lee and Bruvold (2003), expansive training and development activities are certainly and emphatically related to productivity, minimises employees' intention to quit hence ensuring organizational effectiveness and efficiency. Moncarz, Zhao, and Kay (2009) on the other hand reported that turnover rates are broadly minimal in organizations where training and development are given the highest priority for employees' growth and development.

Cummings and Worley (2005) states that organizations must invest in the concept of employee retention in order to withstand and thrive in the today's ever changing environment. They noted that most organizations have found it necessary to invest in employees through training and career development to improve employee proficiencies, capabilities and ability and that they can acquire a greater return in human capital investment through increased job satisfaction and high retention rates. Samuel and Chipunza (2009) noted that in order to sustain a competitive, effective and efficient service delivery among organizations, it is of much importance and very crucial to retain highly skilled employees.

Kauffman (2010) in his study in the South African job market established that most organizations are investing on training as one of the most effective retention strategies. He noted that it is essential to use grass root employee involvement program like training in organizations because today's employees are knowledgeable and have so many opportunities at their disposal

and if they are not happy with their present employer they can easily move to other organizations. Kauffman (2010) further stated that it is the sole responsibility of the organization to ensure that they preserve and maintain their best employees. This can be achieved by providing adequate employee training. Therefore, if this is not formulated well, it may pose a great danger and threat to employee commitment, loyalty, dedication and satisfaction which in turn can lead to a negative effect to the organizational success.

According to Messmer (2000), the key factors to employee retention is training and career development that organizations should invest on in order to make their employees feel satisfied with their work. The investment on training and development should be focused on those workers from whom the organization expect to return and give output on its investment. Deery (2008) established that on-the-job training increases retention and loyalty on the side of employees. Leidner (2103) is also in agreement that employee loyalty is improved through training and development. This would enable the organizations to keep a leading edge in the dynamic world by having their workforce well trained in the latest technology. According to Garg and Rastogi (2006), the environment has become so competitive and this has made feedback to be very essential for organizations from employees and the more knowledgeable the employees are, the more he/she will perform and meet global challenges of the market place.

Handy (2008) noted that knowledge is the most expensive asset of any organization. Hence, proper innovation coupled with assimilation of knowledge is fundamental for survival in any work environment. Poulton (2008) also established a positive influence on training and development and job satisfaction. In his study, he found out that training and development affects job satisfaction and organizational commitment which as a result affect employees' retention. He further stated that, organizations that provides inadequate training increases staff

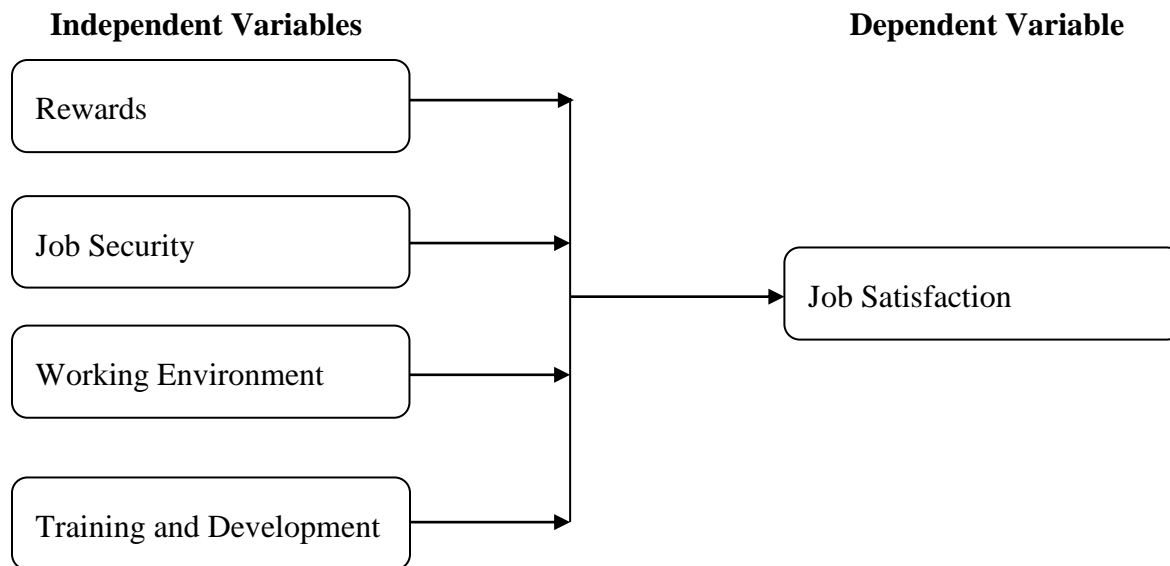
turnover and threatened quality standards and profits. According to Govaerts (2011), training and development is an important retention strategy. Costen and Salazar (2011) in their study asserted that employees who have a chance to enhance their skills through training and development in the organization are more satisfied with their jobs and in return more likely to stay. Dhar (2015), on the other hand, established that training improves the value of employees to the organization hence improving the urge of the organization to keep hold of them in a longer period of time.

2.4 Hypotheses

This study was guided by the following hypotheses

- i. H₀₁: There is no significant difference between Rewards and Employee Retention.
- ii. H₀₂: There is no significance difference between Job Security and Employee Retention.
- iii. H₀₃: There is no significance difference between Working Environment and Employee Retention.
- iv. H₀₄: There is no significance difference between Training and Development and Employee Retention.

2.5 Conceptual Framework



Source: Author (2018)

Figure 2.1: Conceptual Framework

2.6 Operationalization of Conceptual Framework

According to Kothari (2003), a conceptual framework is described as an organized way of thinking about how and why a project takes place and how we understand its activities. A framework enables us to explain why we are doing a project in a particular way. It also enables us to understand and use ideas of others who have conducted similar studies. It can also be used like a travel map (Kothari, 2003).

The conceptual framework of this study includes four independent variables and one dependent variable. The independent variables in this study consist of rewards, job security, working conditions and training and development. The dependent variable is job satisfaction. The independent variables thus influence the dependent variable. The study therefore seeks to

determine how rewards, job security, working conditions, training and development would influence employee retention in Savings and Credit Co-operative Societies in Kenya.

Table 2.1: Operationalization of Conceptual Framework

Objectives	Variables	Indicators	Measures
To determine how rewards influence employee retention in Savings and Credit Cooperative Societies.	❖ Rewards	<ul style="list-style-type: none"> ❖ Bonuses/Allowances ❖ Pay Rise ❖ Fair Remuneration ❖ Recognition ❖ Profit Sharing 	Ordinal Scale
To establish how job security influences employee retention in Savings and Credit Cooperative Societies.	❖ Job Security	<ul style="list-style-type: none"> ❖ Job Retention ❖ Dismissal Procedure ❖ Terms & Conditions of Employment 	Ordinal Scale
To evaluate how working environment influence employee retention in Savings and Credit Cooperative Societies.	❖ Working Environment	<ul style="list-style-type: none"> ❖ Health and safety ❖ Spacious working station ❖ Efficient Equipment 	Ordinal Scale
To examine the extent to which training and development influences employee retention in savings and Credit Cooperative Societies	❖ Training & Development	<ul style="list-style-type: none"> ❖ Training Techniques ❖ Development Programs ❖ Personal Career Management 	Ordinal Scale

Source: Author (2018)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out various stages, methods and procedures that were followed in carrying out the study. It aims at providing a background and justification to the study and methodology. It therefore covers the research design, the population of study, sample and sampling procedures, instrumentation, data collection procedures, data analysis and technique.

