DETERMINANTS OF HUMAN RESOURCE RETENTION IN PRIVATE SECURITY FIRMS IN KENYA

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12th October, 2013

DECLARATION

I hereby declare that this is my original work and has never been presented for any other academic award in any other institution. I also declare that the material contained in this work has neither been published nor written by other people apart from other materials that I drew refences from, and the authors accordingly acknowledged.

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I do hereby confirm that I have examined the master's dissertation of

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And have certified that all revisions that the dissertation panel and examiners recommended have been adequately addressed.

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ABSTRACT

In every organization, the HR department plays significant roles, one of the main ones being the retention of the workforce. However, for a success in this role, the management must make serious and deliberate decisions. This also demands that any organization schemes appropriate strategies towards the retention direction. Organizations today are constantly faced with the challenge of retaining the most competent employees in the labor market. An organization needs to retain the most competent employees and hence gain a competitive edge within the business environment. This study has the objectives to find out the specific factors that influence human resource retention programs in the private security firms, determine the specific factors that influence retention of employees in private security firms and to establish the strategies that can be adopted by the PSFs to enhance employee retention. The study used descriptive survey research design by the employment quantitative as well as qualitative research methods. The sample size of the study was 130 respondents comprising of one human resource, one Supervisor and three employees from all the 26 private security firms. The data were collected using structured and unstructured questionnaires, which will be administered by the researcher so as to achieve a higher feedback rate. A simple random sampling of the groups is to be sampled out so as to select the employees to be interviewed. Analysis of the collected data was done and presented by the use of SPSS (statistical package for social sciences). Frequency tables, charts and mean scores were also used to present the data. The finding of this study was that recruitment and selection affected performance in the organization. Secondly, training and development affected employee retention performance of the organization to a very great extent. Thirdly, reward/ compensation were found to affect organizational performance. Finally, distress and fatigue from excessive time on job in the company sometimes lead to decline in performances. This study recommends that the organization prioritize recruitment from within the organization to retain talent and expertise. In addition, firms should have constant fixed salaries as opposed to irregular hourly rates to motivate its employees. Further, Firms should encourage innovation by the employees to be able to design new products and services as a way of boosting their morale. However, there should be the conduction of enhanced research that will inevestiagete into other factors determining retention and organizational performance.

Key words: Retention, Human resource, employee, performance, security

DEDICATION

I dedicate this work to my family for their invaluable understanding and support during the study period.

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I hereby appreciate my beloved family for their understanding and invaluable support while I was writing this report.

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OPERATIONAL DEFINITION OF TERMS

Recruitment: Refers to the process through which the sources of manpower are discovered, that are essential in meeting the requirements of the staffing schedule (Chew & Chang 2008).

Training: The process of acquiring knowledge, skills, and competencies via access to teaching of vocational or practical skills (Hassan, Hashim & Ismail, 2006).

Reward Something that one receives as a compensation for worthy behavior or a commendable deed. It can also refer to acts or Money given for some extraordinary service (Chand & Katou, 2007).

Performance Appraisal: A method of evaluating the job performance of an employee (Hassan, Hashim & Ismail, 2006).

Human Resource: A group of people who make up an enterprise's workforce and are involved mainly in the management (Chand & Katou, 2007).

HR Practices: Refers to the activities of an organization mainly directed at managing the human resources pool as well as ensuring the employment of the resource towards the accomplishment of goals of an organization (Chew & Chang 2008).

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LIST OF ABBREVIATIONS AND ACRONYMS

HR: Human Resource

KIPPRA: Kenya Institute for Public Policy Research and Analysis

KISA: Kenya Security Industry Association

KSIA: Kenya Security Industrial Association

MNC: Multinational Companies

PSC: Private Security Companies

PSFs: Public Security Firms

PSIA: Protective Services Industry Association

ROI: Return on Investment

SPSS: Statistical Package for Social Sciences

UN: United Nation

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CHAPTER ONE

INTRODUCTION

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1.0 Introduction

This chapter presented a brief introduction of the research study by looking into the determinants of human resource retention in organizations. The chapter gave the background to the study and the problem statement. In addition, it presents the study objectives, research questions, study significance, scope and limitations as well as the basic assumptions.

1.1 Background to the study

The most important asset of an organization is its human resource and according to Armstrong (2005) "an organization is nothing without Human resource". People are the common element in every organization and they can be used to further an organization competitive advantage. All actions of any enterprise are mainly initiated and determined by the individuals making up the institution. The human effort is normally needed in order to give direction to all other resources e.g. offices, automated equipment, Plants, computers, and everything else that a contemporary organization may need in executing its roles. The human component management is therefore central to all other activities, since all other actions are reliant on the degree at which it is handled (Cramer, 2004).

The term "employee retention" began appearing as a result of promptness on the scene of business in the 1970s to 1980's. Even during the mid-1900s, the core of the employer-employee relationship had become a statement of the position held in the social realms: this meant that employees were retained whenever they work well and give an excellent performance. On the same note, the employee retention depended on whether the economic conditions of the workplace could allow. Thus, remaining with one employer for a considerable period was deemed unusual, especially those people who had started working in the 1950s and 1960s. This meant that one could not get work for entire life (Denscombe, 2000). However, In the 1970s saw great transformations in regard to job mobility as working places increased. The model of status quo began fraying significantly. This enhanced the employment phenomenon where employers began considering employee turnover. This made many organizations to experience the result of employee turnover. The organizational leaders began working on a tool that could help reduce employee turnover and that which could match with organizational requirements. As (Balaji, 2003) believes, employees in the current

decade pose completely challenges, in cases that force enterprises to conflict tight labor markets in decades. Therefore, retention of employees is becoming more difficult as employers continue tapping the pool of talents available.

In the recent decades, employee maintenance has been a serious and confusing predicament for forms of business. Administering retention and keeping low the rate of turnover below the target and norms of the industry is the main challenging issue facing organizations. Employee turnover is the most unacknowledged and undervalued subject according to business leaders. This crops up from several significant assumptions concerning turnover (Cooper and Schindler, 2003).