3.2 Research Design

Orodho (2003) describes a research design as a scheme, out plan or plan that is used to generate answers to research problems. It facilitates a smooth flowing of the various research operations thereby making research as efficient as possible yielding maximum expenditure of effort, time and money (Kothari, 2003). The study adopted a descriptive research design. Descriptive survey is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals (Orodho, 2003). Ngechu (2004) asserts that a descriptive study is concerned with finding out what, where and how of a phenomenon. It also portrays an accurate profile of persons, events or situations (Robson, 2002). The method was preferred because it gave out a report of things as they are.

3.3 Population of Study

According to Lumley (2004), population is a larger collection of all subjects from where a sample is drawn. It refers to an entire group of persons, events or elements having common

observable characteristics (Mugenda&Mugenda, 2006). Cooper and Schindler (2008) defined a population as a total collection of elements about which one wants to make inferences.

Mugenda and Mugenda (2003) described a target population as that population which the researcher wants to generalize results. The target population consisted of all the 42 SACCO's based within Nairobi County which were more convenient for my study. These included SACCO's which have been duly licensed to carry out deposit-taking business in Kenya in accordance with section 26 (1) of the Sacco Societies Act for the financial year ending on 31st December, 2018.

3.4 Sampling

According to Mugenda and Mugenda(1999), sampling is a process of selecting subjects or cases to be included in the study of the representative of the target population. The study adopted convenience sampling. According to Dornyei (2007) convenience sampling is a type of non-probability sampling or non-random sampling where members of the target population that meet certain practical criteria such as easy accessibility, geographical proximity, availability at a given time or the willingness to participate are included for the purpose of the study. It also refers to the researching subjects of the population that are easily accessible to the researcher (Sake & Lisa, 2008).

Mugenda and Mugenda (2003), define a sample as the smaller group obtained from the accessible population. For this study, out of the entire 42 deposit taking SACCO's in Nairobi, the study relied on a sample proportion of 10% which was equivalent to 4 people each giving a total of 168 from which the data was collected. According to Mugenda and Mugenda (2003), in a

descriptive research, a sample size of 10% - 50% of the target population is acceptable. Therefore, the sample size for this study was 168 people.

3.5 Instrumentation

Primary data was used in this study. Sekaran and Bougie (2010) defines primary data as the information obtained by the researcher in the first hand on the area of interest for the definite drive of the study.

Primary data was collected through the use of questionnaires. Kothari (2004) describes the questionnaire as the most appropriate instrument for collecting data due to its ability to collect large amount of information in a reasonably quick span of time and in an economical manner. It also guarantees confidentiality of the source of information due to anonymity while ensuring standardization. The questionnaire was structured to have closed-ended questions to limit responses.

3.6 Data Collection Procedure

The data was mainly collected through the use of questionnaires. The questionnaires was administered through the drop and pick method. In order to obtain information from the respondents, the researcher addressed the purpose of the study to allay any fears by assuring them that the information was for academic purposes only. All questionnaires were accompanied by an introduction letter which explained to the respondents the purpose of collecting information.

3.7 Validity and Reliability

Reliability and validity of the research instruments are considerably of great significance in any research. They are expected to be properly considered when designing and judging the quality of a study by the researchers. Borg and Gall (2003) defines validity as the degree to which a test measures what it purports to measure. According to Mugenda and Mugenda (2003) reliability is described as a measure of the degree to which a research instrument yields consistent results or data after repeated trials. The researcher will use Cronbach Alpha as a measure of internal consistency. An alpha of 0.7 is accepted and reliable and was considered for this study.

Validity on the other hand, is defined as the extent to which the instrument measures what it purports to measure. Validity determines whether the research truly measures that which it was intended to measure (Healy and Perry, 2000). It therefore measures how truthful the research results are or the extent to which scores truly reflect the underlying variable of interest.

3.8 Data Analysis and Technique

Data analysis refers to examining what has been collected in the survey and making deductions and inferences. It involves uncovering underlying structures, extracting important variables, detecting any anomalies and testing any underlying assumptions.

It is also the process that starts immediately after data collection and ends at the point of interpretation of the processed results (Obure, 2002). It includes data sorting, data editing to identify errors that might occur during data collection, cleaning of data to check for accuracy and completion. The statistical package for social sciences (SPSS) was used to analyze quantitative data.

A linear regression model of the form;

$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$ was used to test the relationship between the independent variable and dependent variable.

Where;

Y= Job Satisfaction

a= Constant

X₁= Rewards

X₂= Job Security

X₃= Working Conditions

X₄= Training and Development

β_1, \dots, β_4 = Regression Co-efficient for Variables

e= Error Term

3.9 Diagnostic Tests

3.9.1 Normality Test

An assessment of the normality of data is a prerequisite for many statistical tests because normal data is an underlying assumption in parametric testing. Before analysis of the data, the model was tested for normality. This test was performed to validate the model and the methodology used in the study. As previous studies reveal, normal distributions take the form of a symmetric bell-shaped curve. The quantile-quantile plot (Q-Q plot) was used to test for normality in the study. This compares ordered values of a variable with quantiles of a specific

theoretical normal distribution. If two distributions match, the points on the plot will form a linear pattern passing through the origin with a unit slope.

3.9.2 Linearity

According to Cuestas and Regis (2013) linearity refers to a situation where a dependent variable has a linear relationship with one or more independent variables and, thus, can be computed as the linear function of the independent variable(s). In this study, linearity test was carried out where the Goodness of Fit test was applied. This will help in summarizing the discrepancy between the observed values and the projected values under a statistical model. If the F significance value for the nonlinear component is below the critical value (ex., $< .05$), then there is significant nonlinearity (David, 2012).

3.9.3 Multicollinearity

According to Damodar (2010), linear regression analysis assumes that independent variables are not correlated with each other meaning there is no linear relationship among the explanatory variables. On that matter therefore, Multicollinearity is the existence of a perfect relationship between two variables which are both predictors in a given model. As noted by Joshi, Kulkarni and Deshpande (2012) this relationship in many cases makes it extremely difficult to estimate the individual coefficients of the variables. In this study, multicollinearity test was carried out by the use Variance Inflation Factor (VIF). This method involves giving the estimation of the increase in variance of the coefficients after the correlation of the predictors (Independent variables). If no factors are correlated, the VIFs will all be 1 but if the VIF is greater than 1, the regressors may be moderately correlated. A VIF between 5 and 10 indicates high correlation that may be problematic and that would require the researcher to remove highly correlated predictors from the model.

3.9.4 Autocorrelation

One of the basic assumptions in linear regression model is that the random error components or disturbances are identically and independently distributed. This is what is called autocorrelation. In a regression model, therefore, it is assumed that the correlation between the successive disturbances is zero. In this study, the DW statistic was used to test for autocorrelation where Ordinary Least Square (OLS) residuals with values ranging from 0 to 4 were adopted. If the D value is 4 then there is negative autocorrelation, 2 means no autocorrelation and 0 means positive autocorrelation. In the event of autocorrelation, there is need to transform the model so that in the transformed model the error term is serially independent, then apply OLS to the transformed model to give the usual Best Linear Unbiased Estimator (BLUE).

CHAPTER FOUR

FINDINGS AND DISCUSSION

4.1 Introduction

The main aim of the study was to assess the effect of retention strategies on job satisfaction among employees in savings and credit cooperative societies in Kenya. This chapter therefore presents the findings of the study based on the collected and analysed data. The chapter unfolds by presenting the response rate and analysis of the demographic information. The section also presents the descriptive findings based on the research objectives and the inferential analysis to divulge the relationship between the variables.

4.2 Return Rate of the Research Instruments

The study sampled 168 respondents drawn from SACCO's in Nairobi County who were surveyed using structured questionnaires. Out of these, 131 questionnaires were filled and given out for analysis. This presents a response rate of 77.9% which was considered adequate for analysis and making conclusions and recommendations. According to Creswell (2010), a response rate of at least 60% is adequate for analysis and giving conclusions in a study. Table 4.1 shows the outline of the response and non-response rate.

Table 4.1: Response Rate

Sample Size		Response Rate		Non-Response Rate	
Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
168	100%	131	77.9%	29	22.1%

4.3 Analysis of Demographic Information

According to Cooper and Schindlers (2008), to establish a clear rapport between the researcher and the respondents, it is always appropriate to establish the background of the respondents out of which the respondent is more willing to give information of the research questions. In a similar way, this study sought to establish the background of the respondents by asking them their demographic information. The findings are herein presented based on the responses on the gender, age, education level and the length of services the respondents had given to their respective SACCO's.

4.3.1 Gender of the Respondents

The study sought to find out the gender of the respondents and the findings are as indicated in Figure 4.1. The findings reveal that majority of the respondents were males with 61.8% of the total respondents while females were 38.2% of the total respondents.

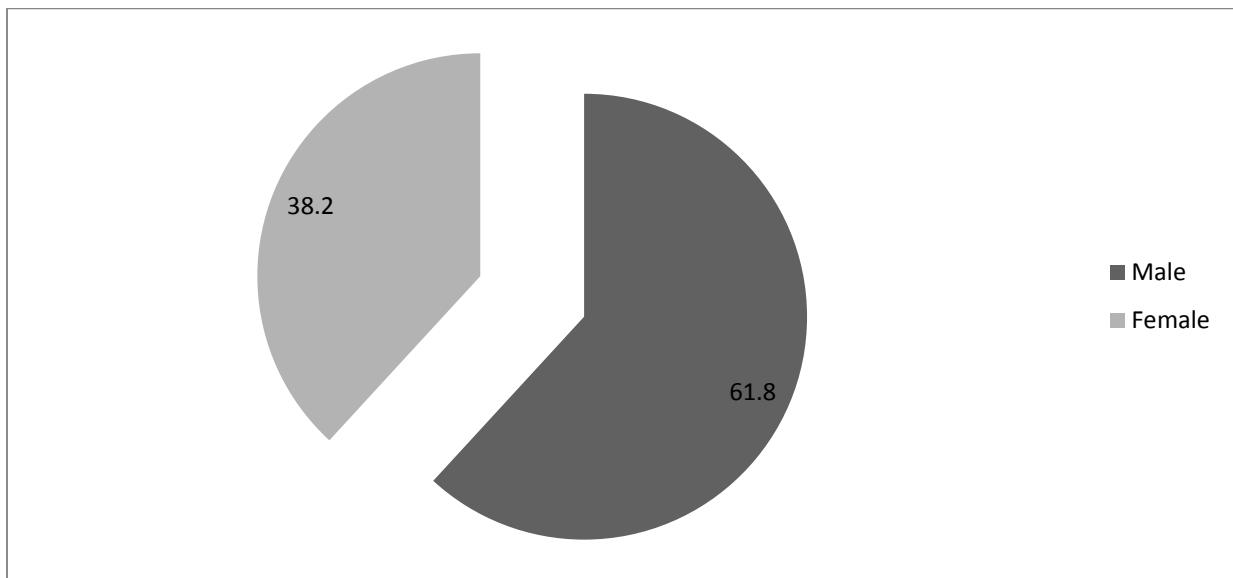


Figure 4.1: Gender of the Respondents

4.3.2 Employee Category

The study sought to find out the departments in which the respondents were attached to in their respective SACCO's. The findings as shown in Figure 4.2 revealed that majority of the respondents (17.6%) were attached to the finance department followed by 16.8% who were attached to ICT departments and those in FOSA operations were 14.5% of the total respondents. Those in internal audit and HR and admin comprised of 8.4% respectively while those in personal loans market and procurement had 13.0%, 12.2% and 9.2% respectively.

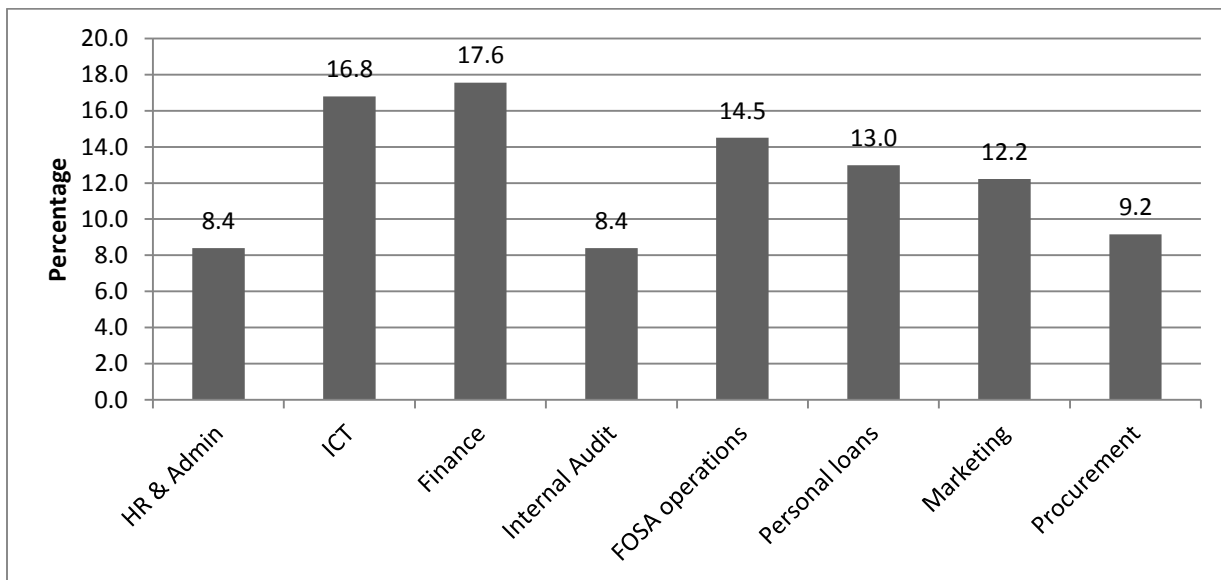


Figure 4.2: Employee Category

4.3.3 Age of the Respondents

The age bracket of the respondents was sought in the study. The findings as shown in table 4.2 portrayed that majority of the respondents (46.6%) were aged between 36 and 45 years followed by those aged above 46 years and 26 to 35 years had 26% and 25.2% respectively. The respondents aged between 18 and 25 years represented 2.3% of the total respondents. This

implies that the SACCO's would have not effectively involved youth in their operations with very few employees aged between 18 and 25 years.

Table4.2: Age of the Respondents

Age Bracket	Frequency	Percentage
18-25 Years	3	2.3%
26-35 Years	33	25.2%
36-45 Years	61	46.6%
46 Years and above	34	26.0%
Total	131	100.0%

4.3.4 Level of Education

The study sought to find out the respondents' highest level of education. The findings as shown in figure 4.3 below revealed that majority of the respondents (45.8%) had undergraduate degree as their highest level of education followed by those with masters and diploma levels of education with 27.5% and 15.3% respectively. The findings further revealed that 6.1% of the respondents had certificate level of education and 5.3% had PhD as their highest level of education.