All stakeholders concerned with this issue who include the Human Resource managers have underestimated the real cost of workers turnover. The factors that cause turnover have not been identified adequately in most businesses. Sometimes, the solutions of reducing turnover are mismatched with the causes and in most cases never generate the desired results. On the other hand, precautionary procedures for turnover are either excessive or they repeatedly miss the expected mark. There is no process that is in existence to measure the achievement of maintenance solutions and even place an economic worth on administering retention (Appelbaum, 2001). It is generally accepted that the quality of an organization's human resource represents a significant factor for industrial success. One human resource challenge is how to attract, motivate, retain, and develop independently. As an association grows in size, it usually becomes more and more essential to draw and preserve highly skilled employees which can be a difficult task sometimes

As every highly developed economy becomes international, an organization's mainly significant and competitive assets become skills and increased knowledge of the workforce. Globalization almost by description makes this factual. Virtually all developed nations are capable of designing, producing and distributing commodities and services uniformly well and promptly. Every aspect of construction other than personnel skills can be replicated anywhere globally. People keep world going. How people are selected, trained and administered determines how successful a business will be (Cascio, 1998). Many employers not only search for financial reimbursement but also have non- monetary considerations. They may be interested in whether the employers provide expedient hours, pleasant surrounding, opportunities for intensification and progression of career and an attractive

profit program. To enhance survival in this kind of situation the organization requires adopting ways to attract and retain employees in the business.

1.1.1 Private security Firms in Kenya

Insecurity has become a defining feature of living in Kenya; insecurity becomes an important aspect especially in tourism, foreign investment and economic growth in the country. Recent reports have indicated that there is an increase in the rate of crime. This in turn results in insufficiency in cofidence in the public police force. Thid is the reason why there is a recent development in the introduction of security providers who are deemed to be more efficient (Ballantyne, 2000). Kenya has had a prolonged historical aspect of stipulating the private security since the beginning of its economy. This security private security realm has been in opration since the beginning of 1970s. the providers of this pack are companies like Securicor, Factory Guards etc. The subdivion experienced a serious extension in the beginning of the twentieth century which made this private security be deemed as one of the sectors experiencing eminent growth in the economy of this country. In this private sector, Kenya owns approximately four hundred companies, and there is the essence of the continued provision of the private licences in the coming days due to the elevated need for the security situations in the country. The most important part is that those security providers that are private have a right to register as any other legal business.

However, there are still others among the private security providing companies that lack registration certificates. This has caused much significant contrast since the law requires that all be registered under a common umbrella so that they can exhibit a similar dimension. These private security providers are of many types, ranging from owner-managed, small as well as medium-sized organizations. Most of these especially those operating today normally employ a few workers even some having less than a hundred. Nevertheless, most of them are usually operational in only one region or town especially in Nairobi where they amount to about 500 PSCs. However, the principle private providers who are mainly public still dominate the realm and great improvements are required. In spite of this vast number, the segment is dominated by close to ten principal companies (Barney, 1991).

The chief marketplace for confidential security services is commercial customers, who range from banks, industries, governmental agencies and profitable firms to embassies, NGOs, global enterprises, refugee camps and private dwelling. The prime companies tender a an overall assortment of services, including radio alarm response, electronic intruder alarm

system, access control and perimeter shield and, satellite tracking, guard dogs, as well as in some cases rescue services and fire, while the mainstream companies offer only guarding that is manned for perimeter patrol and access control. Cash-in-transit and cash administration is a rising and expanding part of the commerce, as many consumers realize their susceptibility in a progressively more equipped environment. The residential marketplace is relatively undersized according the recent studies, only 10.7 percent of entire business (Becker and Huselid, 1998).

Contributers often believe that those companies managed by owners have their goals mainly determined by the aspiration to enable them maximize on proprietors income as well as the lifestyles. The main goal should always be that which fosters growth along a commercial reproduction and maximization of profits. This means that if all the private security provision managers administer a professional approach in the management of their companies, there is a likelihood of the increment in the momentous revenue, especially with the recent advanacments in the industrial sector. The general that the main trend of security market is the gradual movement towards the implementation of solutions based on technological knowhow. The future can have excellent outcomes especially with the development and implementation of response services to replace the private security that is manned manually.

The private security has become a segment that one of the main sources of employment in the country. The current trend indicates that this segment employs approximately 48,811 persons. It also owe the country a substantial financial system fraction, and provides the anticipated service. However, regardless of the size of this segment, no policies or necessities have been strategized in relation to teaching or even vetting of guards, and the methods of employee trainings and service provision have a significant variation from one organization to another. Majority of the these private companies avail education and training for guard forces, while some PSCs do dot offer any form of training to their guards and therefore work without the correct information.On the same note, others offer fair and well organized wide-ranging courses. Concerns are regularly raised as to the worth and the effectiveness of security staff and in the consideration of the lack of correspondence of training, with allegations that guards are commonly known to collude with crime comitters. While majority of the companies argue that they carry out recruitment test, and require

prospective employees to endorse that they don't have a criminal record, they liberally recognize that the consistency of this information is exceedingly questionable (Beri, 1985).

1.2 Statement of the Problem

Over the recent past, the view of HR has rapidly evolved and organizations and HR practitioners now embrace the fact that HR is much more than administrative tasks. Focus has shifted towards HR However still, there is more attention that should be accorded to HR due to the recent shift of from control systems that are behavior oriented to systems that have basic control. According to (Bartel, 1994), the enhancement of profits in the private companies is controlled by the application of ample human resource practice that are mainly in the form of a set. The practices also usually imply that there are more pronounced results as compared to expectations. (Beri, 1985) suggested that it is through the pool of human resource capital and employee performance that human resources may cause a constant competitive advantage and enhanced business performance. Quantitative studies results have indicated that effective HR includes retention (Bjo¨rkman and Budhwar, 2007). acquisition training and internal labor market (Harel, 1999) have direct impacts on organizational performance. Private security firms depend mostly on human labor and talents. The challenge therefore lies in putting into place proper approaches of HR retention in such organizations. This is not a different case from the private security industry in Kenya. To stay ahead the selected organizations as well as other related firms in Kenya, must endeavor to have in place HR retention strategies for the effectiveness of their staff and hence the general performance.

The main studies focusing on the activities of the HR and the performance of any organization are numerous that have reported distinct findings. Fisrt, there has been the conduction of operations deemed as household especially in the United States. However, the number of studies done in the countries that are developing are only a few (Guest, 1992). Consequently, there is a great essence that makes it is worth to establish the main effects of HR activities on the performance of any institution/ organization in a mounting country lik Kenya, in contrast to the highly developed nations (Becker, 1996). Although there have been abundant studies in the West which re many studies that indicted the positive impacts the presence of HR in an organization, there has never been one that shows the agreement of the maon measures that should be in place strategies for enhancing organizational performance (Droge, 1999).

Locally studies have been carried out in the field of employee retention. They mainly surveyed on the factors that are known to influence retention of workers Nairobi's manufacturing firms. Black's (1999) study was crucial in the investigation of the relationship eveident between the administration of employee retention activities and charitable turnover of labor in the Nairobi's Five Star Hotels. However, these studies failed to explicitly address HR factors influencing employee retention. The fact that they're restricted local studies identified by the researcher depicts a knowledge gap on determinants of human resource retention and performance in Kenyan organizations. It is in this light that this study sought to fill the gap on the influence that human resource retention has on firms' performance in the Kenyan Security industry.