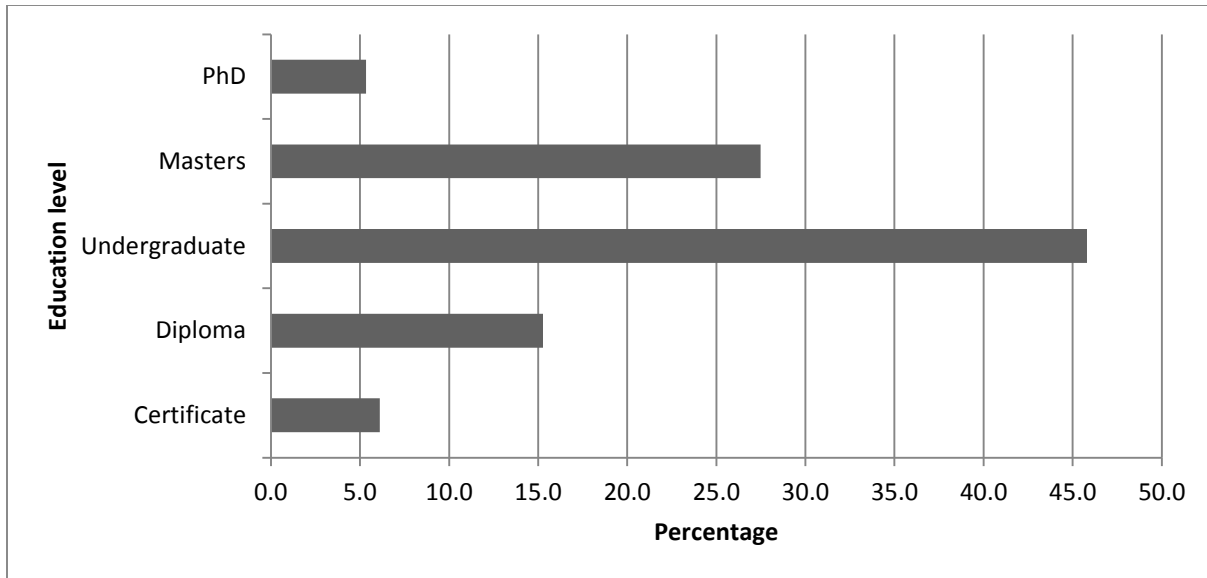


Figure 4.3: Level of Education

4.3.6 Number of Years Worked

The study sought to establish the number of years the respondents had worked in their respective SACCO's. The findings as shown in figure 4.6 revealed that majority of the respondents (35%) had worked in the SACCO's for a period of 1 to 5 years, 33.6% had been in their respective SACCO's for a period between 6 and 10 years, 17.6% had worked for a period between 11 and 15 years while 8.4% of the respondents had been in their SACCO's for a period between 16 and 20 years. A minority of the respondents (4.6%) had worked for more than 21 years in the SACCO's. The findings imply that the respondents surveyed had some basis of experience in the SACCO industry thus they were in a position to effectively respond to the research questions.

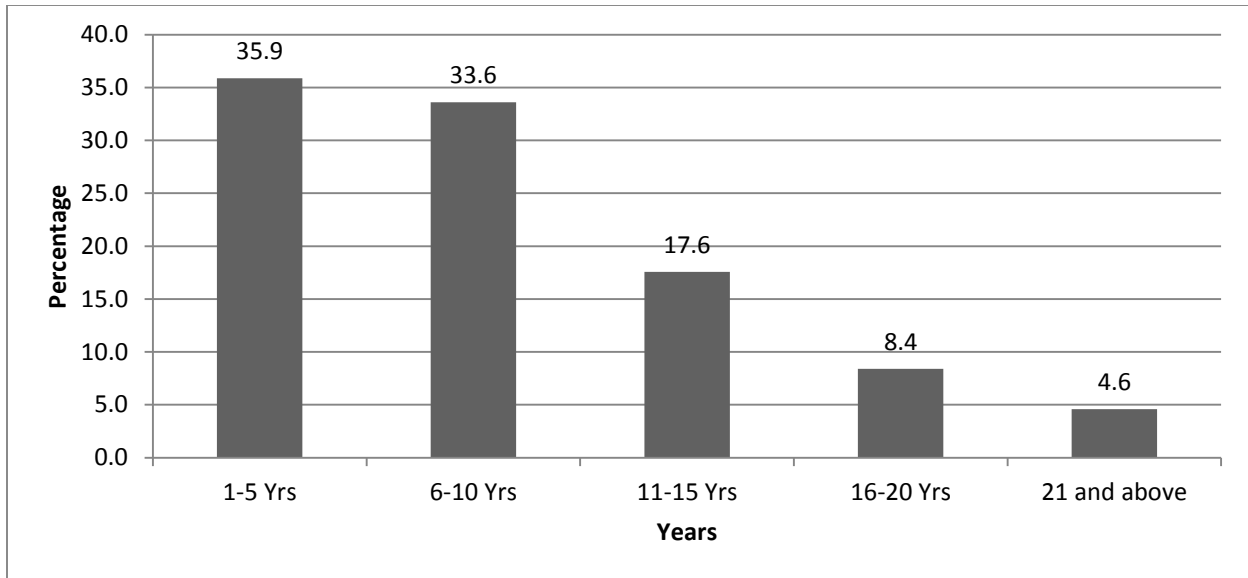


Figure 4.6: Years worked in the SACCO's

4.4 Employee Rewarding and Job Satisfaction

The first objective of the study was to assess the influence of employee rewarding on job satisfaction among employees in the SACCO's in Kenya. The study sought to establish the respondents views based on specific statements on the objective as per the operationalized measures of the variable (employee rewarding) which were bonuses and allowances, pay rise, recognition and fair remuneration. The findings are as should in table 4.2 below.

The findings portray that on the first statement (Bonus and allowances are often reviewed and offered to ensure employees are satisfied), majority of the respondents did not agree neither disagree with the statement as shown by a mean of 3.38 and a standard deviation of 0.85. On the statement that there were frequent salary reviews in the organizations where increments were worked upon to promote satisfaction, majority of the respondents agreed as shown by a mean of 3.34 and a standard deviation of 0.97 and on the statement that the salary offered in the

organizations was equivalent to the job done at the firm, majority of the respondents (48%) agreed as opposed to 17% that disagreed. The study further established that majority of the respondents neither agreed nor disagreed with the statement that the management usually recognized the employees and made them feel part of the organization by appreciating them even by word of mouth as evidenced by a mean of 3.38 and a standard deviation of 0.94. On the statement that there were employees that left the organization over the recent past while citing dissatisfaction as a result of poor rewarding, majority of the respondents agreed with this as evidenced by a mean of 3.95 and a standard deviation of 0.85. On the statement that the organizations had done its best to ensure proper and effective rewarding over the recent past, majority of the respondents disagreed as evidenced by a mean of 2.91 and a standard deviation of 1.10.

The findings concur with those by Snell and Bohlander (2007) who established that employee rewarding and appreciation serves to make them comfortable in the organizations thus enhancing their job satisfaction and performance. The findings support the Herzberg's Two Factor Theory which instigates on the ability of the employees to be motivated by internal factors among them rewarding through fair pay and recognition (Maertz & Griffeth, 2004). As Abraham Maslow's hierarchy needs theory depicts, the employees will require salary increment as time goes in that their status and level of needs keeps on increasing as well. This is supported by the findings whereby the respondents indicated that most employees left their respective jobs due to low pay and lack of salary increment over time.