1.3 Purpose of the Study

This study is purposeful in the to examination of the determinants of human resource retention in private security firms in Kenya

1.3.1 Objectives of the Study

The specific objectives guiding this study were as follow;

To establish the influence of the procurement process on human resource retention in private security firms.

i.   To establish the influence of training and development on human resource retention in private security firms.

ii.   To find out the influence of work environment, reward and compensation on human resource retention in private security firms.

1.4 Research Questions

i.   How does procurement process influence human resource retention?

ii.   How will training and development contribute to human resource retention?

iii.   What strategies of work environment, reward and compensation will assist in human resource retention?

1.5 Significance of the Study

This study's findings would be used in the private security firms and its employees since they will understand the issues surrounding strategic human resource administration and the corresponding influence towards the performance of a firm. They will make a significant contribution towards better understanding and identification of strategies to aid the security industry in Kenya. This study's findings will be useful in security companies in Kenya bent on developing and enhancing their competitive edge.

The results of the study will also aid investors and potential investors within the security Industry in Kenya in the formulation of strategies for enhanced business performance. Besides, the government of Kenya will use this information that concerns security firms which will be very important for use in regularization and legislation especially in labor laws and the security industry. Other policy makers besides the government as well as the HR practitioners and managers will gain from the results since they will be able to identify the particular configurations of HR strategies that can greatly influence the performance of distinct organizations. By doing so, re-examine current HR strategies and the improvements that can be incorporated to make sure that the organization benefits both in the short and long run.

The study will also be useful to researchers and academicians who may be interested to undertake their studies in the same area of strategic human resource administration as well as in establishing the relationship towards the performance of firms. The results will therefore add an input to the of existing knowledge's body in matters to do with HR retention programs in organizations.

1.6 Scope of the Study

In this study information about effects of employee turnover on the profitability of service firms was gathered. The study is to be carried in all the private security firms in Kenya. All the 26 research firms happen to have their headquarters within in Nairobi County. The justification on this study's scope had it foundation on the recent deterioration of profits in most companies in the services industry, especially the private security firms. This has been contributed mostly by undetected expenses of staff turnovers in the recent years 2000 to date. The findings of this study were generalized to other firms with similar problems within the country.

1.7 Limitations of the study

The study was limited to lower level managers; line managers and heads of departments who are on the Frontline of formulating and implementing strategies. One of the fundamental limitations of this study was on accessibility to the top administration and their willingness to complete questionnaires. The study assured the respondents of confidentiality by providing them with a letter confirming this.

1.8 Assumptions of the study

i. That the staff at all levels (top, middle a lower level) are knowledgeable of HR as well as on the performance of firms respectively

ii. That the management and staff in the selected private firms would show the willingness to provide the necessary information for this study

iii. That the number of targeted respondents didn't change at the time the study will be conducted.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter presented the literature reviewed on strategic human resource management and organizational performance. The literature was based on the arguments by other authors and researchers on the concepts of the study. The following sections have been presented;

2.2 Theoretical Background and Models of Human Resource Management

The following section presents the theories relevant to the study objectives and based on the argument by other authors and researchers on the concept of the study.

2.2.1 Abraham Maslow's Hierarchy of Needs

Abraham Maslow (2004) theorized that human beings have five basic needs that fit these two categories. The first category was called "deficiency needs" and included physiological, safety and affection needs. The second category he called "growth needs" and addressed self fulfillment. He modified "growth needs" by adding two more needs called, knowing, understanding and aesthetic appreciation. He believed that the person would not be contented with his occupation until certain requirements were met such as self actualization was considered the optimal human state, resulting in satisfaction. He believes that few individuals ever achieved a self of self actualization. Maslow's general argument was that, other things being equal, people tend to satisfy their lowest level of felt need before moving on to higher level needs. These levels can be arranged in hierarchies.

2.2.2 Two Factor Theory (Herzberg's Motivation-Hygiene theory)

Fredrick Herzberg theory (also called the motivator hygiene theory explores on the employee motivation as well as satisfaction at workplaces. It states that hygiene and motivational factors are responsible for satisfaction and discontentment. Motivational factors are the job aspects that drive people to focus on performance as well as provide people with the expected performance. The motivational factors are those considered to be directly related to the work done (Carmines, Edward G. and Richard A. (1999). The factors include working environment aspects for example pay supervisory practices, company policies as well as other conditions of working. He explored on the two levels of living by man and reported that they are two, the first being the physical and the second is the psychological level. He

established the results of a study he conducted on the good and the bad work experiences and his study evaluated two hundred accountants and engineers. The people being investigated on were asked to remember the number of times when they felt discouraged in their workplace and also those times when they felt encouraged. Therefore, the two factor theory was established via the study of the two factors. He called this theory the two factor theory or the hygiene motivational theory.

2.2.3 Equity Theory

The equity theory is an indicator of how a person takes fairness in relation to the relationships based on the social realms. The output gained from a relationship dictates how much input has been put in the work done, as well as how much effort another person has put in. For instance, when we consider two employees that work in the place and are entitled to similar benefits. The two of them should be treated equally, since if one is added benefits for the same work done and the other does not get, the latter will get distressed. However, if one of them is promoted and given and offered a pay increment, there is no feeling of stress. The people who are distressed are those who think that there is inequality between two persons or groups of people. However, a person should avoid being distressed since the ratio of input and output should go hand in hand (Lee, Feng-Hui, & Fzai-Zang, 2007).

2.2.4 The Resource Based View Theory

The research of an organization is of two categories, the capital and the physical resources. In human resource, the resource based view is the most predominant and famous theories. This theory postulates that internal resources that an organization usually gives rise to competitive advantage (Barney, 1991). Sometimes the resources of an organization can be immobile and heterogeneous. It also suggests that the resources must possess four aspects for a firm to have the best potential. One, resources must be valuable for it to be able to exploit the available opportunities and also minimize a firms threat and environment. Secondly, a resource must be imitable such that there is no likely substitute of the same. This theory must establish that resources are valuable and non-imitable (Richard, Devinney, Yip & Johnson, 2009).

2.3 The Concept of Employee Retention

Retention of competent employees is crucial because it prevents loss of those employees that are competent, which could have harmful effects on service delivery as well

as productivity. Retention also assists line and senior managers in attracting and retaining high performing and skillful employees. For the managers to be able to perform this task, they need to be supplied with appropriate information that will enhance the attainment of goals and objectives of the organization that needs to be realized (Casadesus-Masanell & Ricart, 2007).