Table 4.2: Employee Rewarding

Statement	SD	D	U	A	SA	Mean	Std. Dev.
Bonus and allowances are often reviewed and offered in our organization to ensure employees are satisfied	1%	15%	38%	39%	7%	3.38	0.85
There are frequent salary reviews in our organization where increments are worked upon to promote satisfaction	2%	18%	35%	34%	12%	3.34	0.97
The salary offered in our organization is equivalent to the job done at the firm	2%	15%	36%	37%	11%	3.42	0.93
The management usually recognizes the employees and makes them feel part of the organization by appreciating them even by word of mouth	2%	14%	41%	30%	13%	3.38	0.94
Employees in my organization are kept aware of how the profits are shared and where they fall in the sharing processes	2%	17%	36%	33%	12%	3.37	0.98
Rewards given to the employees in our organizations have a hand in my continued stay at the firm	4%	13%	35%	41%	7%	3.25	0.84
There are employees that have left the organization over the recent past while citing dissatisfaction as a result of poor rewarding	9%	15%	9%	49%	18%	3.95	0.85
My organization has done its best to ensure proper and effective rewarding over the recent past	38%	18%	7%	27%	10%	3.80	0.98

4.5 Job Security and Job Satisfaction

The second objective of the study was to assess the influence of employee job security on job satisfaction. The respondents were asked to indicate their level of agreement based on the specific statements on job security. The main measures of the variable were job retention, dismissal procedures as well as terms and conditions of employment. The findings are as shown in table 4.3.

As outlined in the table, the study established that assuring employees' job retention in future enhances their satisfaction and retention in the firm as evidenced by a mean of 3.98 and a standard deviation of 0.88 where 33% of the total respondents agreed while 44% strongly agreed. The second statement was that proper dismissal procedures play a role in influencing the employee retention and satisfaction where majority of the respondents agreed as shown by a mean of 3.91 and a standard deviation of 0.90. On the third statement that keeping proper employment terms and conditions contribute to employee satisfaction and retention, 43% of the respondents agreed against 19% that disagreed and the statement had a mean of 3.32 and a standard deviation of 0.91. The other statement was that employees were assured of longer stay at the firm by the management where 23% of the respondents disagreed and 35% agreed with a mean of 3.17 and a standard deviation of 0.91.

The findings revealed that 44% of the respondents neither disagreed nor agreed that there are clear set procedures that are followed before dismissing employees in the firm as shown by a mean of 3.18 and a standard deviation of 0.93. On the statement that the management had worked its best to ensure that job security of the employees is guaranteed in the future, 39% of the respondents strongly disagreed, 23% disagreed and 7% strongly agreed and this had a mean

of 2.16 and a standard deviation of 1.05 an indication that majority of the respondents disagreed. The respondents agreed that the employees are frequently reminded of the terms and conditions of employment to avoid confrontations and dismissals due to non-compliance and this is shown by a mean of 3.27 and a standard deviation of 0.94.

The findings concur with those by Dessler (2008) who contended that assuring employees of their job security serves to enhance their commitment and satisfaction with their job thus increasing their productivity. According to Kabak, Gocer, Kucuksoylemez and Tuncer (2014), employees was willing to take part in jobs that they are assured of the security and the ability of their organizations to accommodate them for a longer period of time. This way, their satisfaction is enhanced. However, in a contradicting study, Cohen (2010) argued that job security did not necessarily mean that the employee was satisfied in that employees may not consider the risks of losing their jobs rather than earning more from them.

Table 4.3: Job Security and Employees' Job Satisfaction

Statement	SD	D	U	A	SA	Mean	Std. Dev.
Assuring employees' job retention in future enhances their satisfaction and retention in the firm	2%	12%	8%	33%	44%	3.98	0.88
Proper dismissal procedures plays a role in influencing the employee retention and satisfaction	1%	14%	12%	32%	41%	3.91	0.90
Keeping proper employment terms and conditions contributes to employee satisfaction and retention	2%	17%	38%	35%	8%	3.32	0.91

In my organization employees are assured of longer stay at the firm by the management	2%	21%	42%	28%	7%	3.17	0.91
There are clear set procedures that are followed before dismissing employees in my firm	3%	18%	44%	28%	8%	3.18	0.93
The management has worked its best to ensure that job security of the employees is guaranteed in the future	2%	23%	39%	27%	8%	2.16	1.05
The employees are frequently reminded of the terms and conditions of employment to avoid confrontations and dismissals due to non-compliance	3%	17%	38%	34%	7%	3.27	0.94

4.6 Work Environment and Job Satisfaction

The third objective of the study was to determine the relationship between work environment and job satisfaction. The study sought to establish the extent to which the conduciveness of the environment in which the employees worked in enhanced their job satisfaction. Likert's scale was used whereby the respondents were asked to indicate their levels of agreement on specific statements on job satisfaction. The main measures of the variable were; health and safety, spacious working space and efficient equipment. The findings are herein presented in table 4.4.

As the findings portray, on the first statement that putting in place safety and health measures assures employees of their safety thus satisfying and retaining them, majority of the respondents agreed as shown by a mean of 3.65 and standard deviation of 0.96 where 64% of the respondents agreed and 12% strongly agreed. On the statement that ensuring spacious working

station gives the employees ample environment to perform their jobs thus satisfying them, majority of the respondents agreed as shown by a mean of 3.52 and a standard deviation of 1.01 and on the statement that efficient working equipment reduces the working stress in the employees thus enhancing their satisfaction the respondents agreed with a mean of 3.62 and a standard deviation of 0.96. The findings further revealed that the respondents agreed that their respective SACCO's had put key measures to ensure the health and safety of the working area is suitable for all the employees as shown by 62% of the total respondents that agreed and 8% strongly agreed. Finally, 68% of the respondents agreed that the working environment in their respective organizations had influenced their continued stay at the firm.

The findings go hand in hand with those by Hearn, Close, Smith and Southey (2011) who established that through a well-organized and supportive environment, the employees become more comfortable with their work and their job satisfaction increases. Through this, their productivity and commitment to the organizational matters is enhanced. The findings further support the Herzberg's Two Factor Theory by unveiling environmental conduciveness of the working area as a key motivator of the employee to perform and get satisfied with the work he or she is allocated. As Bassett-Jones and Lloyd (2005) contend, one of the major ways of promoting motivation and job satisfaction in a work place is through elimination of any causes of dissatisfaction through making the environment conducive for working in.

Table 4.4: Work Environment

Statement	SD	D	U	A	SA	Mean	Std. Dev.
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Putting in place safety and health measures assures employees of their safety thus satisfying and retaining them	2%	18%	5%	64%	12%	3.65	0.96
Ensuring spacious working station gives the employees ample environment to perform their jobs thus satisfying them	4%	19%	6%	63%	8%	3.52	1.01
Efficient working equipment reduces the working stress in the employees thus enhancing their satisfaction	2%	19%	6%	63%	11%	3.62	0.96
My organization has put key measures to ensure the health and safety of the working area is suitable for all the employees	5%	18%	6%	62%	8%	3.49	1.05
None of the employees in my organization complains on the conditions of the working environment in the company	2%	25%	2%	64%	7%	3.49	0.99
My organization provides adequate basic machines and equipment to enable employees perform their job effectively thus enhancing their satisfaction at work	2%	24%	6%	61%	6%	3.45	0.99
The working environment in my organization has influenced my continued stay at the firm	1%	24%	7%	60%	8%	3.49	0.97

4.7 Training and Development and Job Satisfaction

The fourth and last objective of the study was to examine the influence of employee training and development on job satisfaction. The study assessed the respondents' level of agreement on specific statements training and development and job satisfaction. The specific measures adopted in the study for the variable were; training techniques adopted, development

programs and personal career management techniques. Table 4.5 presents the findings as observed in the study.

The first statement was that adopting effective and simple training techniques ensures positive results in the training thus promoting satisfaction where 68% of the total respondents agreed while on the statement that employees are properly oriented and trained upon joining the organization to enable them feel satisfied with their work, 70% of the respondents agreed with a mean of 3.45 and a standard deviation of 0.97. On the statement that the organizations provided adequate training and development opportunities to enhance staff job satisfaction, majority of the respondents agreed as evidenced by a mean 3.45 and a standard deviation of 1.03.

On the statement that the organizations provided regular opportunities for personal and career management to ensure employee job satisfaction, 61% of the respondents agreed and 5% strongly agreed and the statement had a mean of 3.40 and a standard deviation of 0.99. The other statement was that the organization accords equal training opportunities for all cadres of staff to ensure overall employee job satisfaction and in this, 63% of the respondents agreed and 6% strongly agreed with the mean being 3.50 and the standard deviation 0.94. On the last statement that the organization needs to improve on its training and development programs to encourage employee job satisfaction, 65% of the respondents agreed while 3% strongly agreed. The mean was 3.44 and a standard deviation of 0.94.

According to Khan (2010), training employees and making them develop in their career serves to make them satisfied with their job. The findings also concur with the argument by Moncarz, Zhao, and Kay (2009) that employees are less likely to resign from their jobs when they are effectively trained through which their essence of working more to gain more training

and expertise increases. The findings support the Maslow's hierarchy needs theory by unveiling how important it is for employees to require more classes which in deeper terms can be explained by their level of competency acquired through training(Heng, 2012).

Table 4.6: Training and Development

Statement	SD	D	U	A	SA	Mean	Std. Dev.
Adopting effective and simple training techniques ensures positive results in the training thus promoting satisfaction	2%	24%	6%	63%	5%	3.47	0.96
Employees are properly oriented and trained upon joining the organization to enable them feel satisfied with their work	4%	20%	6%	67%	3%	3.45	0.97
The organization provides adequate training and development opportunities to enhance staff job satisfaction	4%	21%	8%	59%	8%	3.45	1.03
After formal training, the organization recognizes the employees efforts to gain their commitment and this enhances job satisfaction	3%	18%	7%	68%	5%	3.53	0.93
The organization does provide regular opportunities for personal and career management to ensure employee job satisfaction	2%	25%	7%	61%	5%	3.40	0.99
The organization accords equal training opportunities for all cadres of staff to ensure overall employee job satisfaction	1%	24%	6%	63%	6%	3.50	0.94

The organization has put in place well elaborate development programs to enable employee job satisfaction	3%	19%	7%	63%	8%	3.53	0.98
The organization needs to improve on its training and development programs to encourage employee job satisfaction	2%	22%	8%	65%	3%	3.44	0.94

4.7 Job Satisfaction

The main motive of the study was to establish the effect of retention strategies on job satisfaction. This implies that the other main aspect under consideration in the study was job satisfaction which formed the dependent variable of the study. The study sought to find out the employees' job satisfaction by asking for the respondents' level of agreement on specific statements on job satisfaction. Table 4.6 shows the findings based on this particular variable.

On the first statement that most of the employees had been in the organization for the longest period since they joined, majority of the respondents agreed as evidenced by a mean of 3.68 and a standard deviation of 0.94. On the statement that employees in the organization were involved in decision making processes and informed of any intended change, 61% of the respondents agreed with the statement with a mean of 3.53 and a standard deviation of 1.00. On the statement that the management of the SACCO's supported and considered the views of the employees, 50% of the respondents disagreed and this is also evidenced by a mean of 2.93 and a standard deviation of 1.12. On the statement that the communication channels and processes used in the organizations were effective and efficient, the respondents disagreed with the statement as shown by a mean of 2.80 and a standard deviation of 1.08. Further, the findings depicted that majority of the respondents disagreed that employees in their organizations

reported to work early and leave late due to high morale of the work and that promotion was frequently done in the organization with a clear criteria used to promote the employees as shown by 54% and 55% of the respondents who disagreed respectively.

Table 4.6: Job Satisfaction among Employees in SACCOs

Statement	SD	D	U	A	SA	Mean	Std. Dev.
Most of the employees have been in the organization for the longest period since they joined	4%	12%	5%	70%	9%	3.68	0.94
Employees in my organization are involved in decision making processes and informed of any intended change	2%	23%	6%	61%	9%	3.53	1.00
The management of our firm supports and considers the views of the employees	2%	50%	7%	32%	8%	2.93	1.12
The communication channels and processes used in our organization are effective and efficient	2%	58%	7%	26%	8%	2.80	1.08
Employees in my organization report to work early and leave late due to high morale of the work	2%	54%	5%	35%	4%	2.86	1.05
Promotion is frequently done in our organization with a clear criteria used to promote the employees	2%	55%	9%	28%	7%	2.83	1.07

Fair treatment and handling of employee is well adhered to in my organization	2%	50%	4%	37%	8%	3.01	1.12
Employees in the organization are committed to their job and they effectively perform their mandate	0%	11%	44%	27%	18%	3.53	0.91

4.8 Reliability

The study conducted a pilot test analysis on SACCO's to ascertain if the research instrument would bring out reliable information. The pre-test was conducted on twenty respondents drawn from SACCO's not included in the study. Sasaka et al. (2014) pointed out that reliability is the ability of the research instrument to give the same answer in the same circumstances from time to time. If respondents answer a questionnaire the same way on repeated situations, then the questionnaire is said to be reliable. As the findings in table 4.7 portray, Cronbach's alpha was used to determine the reliability of the questionnaire used in this study. It is evident that Cronbach's alpha for each of the independent variables was well above the lower limit of acceptability of 0.70. The findings indicated that employee rewarding had a coefficient of 0.941, job security had a coefficient of 0.902, working environment had a coefficient of 0.918 while training and development had a coefficient of 0.818. Employee job satisfaction factors had a coefficient of 0.937.

Table 4.7: Reliability Analysis

Variable	Number of Items	Cronbach's Alpha
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Employee Rewarding	6	0.941
Job Security	8	0.902
Work environment	9	0.918
Training and Development	7	0.818
Job Satisfaction	6	0.937

4.9 Inferential Analysis of the Study Model

The study adopted a regression model to help in establishing the statistical relationship between the independent variables and the dependent variable. The model was of the form:

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

The results for the model summary are as presented in table 4.8 where R^2 (coefficient of multiple determinants) is shown. As the model depicts, the R^2 is 0.815, an indication that there is a strong relationship between independent variables (employee rewarding, job security, work environment and training and development) and the job satisfaction. This means that a proportion of 81.5% of job satisfaction can be explained by the combined effect of employee rewarding, job security, work environment and training and development.

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.903 ^a	.815	.810	.38565

The overall model significance was presented using the ANOVA test. Results in Table 4.9 shows that the significance of the F-value of 139.171 was at $0.000 < 0.05$. This implies that when combined; employee rewarding, job security, work environment and training and development have a positive and significant effect on job satisfaction among employees in SACCOs in Kenya.

Table 4.9: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	82.793	4	20.698	139.171	.000 ^b
Residual	18.739	126	.149		
Total	101.533	130			

The regression coefficients are as presented in Table 4.9. The results indicate that employee rewarding, job security and work environment had a significant and positive effect on job satisfaction. This is as shown by the P-values of the variables which are 0.000 that is less than the standard p-value of 0.05. The implication herein is that when other factors are held constant, each of the three variables (employee rewarding, job security, work environment) singularly has a significant effect on job satisfaction. However, the findings revealed that training and development had positive and insignificant effect on job satisfaction. As the findings on the table show, the p-value for the variable is 0.127 which is more than the standard P-value of 0.05 but with a positive coefficient (β) of 0.106. This implies that when employee rewarding, job security, work environment are held constant, training and development will not have a significant effect on job satisfaction. The findings concur with those by Sahinidis and Bouris (2007) who found that job satisfaction and employees' attitudes towards their job was not

significantly determined by the training they received from the organization but rather was determined by the level of rewarding and friendliness of the working environment.