Additionally, Creation of retention implies that the requirements and expectations of all employees ensure employee satisfaction, and this also promotes trust. The stable association promoted by meeting the requirements of employees by managers makes an employee to remain in the organization by personal choice. Therefore, employee retention is essential in enhancing the overall organization's success. The managers and other leaders should always encourage employees to remain within an organization by scheming policies that offer the employees the chances of demonstrating their skills and ensure matching with the correct job. The retention strategies should also be in a place to enable employees to be able to bring their life to equilibrium in order to meet their family demands. The policies should also provide an allowance for employees to become friendly, get families and make appropriate working arrangements. Moreover, when policies are ample, they enable employees to be able to accommodate their issues life (Paul and Anantharaman, 2003). When effective policies are put in place, the employee turnover will be kept at a rate that can easily be managed. However, managers play a crucial role in employee retention via the process of recruitment and employment in order to attract competitive workers within the organization. But the retention of employees requires that employers devise ample strategies that have the capacity to yield better results. The retention is crucial since it enables employers to benefit from an already made investment. Organizational employee retention is one of the most crucial issues that face the managers of an organization due to inadequacy of manpower that is skilled, limited growth in the economy as well as the increasing turnover rates. (Bitner & Zeithaml, 2004). It is important to note that employee turnover has become a matter of concern in the recent decades and is also sensitive to the needs of employees. The strategies that should be put in place include the development of careers, introducing compensation that is competitive for work done as well the introduction of supportive management and training. Further, there should be the implementation of an approach that is flexible in order to enhance retention. The best approach is that which will add value to both the employee and the organization at large. The main components of such an approach will include chances for developing careers and training, mentor services and flexibility values

revolving around performance awards, incentives as well as the available opportunities. The main goals of retaining employees in an organization are to ensure maintaining appropriate skills that will enhance competitive advantage in the prevailing organizational market. This is because turnover is quite expensive, thus creating a major concern for organizational employers. According to Black (1999), increased rate of employee turnover is an indicator of the presence of a substantial burden to the HR as well as line managers since they the ones responsible for employee recruitment affairs.

2.3.1 The concept of employee retention; A global overview

The Chartered Institute of Personnel and Development in the United Kingdom (2007) recently reported that that the total turnover rate of employees in the 2006 amounted to 18.1% and 20 percent in the United States. Boxall & Purcell (2000) literature asserts that over 20 US dollars are usually spent annually in recruitment of new employees and replacing workers. For instance, the healthcare sector had this problem for quite some time. The US healthcare sector fears that their turnover rates would go up to 29 percent by the year 2020, if the current situation takes preeminence. Gustafson (2002) indicates that the scarcity of labour has become the song of the day in the United States business sector due to the recent rise in employee turnover values. Kaufman (1998) predicts that there is likelihood of having scarcity in the IT sector in the United States despite the rising need for technological advancements in every economical sector. The rates of turnover vary organization wise, with the greatest values being realized in the private sector as compared to the public sector, with a margin of about 4 percent. Job prediction by Boxall & Purcell (2000) estimated the number of vacant IT places in 1988, and a prediction that 1.3 million IT experts required in the coming decade. This brings the suggestion that the difficulty of turnover would be carried on to the coming years, and this poses a great threat to the business environment. The escalating turnover rates therefore need to be reduced via comprehension of its sources and putting in place strategies that can change the high rates to the manageable rates. This writing explores n a number of factors that that have been scheduled as crucial for IT professionals in the United States and the United Kingdom. First, the employees must be paid salaries that are equivalent to the work done. Secondly, they must be afforded time and opportunities of learning new skills. Further, working conditions must be highly improved in order to attract novel professionals in an organization. Moreover, technological changes must be embraced with the intention of ensuring that organizational goals are achievable by all employees. A recent Computerworld (1998) investigation has found out that the mainstream IT professionals have often left their

previous work places due to poor salaries and for more affluence while half of them leave for development of their careers since they are never offered time for that.

Normality in performance requires that workers be offered breaks and vacations so that they can reduce stress and exhaustion. This is mainly advocated for in Europe and Scandinavian since they value the attraction of highly competent and sufficient employees to cover the global market places. It is has been reported that many employees attach some importance to leisure and need to be considered greatly (Caesar, 2002). Caesar's (2002) lierature also postulates that Asia is one of the continents where employee turnover rate has never gone down since the beginning of the employment times, a fact that poses a big threat to the human resource management. On the same not, there has been a conviction that employees have developed poor attitudes due to the thrilling employment scarcity. Hewitt Associates (2006) investigated and found out that that private and public sector in countries like China, India Hong-Kong, Japan, Malaysia, Korea, the Philippines, Singapore, and Thailand have experienced 14% and 16% turnover rates since the year 2004.

There is also a likelihood of the rate getting higher especially with the Asian vibrant growth Agenda which now conflicts with the current demographic trends as well as the rising need to attract more workers that are skilled. The increasing rates of turnover now have effects that are highly pronounced which manifest more as compared to the past years. This leads to an increased complexity and cost in maintain skilled and competent employees in an organization, thereby increasing financial risks to organizations. One of the main reasons given as to why turnover is high in Asia is because of poor remuneration, thus most organizations lose employees to those ones offering superior salaries. This study also found out that there has been a restriction in the intensification of opportunities which has also elevated the turnover rates. Most importantly, most employers are known to keep employees stagnated in one role, a fact that makes the turnover rates to rise beyond manageable values. Therefore, one of the strategies that Asia deems crucial in reducing the effects of the high rates of turnover is the elevation of base pay above what they call the market rate. Most organizations are also considering giving opportunities to their employees so that they can develop their skills as a way of boosting their competence (Singh, 2003).

Hunt's (1992) literature describes the necessity for quality first self evaluation. He identifies four areas to query in regard to quality improvement. Those areas are climate, management, processes outcomes and tools. The climate identifies people's perception about

their organization or work unit. The process review looks at the organization or work unit's policies, practices and procedures. The administration tool fields recognize the exact techniques used to enhance worth improvements throughout the business or work units. The outcome areas look simply at mission accomplishments.

The Malcom Baldridge criteria (1999) speaks on the significance of valuing workers It states an organization's accomplishment depends increasingly on the knowledge, skills, innovative creativity and motivation of its workforce'' it further expresses the importance of addressing employee challenges through the use of employee related data on information, skills, contentment, motivation safety and well being. In other words, to get this information you really have to inquire the workers how they feel.

Okumbe (2007) argues that during the early days, people's needs were not quite varied and the population was low, thus they tended to work groups which were easily managed. The actual working conditions were very poor and yet they had to work for long hours so as to survive the harsh environmental conditions. It was a question it was survival for the fittest and so job satisfaction and motivation were unthinkable. The advent of industrial revolution presented an important opportunity for the improvement of working conditions. The industries created more goods and improved the workers' expertise. Thus workers earned higher wages and the hours of their work were controlled. This improved their work motivation and job satisfaction. During this period about the year 1800, Robert Owen, a young Welsh factory owner, emphasized human needs of employees, and improved the condition of the work of his employees. Later Andrew Ure around the year 1835, in his manufacturing philosophy, incorporated human factors by providing his workers with hot tea, medical treatment, ventilation equipment and medical care to boost the morale of workers with hot tea, medical treatment, ventilation equipment and medical care to boost the morale of workers. However these ideas of Owen and Ure were accepted very slowly (Mathis & Jackson, 2008).

2.4 The Concept of Human Resource Management

Global antagonism, advances in technology, business cycle shortening and the shift to a knowledge based economy from manufacturing perspective have all subjected the business community to its course in search for a sustained competitive advantage (Blessing, 2009)). Regardless of how big or small an organization is in nature, the actions it is involved

in and the surroundings it operates in; its achievement is determined by the decisions its employees construct as well as their behavior.

Employee management is considered from a strategic point of view by many scholars (Aycan, Al-Hamadi, Davis and Budhwar, 2007)). Many discussions and debates regarding this view and how it differs from HR. there is a strong belief that the fluctuating strategic management interest in the twentieth century had an outstanding effect on the HR expansion. It emphasizes on the significance of acknowledging employees as a resource whose eminence and measure of output was capable of purposeful exploitation. Researchers have long stipulated that human resources should be given an investment point of view and as such its massive prospective can be tapped to yield good returns (Chapman, 2005).

HR has developed significantly in the last 15 years. Babbie (2004) describe the succession of HR from workforce administration in relation to a two-phased transformation. First, from workforce administration to traditional HR management and improve organizational performance and to improve the organization's retention programs work, organizations must focus on priorities. The above priorities are considered novel for the purposes of employee retention but are less considered as convectional in regard to training, staffing, compensation as well as appraisal, all which are crucial functions of the department. The main priorities may include designs for team-based jobs. Also, there is the employee compensation via offering incentives as well as ensuring there is an improvement perspective.

2.5 Determinants of Human Resource Retention

This section gives an overview of the various determinants of human resource retention in organizations.

2.5.1 Selection and Recruitment & Human Resource Retention

The ability of an organization to perform it regard to retention of employees and reduction of turnover, they must place the best recruitment and employment processes. Chandaran's (2004) writing puts across that the recruits mut meet the shedule that is put in place for staffing in order to promote performance. Therefore, an employer must set the most apropriate strategies that would enable an organization to atract competent manpower. Recruitment is a function that links those without jobs with the vacant places so that they can

get employment. Recruitment should be done fairly in every organization in oredr to create equal pportunities for those that are qualified.

According to Myloni et.al's (2004) literature, the processes of recruitment versus employee selection are intended to attract a vast numbers of employees that are deemed to be highly qualified for the field in question. The applicants selected in a certain interview process are those with highly appreciated talents which have the ability to propel the organization forward. The processes also include the application of efforts that are schemed by the managing body in order that the enduring process may be available to ensure the attainment of organizational intentions. Delany (1996) postulated that when an organization applies an effective recruitment process, there is a direct positive impact on its performance. Therefore, the model for selecting and recruiting employees must match directly with organizational goals for it to have a great impact in all the business realms (Pfeffer, 1995).

2.5.2 Training, Career Development & Human Resource Retention

Development and training are aspects that are crucial in expressing the desire for obtaining further knowledge. The establishment of a formal system development process is crucial in finding solutions for managers in regard to human resource retention. They are required to develop tools and techniques that their employees would work with comfortably. At the same time, all managers and employers especially the human resource should ensure that the decision they makes does not discourage their workforce. In a technical and human resource perspective, Bartel (1994) illustrates that training must enhance positive pressure on the performance of an organization. On the same not, the skills obtained and also the knowledge are crucial components in the expertise needed in staff empowerment at the work place (Storey, 2001).

The manager should consider the several factors in finding solutions to process management and training. Firstly, she should set strategies on how to increase productivity via the application of ample training techniques. This is by maximizing the resources in the company which include machinery, staff, and time so as to get the required output. To achieve this, the manager should ensure products and services are improved and new ones introduced. In addition she should ensure a conducive working environment and a healthy competition. Secondly, the manager should employ cost reduction strategy in cases where competitors have raised the prices of goods. Another solution of process management is improving the quality of goods and services offered. This is to ensure the products and

services conform to the required specification by the customers. Once the quality is up to the required standards, more customers are attracted and the business grows. Lastly the manager should use the strategy of risk reduction by ensuring the restoration of service and escalation procedures (Clark 2004). Therefore, for e faster rate in the attainment of organizational goals, the managers as well as those entrusted with management activities should put in place strategies that will foster training and career development to speed up organizational performance.

2.5.3 Reward, Compensation & Human Resource Retention

The development of strategies for retention needs utilization of ample skills that determine the employees who may need and are likely to seek chances of working in a particular environment. Retention rewards normally range from bonuses offered to employees for special services to professional advance. There should also succession scheduling which can also play a pivotal role in the available retention strategies. If the human resource section is constructing a succession plan, they are required identify best employees who have a positive attitude for mountaineering the organization's growth and performance ladder. The term 'reward' is used to be illustrating something that an organization may decide to offer to their employees as a result of good performance (Throexpalin nburg, 1994).

Managers should also motivate workers to team up. This is because motivation energizes thinking ability and boosts enthusiasm at work. Motivation helps workers to invest more in terms of energy and time which results in high performance. This will boost the self confidence of the employees and increase their commitment. Another way is to provide a good emotional environment for the workers (Cherrington, 1995). The managers should create a work environment where there is joy, humor and support of one another. Lastly, managers should work towards developing personal values of the workers and acknowledge their performance. People express themselves using the values they hold in high esteem. These values are sometimes referred to as preferences since people will choose to do what they like most. Another way to motivate workers is to give them incentives which can be in the form of finances and gifts. Research has proven that this is among the best ways to increase productivity of the workers (Pfeffer, 1995)**.**

2.5.4 Health, Safety, Work-Life Policies & Human Resource Retention

Most organizations that have been operational in the past have not considered issues relating to health, working life policies as well as the safety of workers. The most effective human resource procedure must put into consideration the health condition and the safety of all workers by introducing a system to cater for that. This helps in improving the equilibrium between work and life policies in order to avoid potential conflicts between the two. For instance, a married couple of today in a working environment has challenges in bringing up a family since the work life policies in place do not meet all the requirements. Parents have to be with their children and they as well need some rest that can only be provided via introduction of appropriate policies. The suggestion by recent human resource studies is that employees often like working in places where they can get free time, they are well protected and can access quality Medicare services. This goes hand in hand with the requirement for employees to have holidays to rest and reduce stress and fatigue, which can also be major causes of disease (Armstrong, 2005).