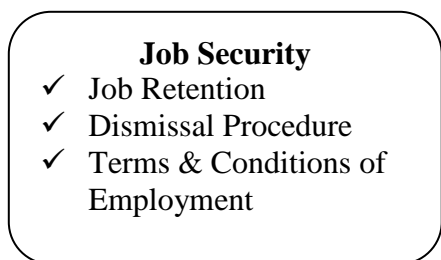
Table 4.9: Regression Model coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.081	.177		.456	.648
Employee Rewarding	.283	.069	.304	4.078	.000
Job Security	.347	.076	.317	4.556	.000
Work Environment	.230	.048	.289	4.836	.000
Training and Development	.106	.069	.094	1.537	.127

4.9 Revised Conceptual Framework

A conceptual framework plays a key role in determining the relationship between variables and which variable has a stronger relationship than the other (Creswell, 2010). However, the conceptual framework in the literature review section was more of hypothetical since the study was not yet carried out to find out the actual findings. After the analysis of inferential statistics on the study model, an actual conceptual framework (revised conceptual framework) is herein presented as shown in figure 4.6.

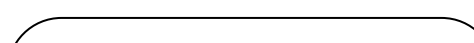
Independent Variables



P-value
= 0.000

58

Dependent Variable



Source: Author (2018)

Figure 4.6: Revised Conceptual Framework

The revised conceptual framework reveals that based on the level of significance and the coefficients (β), job security has the strongest effect on job satisfaction ($\beta= 0.347$) followed by rewarding ($\beta= 0.283$) and work environment has the least effect ($\beta= 0.230$). Training and development was left out of the revised conceptual framework based on the fact that it had a positive but insignificant effect ($P\text{-value} = 0.127 > 0.05$) on job satisfaction. From the findings, the null hypotheses that job security, employee rewarding and work environment have no significant effect on job satisfaction is rejected. On the other hand, the study failed to reject the null hypothesis that training and development has a significant effect on job satisfaction.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings as presented in the previous chapter. The chapter also presents the conclusion of the study based on the findings as well as recommendations. These are systemically presented based on the research objectives. Finally the chapter presented the recommendations for further studies.

5.2 Summary of Findings

The study obtained a response rate of 82% which was considered adequate for analysis and making conclusion and recommendations. Majority of respondents were males while most of them were aged between 35 to 46 years. The study further established that majority of the respondents had undergraduate degree as their highest level of education while most of them were attached to finance and ICT departments.

5.2.1 Employee Rewarding

The first objective of the study was to assess the effect of employee rewarding on job satisfaction among SACCO's in Kenya. The study established that the respondents agreed that reviewing of salaries enhanced their job satisfaction and that salaries and bonuses were not frequently reviewed an aspect that could have affected their job satisfaction. The findings further revealed that majority of the respondents agreed that a number of employees in their respective SACCO's had left the SACCO's due to low pay and remunerations. The inferential statistics revealed that employee rewarding significantly and positively influenced employees' job satisfaction. According to Heng (2012), rewarding is one of the major strategies that modern organizations use to steer employee retention and enhancing the ability of the employees to be productivity. The findings also support the Abraham Maslow's hierarchy of needs theory whereby the more employees are rewarded and motivated based on their work, the more the employees' continued stay at the organization (Lee, Back& Chan, 2015).

5.2.2 Work Environment and Job Satisfaction

The second objective of the study was to assess the effect of work environment on job satisfaction among SACCO's. The study findings revealed that majority of the respondents

agreed that putting in place safety and health measures assures employees of their safety thus satisfying and retaining them and that ensuring spacious working station gives the employees ample environment to perform their jobs thus satisfying the workers. Moreover, the study established that as a result of adaptive and conducive working environment, they felt motivated and willing to work in such an organization an aspect that enhanced their satisfaction. However, an equal number of respondents indicated that the working environment at the SACCO's was not conducive for them to work in similar to those that said they comfortable at the present environment. The findings on inferential statistics revealed that working environment was significantly and positively related to job satisfaction among employees in SACCO's in Kenya. The findings concur with the argument in the Herzberg Two Factor Theory that employees are more satisfied by the internal factors more than those outside the organization. This is to mean that internal work environment has a greater influence of how much employees become satisfied with their work (Spence et al., 2009). The findings also compare with those by Das and Baruah(2013) who established that employees are better retained by a comfortable working environment that gives them an ample time to do their jobs.

5.2.3 Job Security and Job satisfaction

The third objective of the study was to determine the influence of job security on job satisfaction among employees in SACCO's. The study established that majority of the respondents (77%) agreed that assuring employees' job retention in future enhances their satisfaction and retention in the firm. The findings further had it that most of the respondents agreed that ensuring proper dismissals and keeping proper employment terms served to enhance the employee job satisfaction. The results also revealed that as a result of keeping proper records on job requirements and practices leading to dismissal kept the employees passionate about their

nob and assured of its security. The inferential analysis of the regression model revealed that job security had a positive and significant effect on job satisfaction among employees in SACCO's in Kenya. The findings go hand in hand with the argument by Loan-Clarke, Coombs, Hartley and Bosley (2010) that for employees to get satisfied with their job and prolong their stay at an organization they ought to be assured of the security of their job. Moreover, Karatepe (2013) argued that job security is a great assurance towards promoting a piece of mind to the employees thus enhancing their contribution to the firm performance and their satisfaction.

5.2.4 Training and Development and Job Satisfaction

The fourth objective of the study was to establish the effect of training and development on job satisfaction among employees in SACCO's in Kenya. The study found that majority of the respondents agreed that adapting effective and simple training techniques ensures positive results in the training thus promoting satisfaction and that orienting employees and training them upon joining the organization on the requirements of the job enhanced their satisfaction. The study moreover found that majority of the respondents agreed that they were provided regular opportunities to obtain training and development by their respective SACCO's. The results from the inferential analysis of the regression model revealed that training and development had a positive and insignificant relationship with the job satisfaction of employees in SACCO's in Kenya. According to Sahinidis and Bouris (2007), the prospect of training is basically built on the need to enhance firm performance through reaping the best out of the employees hence it may not necessarily contribute to the employee job satisfaction. In the contrary, Chen (2014) established that training and development is a key aspect towards enhancing employee retention and ensuring that employees are committed to the firm operations.

5.3 Conclusion of the Study

The main aim of the study was to assess the effect of retention strategies on job satisfaction among employees in SACCO's. From the findings, the study herein draws several conclusions. First, the study concluded that employee rewarding has a significant relationship with job satisfaction. The study concluded that as a result of frequent rewarding, recognition and fair remuneration, employees are more satisfied with their job. Also, a conclusion was drawn that most of the SACCO's did not effectively and fairly reward their employees and aspect that could have been causing the increased employee turnover due to lack of satisfaction.

Secondly, the study concluded that job security had a significant effect on job satisfaction. Based on the findings, it was concretely clear that job satisfaction was determined by the extent to which the firms assured their employees of retaining them for a foreseeable future and not putting them at the risks of dismissal without their knowledge. The study concluded that as a result of work engagement and properly outlined job requirements and circumstances of one losing job, the employees became more satisfied with their work.