Several surveys of attitude in workplaces conducted in the past have provided information concerning what many employees prefer to obtain from their employers. For an employer to retain as many employees as possible who are fundamental to organizational success, he must identify the causes of health and safety problems and find ample strategies that can help reduce the problems. Most research areas have mainly concentrated on establishing the results of work as well as family rewards comprising of childcare help that is needed in a family, flexibility of family schedules, the processes involved in getting parental leave as well as the attainment of family care information. Researchers have indicated that where an employer offers work life policies, employees have shown maximum commitment. Also, work life policies availability in an organization discourages workers from renouncing their employment and is capable of working in one organization for a long time. This in turn yields positively on the organization's performance that goes higher continually (Chapman, 2005).

From the employment experience, money is never enough to give maximum happiness to employees without other life policies (Horngren, Foster and Datar, 2000). Researchers argued that reduced working hours should reflect a win-win situation in both the life of the working individuals and the organization at large. There should be compatibility between the needs of an employee and the organizational goals, though these are always

conflicting in most organizations. If the policies are not favorable in catering for employee needs, the employees become distressed and this impacts negatively on performance and the organizational competitive advantage. Therefore, in order to promote cost-effectiveness and productivity, the management that deals with organizational policies is required to design arrangements for work in order for the workers to fit in the system (Kaplan and Norton, 1996).

2.5.5 Performance Appraisal Health & Human Resource Retention

Performance appraisals are crucial in any organization because they evaluate the performance of each individual employee in relation to duties accorded to him/her. The individual evaluation on the other hand enables ease in decision making for an employee especially in making decisions regarding development of careers. Any organization that has human resource department must therefore have a program that facilitates an appropriate inspection of the employees in duties. Nevertheless, employers have recently misused the term performance appraisal to mean discipline instillation on employees, the reason as to why this practice is not yet completely embraced. However, since the introduction of this facility, it was meant to evaluate the overall performance of an employee as well as the capability to attain high positions in the workplace. As a way of enhancing the survival of an organization in a competitive surrounding, key organizations have put in place measures for performance as a way of enabling appropriate governance. This is because good governance requires key talents of leadership, honesty and also the availability of ample strategies that enhance competitive advantage.

Cherrington (1995) explores on the role of performance appraisal within an organization. The writing has illustrated several purposes that appraisal fulfils in an organizational structure. One, appraisals are essential in guiding the actions of the human resource. The actions that require guidance are hiring processes, firing ineffective workers, promoting people with higher qualifications as well as rewarding and training of employees among others. The human resource must utilize the guidelines in order to avoid incidences of conflict among the workers or even between the workers and the employer. There are some basic queries that need special consideration during the process of building the measures of performance. First, one must consider the performance dimensions that are in place in regard to organizational goals. Secondly, employers must consider the type of standards that are in place for management as well as how to improve them in future. On the same note, there

must be a consideration of which rewards are in place for employees so as to determine the means of giving them to the workers. Further, these queries are meant to enhance the development of ample standards with the organization in question so as to enhance employee retention (Drury, 2004).

2.6 Conceptual Framework

The conceptual framework below explains the relationship between the independent and dependent variables respectively.

Figure 1: Conceptual Framework

Interpretation of Variables:

Source: (Author, 2013)

```
┌──────────────────────┐
│ Procurement process  │
│                      │
└──────────────────────┘
                                                    ┌──────────────────────┐
                                                    │ Human resource        │
                                                    │ retention program     │
                                                    │ -Productivity         │
                                          Influences│ -Effectiveness        │
┌──────────────────────┐                            │ -Turnover             │
│ Training and Career  │                            │                       │
│ Development          │                            └──────────────────────┘
│                      │
└──────────────────────┘

                          ┌────────────────────────────┐
                          │  • Culture                  │
                          │  • environment              │
┌──────────────────────┐  │  • Keys stakeholder         │
│ Work environment,    │  │    involvement              │
│ Reward and           │  │  • Open communication       │
│ Compensation         │  │  • Best management practice │
│                      │  │  • Government policies       │
└──────────────────────┘  └────────────────────────────┘
```

Independent Variables   **Intervening Variables**   **Dependent Variable**

With an effective procurement system in place, the managers in a given firm will ensure that the right man power and with the right experienced is picked and placed at a position that best fits the candidate. Through this satisfaction, the recruited persons are comfortable on the development of the same departments for the benefit of the organizations, hence willing to stay.

Employees and other senior staff need to undergo training and career development so as to enhance their careers and when this is achieved; employees tend to know more of their daily activities increasing their motives to stay in the organization.

To retain the human resource and all that encompasses it, there greatest strategy is to know how to reward and compensate them. This is only possible if the managers are able to recognize those who do better.

Practices related to health, safety &Work-Life Policies need to be addressed. For example, health check leaves, firefighting materials and others need to be put in place if protection of the rights to life of the employees is to be achieved.

Finally, this cannot happen if there is conflict of culture, poor environment, poor communication, poor managers, and government regulations and policies.

2.7 Research Gap

From the literature review there are constraints on employee contentment which lead to their frustrations and elevated rate of turnover. There is necessitate therefore for private security firms in Kenya to seek ways of helping their employees to feel satisfied by reducing their dissatisfaction levels through different types of motivations. The current research gap is the lack of a holistic approach in which selection, wage, and labor theory are used strategically to mitigate turnover rates, increase tenure, lower overall labor costs, and increase organizational productivity.

CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter presented the methodology of the research methodology that will be tilized for this study. The methodology will utilize qualitative as well as quantitative data collection methodologies. This section presented areas of research design, target population of the study, the utilized sampling method and sample size and data collection instruments on addition to the validity and reliability. It will also present the analysis of data as well as the ethical considerations of thi study.

3.2 Research Site

The research site of the study was in Nairobi County which is a host of all the 26 security firm's headquarters.

3.3 Research Design

In order to clearly examine determinants of employee retention, cross sectional descriptive survey research design was used, quantitative as well as qualitative research approaches will be utilized in the collection of data. Qualitative is the collection of data in words rather than numbers, while quantity is on items that can be counted Simiyu (2012). The use of the two approaches reinforces each other Kombo (2006).

Descriptive research is a determinant and indicator the way things are, and also helps a researcher in describing a phenomenon in regard to values, attitude, and also the main characteristics (Mugenda & Mugenda 2003). Orodho's (2002) literature postulates that a descriptive survey is an onformation collection method by which a researcher interviews or administers a questionnaire to a preferred sample of individuals. The study administered the questionnaires to a sample of individuals.

3.4 Target Population

Population is the sum of all study elements. This study's target population was all the private Nairobi's security firms (26), which are the headquarters of other security firms in the country, the research findings were generalized to the other security firms in the country as indicated in appendix 3 The total population of PSF's was estimated to be 48,811. The analysis unit of the study included the Human Resources Managers, Supervisors and

employees in the firm where a sample size of 130 respondents will be selected from the population using departmentation and random sampling.

3.5 Sampling Design and Sample Size

A sample is a representative group of subjects of a particular homogeneous population (Orodho 2002). The sample must be large enough to represent the salient characteristics of the target population. The study included a representation of all the 26 Human Resources Managers, one Supervisor and three employees from each firm. The employees were randomly selected to make a total target population of 130 respondents, and it is generally recommended by social researchers that at least 30 cases are required for statistical data analysis (Mugenda &Mugenda, 2004). The sample population represented, divergent views on human resource retention approaches that may be appropriate, in the specific private security firms.

3.6 Data Collection Instruments

This study utilized a questionnaire as the only primary tool for data collection. The questionnaire helped in the collection of both qualitative and quantitative data. This therefore means that the questionnaires had closed and open ended questions respectively which will be based on the study objectives. The first part of the questionnaire inquired about the respondents' demographic information while the second part will concentrate on issues on the objectives of the study.

3.7 Validity and reliability

3.7.1 Validity

Bacon (2003) literature implies that validity is the representation of how the analysis of the data collected from this study demonstrates a clear picture of the actual phenomena under study. This study utilized several tests of validity in approving the questionaire. One, there was the use of construct validity for ensuring that the constructsof theory in existence portray an appropriate picture. Secondly, convergent validity for ensuring that assessment of constructs in the expectation to correlate are doing so, and also portray a similarity to concurrent validity (this one looks for correlation in existence with with all other tests). Further, there is the discriminant validity ensureing that the expected constructs are not in relations, in order to cause a discrimination between the herein indicated constructs. Lastly, content validity is

meant for ensuring that the experimentation does provide sufficient coverage of the study subject. This study to a great extent adopted content validity in its efforts towards achieving the objectives of the study.

3.7.2 Reliability

According to Donald (2006) reliability aspect measures the extent to which the utilized instrument provides unswerving results after recurring tests. In order to achieve a good report on the findings, the study used a pilot study to test how reliable the research tools will be. In this case, the reliability of this study was ascertained through pre-testing of the research tool using a group of 10 staff from the G4S, Thika Town outlet. The reliability of this study was typically used the test -retest method. Ample reliability portrays a favorable precision of single estimations and better changes' tracking in research measurements. The main reliability measures were found to be within random variation of the subject, systematic change in the mean, and retest correlation. By test, it means that a set of statements on a questionnaire, a quantitative or qualitative evaluation by an observer, or some combination of these ways of measuring. These were supplied with the research tools twice over a duration of two weeks. Then the Pearson's correlation coefficient (r) between the scores was calculated. The formula of the Pearson correlation co-efficient (r) of the test (x and y) is given by:

$$r = \frac{N\Sigma xy - (\Sigma x)(\Sigma y)}{\sqrt{[N\Sigma x^2 - (\Sigma x)^2]}\sqrt{[N\Sigma y^2 - (\Sigma y)^2]}}$$

Where

N = The Number of pairs

Σx = the sum of the scores in x distribution.

Σy = the sum of the scores in my distribution.

Σx² = the sum of the squared scores in x distribution.

Σy² = the sum of the squared scores in y distribution.

(Σx) ² = the square of the sum of scores in x distribution

$(\Sigma y)^2$ = the square of sum of scores in y distribution

Σxy = the sum of the product of x and y scores.

To affect this correlation r, the Spearman Brown prophesies formula will be applied which states as follows:

$$Re = \frac{2r}{1 + r}$$

Where:

Re = correlation coefficient of the entire test

R = Correlation coefficient of the even numbered statements with the scores of the odd numbered statements.

The researcher in this case calculated the correlation to be 0.81 which was therefore adequate for the study.

3.8 Data Processing and Analysis

The research results were qualitative as well as quantitative. The collected data will be keyed in and analyzed via utilization of SPSS. descriptive statistics was utilized in the analysis of quantitative data generated. These included, measures of central tendencies, frequency distribution, correlation and regression tests.

The qualitative analysis utilized the analytic technique, specifically the quick impersonator summary, which according to Kombo and Tromp (2006) involves the summary of the key findings, an explaination and interpretation of these findings. This was used for the purpose of analyzing the open ended questions.

3.9 Ethical Considerations

To ensure research ethics to the study, the researcher obtained all the various letters that will prove the authority to collect data and also to assure the respondents of the confidentiality of the information they give. The researcher also assured the respondents that the responses they give was purely be for academic purposes only where anonymity was advocated for (no writing of respondents' names in the research tools). The data collected during this study was treated with extraordinary discretion and was only in the utilization for the purpose of this study.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter presents the analysis of study findings on the influence of strategic human resource management (SHRM) practices of performance in the Kenyan security industry. The research sampled all the top, middle and lower level managers in all the 26 private security firms in Kenya. The data collection instruments, which were questionnaires , were distributed to respondents through hand delivery. However, out of the 130 questionnaires sent, only 113 questionnaires were sent back fully completed making a response percent to 87%. The distribution of the response rate is as shown in the table below;

Table 4.1: Response rate

	Frequency	Percentage
Responded	113	87
Not responded	17	13
Total	130	100

4.2 Demographic Information

4.2.1 Gender

The study required the respondents to indicate their gender.
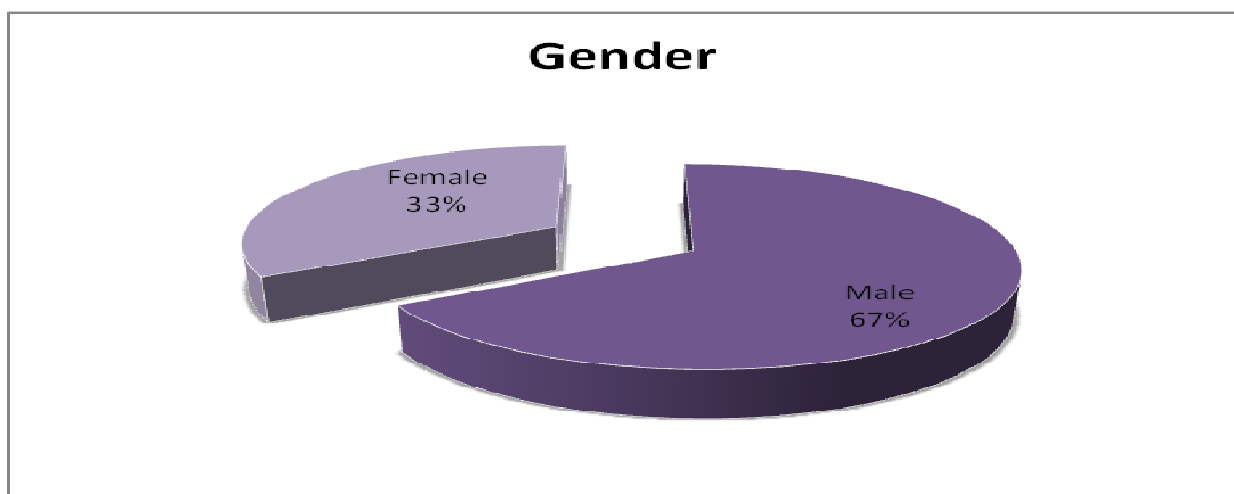

FIGURE 2. Gender of the Respondents

According to the findings as shown in the figure 4.1, above, majority of the respondents were male as shown by 66.7% while females were 33.4% of the respondents. This is an indication that most of the employees/staff reached at the time of the study were male.