On the third objective on the effect of work environment on job satisfaction, the study concluded that work environment had a significant effect on job satisfaction. The study concluded that through a well-organized and work-friendly environment, the employees became more comfortable with their work thus enhancing their satisfaction and commitment to work. The study also concluded that most employees in the SACCO's in Kenya had a conducive working environment with proper equipment and spacious working environment an aspect that enhanced their satisfaction and retention at the end of the day.

Finally, the study concluded that employee training and development had a positive but insignificant effect on job satisfaction. This is to imply that as much as training and development enhanced employee job satisfaction, increasing its viability could not necessarily increase the job satisfaction. The study concluded that as much as the SACCO's invested in training and development of their employees, it did not equitably contribute to job satisfaction.

5.4 Recommendations of the Study

Based on the findings from the study, the following recommendations are herein drawn;

The SACCO's through the management should embrace employee rewarding so as to enhance their job satisfaction and productivity. The management should embrace employee recognition even by word of mouth, fair treatment and remuneration of the employees as well as equitable bonuses and promotions.

The SACCO's should ensure that the employees are assured of their job security so as to enhance their satisfaction. They can do so by availing the terms and conditions of the employment to the employees and ensuring an effective procedural dismissals whereby employees are made aware of any planned dismissals and the reasons for the same.

The management of the SACCO's should provide healthy and safe working environment whereby the wellness of the employees is guaranteed while on duty. The equipment such as computers used by the employees should be effective and user friendly while the working

stations should be spacious and well-ventilated to provide an ample working environment. This way, the satisfaction of the employees was enhanced as well as their productivity.

The SACCO's should ensure that the employees are well trained and that their career is enhanced through effective career development programs. This way, the employees will have a better background of what is required of them and their productivity was enhanced.

5.5 Recommendations for further Studies

The focus of this study was on the effect of retention strategies on job satisfaction. A similar study should be carried out to focus on the effect of retention strategies on other organizational aspects such as employee performance and firm competitiveness.

The study focused on SACCO's in Kenya. A similar study should therefore focus on other sectors such as SMEs and state corporations which are also crucial to economic growth and development.

The model revealed a R^2 value of 0.815 implying that the aspects of retention strategies under consideration in the study (employee rewarding, job security, working environment and training and development) contributed to 81.5% of job satisfaction. There should therefore be a similar study to unveil the 18.5% remainder of the factors affecting job satisfaction.

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APPENDICES

Appendix I: Introduction Letter

David Okombo

KCA University

Nairobi

RE: DATA COLLECTION FOR ACADEMIC PURPOSE

My name is David Okombo. I am student at KCA University pursuing a Master of Business Administration Degree in Human Resource Management. I am conducting a study on the effects of employee retention strategies on job satisfaction for the purpose of completing my course.

I would like to request for your co-operation in filling out the questionnaire. The questions seek your opinions regarding your organizations employee retention strategies in relation to job satisfaction and will be for academic purpose only.

Please read carefully and give appropriate responses by ticking the area which best describes your answer or by filling in the blank spaces provided. Information obtained from this questionnaire will be treated with uttermost confidentiality.

Appendix II: Sample Questionnaire

SECTION A: GENERAL INFORMATION

Please tick where applicable.

1. Gender: Male Female

2. Category of employee: HR & Admin ICT

Finance Internal Audit

FOSA Operations Personal Loans

Marketing Procurement

3. Age of respondent: 18-25 26-35

36-45 46 and above

4. Highest level of Education: Certificate Secondary

Diploma Degree

Masters [] PhD []

Others (Specify).....

5. Length of service: 1-5 years [] 6-10 years []
 11-15 years [] 16-20 years []
 21 years and above []

SECTION B: EMPLOYEE REWARDING

What is your level of agreement on the following statements regarding employee rewarding in your organizations. Use a Likert’s Scale of 1-5 where; 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree

Statement	1	2	3	4	5
Bonus and allowances are often reviewed and offered in our organization to ensure employees are satisfied					
There are frequent salary reviews in our organization where increments are worked upon to promote satisfaction					
The salary offered in our organization is equivalent to the job done at the firm					
The management usually recognizes the employees and makes them feel part of the organization by appreciating them even by word of mouth					
Employees in my organization are kept aware of how the profits are shared and where they fall in the sharing processes					

Rewards given to the employees in our organizations have a hand in my continued stay at the firm					
There are employees that have left the organization over the recent past while citing dissatisfaction as a result of poor rewarding					
My organization has done its best to ensure proper and effective rewarding over the recent past					

SECTION C: JOB SECURITY

What is your level of agreement on the following statements Job security in your organization?

Use a Likert's Scale of 1-5 where; 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree

Statement	1	2	3	4	5
Assuring employees' job retention in future enhances their satisfaction and retention in the firm					
Proper dismissal procedures plays a role in influencing the employee retention and satisfaction					
Keeping proper employment terms and conditions contributes to employee satisfaction and retention					
In my organization employees are assured of longer stay at the firm by the management					
There are clear set procedures that are followed before dismissing employees in may firm					
The management has worked its best to ensure that job security of the employees is guaranteed in the future					
The employees are frequently reminded of the terms and conditions of					

employment to avoid confrontations and dismissals due to non-compliance					
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SECTION D: WORKING ENVIRONMENT

Please indicate your level of agreement on the following statements on working environment in your organizations. Use a Likert’s Scale of 1-5 where; 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree

Statement	1	2	3	4	5
Putting in place safety and health measures assures employees of their safety thus satisfying and retaining them					
Ensuring spacious working station gives the employees ample environment to perform their jobs thus satisfying them					
Efficient working equipment reduces the working stress in the employees thus enhancing their satisfaction					
My organization has put key measures to ensure the health and safety of the working area is suitable for all the employees					
None of the employees in my organization complains on the conditions of the working environment in the company					
My organization provides adequate basic machines and equipment to enable employees perform their job effectively thus enhancing their satisfaction at					

work					
The working environment in my organization has influenced my continued stay at the firm					

SECTION E: TRAINING AND DEVELOPMENT

What is your level of agreement on the following statements regarding employee training and development in your organizations? Use a Likert’s Scale of 1-5 where; 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree

Statement	1	2	3	4	5
Adopting effective and simple training techniques ensures positive results in the training thus promoting satisfaction					
Employees are properly oriented and trained upon joining the organization to enable them feel satisfied with their work					
The organization provides adequate training and development opportunities to enhance staff job satisfaction					
After formal training, the organization recognizes the employees efforts to gain their commitment and this enhances job satisfaction					
The organization does provide regular opportunities for personal and career management to ensure employee job satisfaction					

The organization accords equal training opportunities for all cadres of staff to ensure overall employee job satisfaction					
The organization has put in place well elaborate development programs to enable employee job satisfaction					
The organization needs to improve on its training and development programs to encourage employee job satisfaction					

SECTION F: JOB SATISFACTION

What is your level of agreement on the following statements regarding job satisfaction in your organizations. Use a Likert’s Scale of 1-5 where; 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree

Statement	1	2	3	4	5
Most of the employees have been in the organization for the longest period since they joined					
Employees in my organization are involved in decision making processes and informed of any intended change					
The management of our firm supports and considers the views of the employees					
The communication channels and processes used in our organization are effective and efficient					
Employees in my organization report to work early and leave late due to					

high morale of the work					
Promotion is frequently done in our organization with a clear criteria used to promote the employees					
Fair treatment and handling of employee is well adhered to in my organization					
Employees in the organization are committed to their job and they effectively perform their mandate					

Thank you very much for your time and co-operation.