4.2.2 Respondents position description

Position	Frequency	Percentage
Top management	6	5.0
Manager/assistant manager	18	16
Supervisor	90	79
Total	113	100.0

On the position description of the respondents, the majority of them as shown by 79% were supervisors or staff in lower level management, 16% were manager/assistant manager in a certain outlets while the rest as shown by 5% were top level managers.

4.2.3 Age bracket

Age bracket	Frequency	Percentage
Under 25	23	20.0
25-34 yrs	52	46.1
35-50 yrs	33	29.4
Over 50 yrs	5	4.4
Total	113	100.0

The study also required the respondents to indicate the bracket into which their age foal. According to the findings, the study found that the most of the respondents were between 25-34 years as shown by 46.1%, 29.4% were aged between 35-50 years, 20% were aged under 25 years while the rest as shown by 4.4% were aged over 50 yrs respectively.
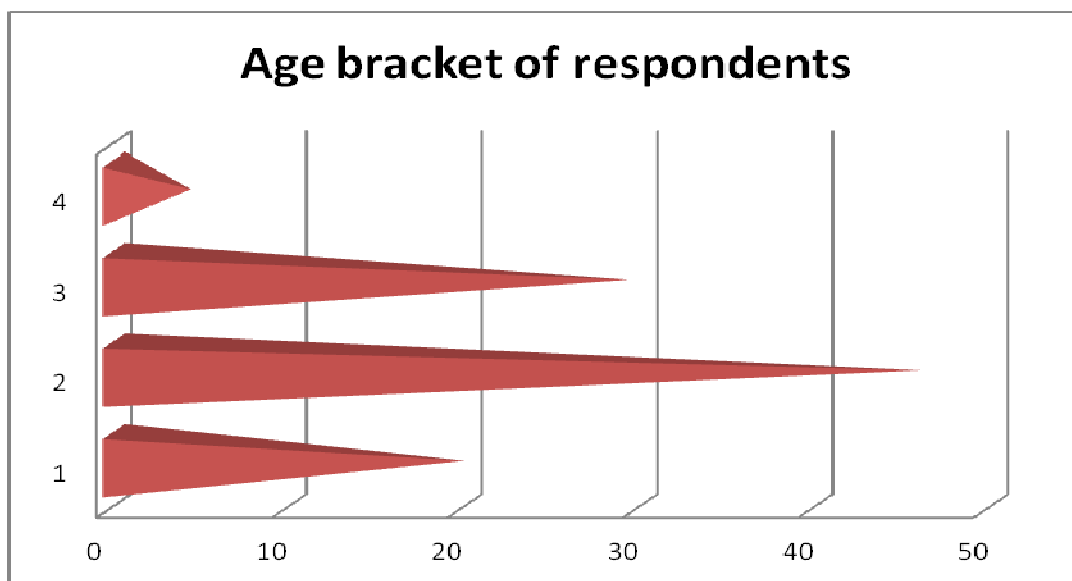
FIGURE 3. Age Bracket of the Respondents

Table 4.2: Working duration in the organization

The study sought to establish the duration the respondents had worked in the security firm organization; as shown in the table 4.2 below

	Frequency (n=113)	Percentage (%)
Under 5 years	31	27.8
5-10 years	25	22.2
11-15 years	35	30.6
Over 15 yrs	22	19.4
Total	113	100.0

According to the table above, majority of the respondents as shown by a figure of (30.6%) had worked for the organization for 11-15 years, 27.8% said less than 5 years, 22.2% for 5-10 years while 19.4 % had worked in their organizations for 15years and more.

Table 4.3: Respondents' highest level of education

The study also sought to establish the respondents' highest level of education;

Educational level

	Frequency (n=113)	Percentage (%)
Diploma	38	33.3
Form 4 Certificates	32	28.3
Graduate	37	32.8
Masters/ Doctorate	6	5.6
Total	113	100.0

According to the findings, the study found out that most of respondents had a diploma as shown by 33.3% of the respondents, 32.8% had bachelors, 28.3% had form 4 certificates while only 5.6% of the respondents had a Masters/ Doctorate degree respectively. This implies that majority of the respondents had at least a diploma and could give relevant information on the subject matter.

4.2.4 Nationality

The study also required the respondents to state their nationality. On this question, all the respondents reached were Kenyans which implies that even though a given organization is an international security company, recruitment is independent in the specific countries like Kenya.

4.2.5 Organization Information

Concerning organizational information, the study required the respondents to indicate the number of years the organization has been in operation.

4.2.6 Number of years the organization has been operational

The study was to establish the number of years the organization has been on operation since its establishment.
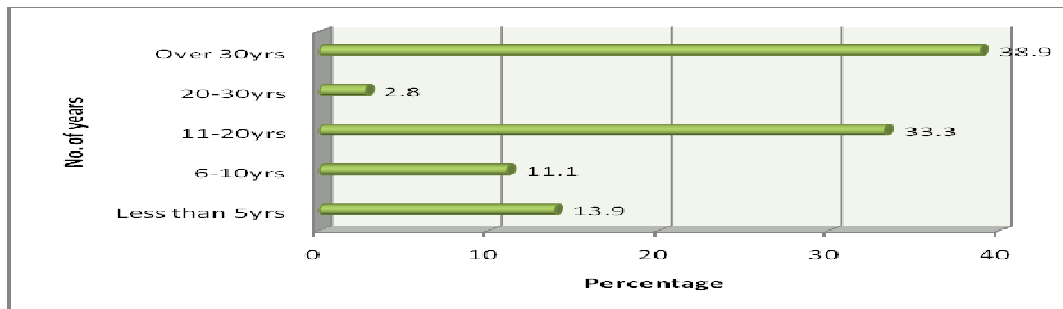
FIGURE 4. Number of years the organization has been operational

From the study 38.9% of the organization had been in existence for over 30 years, 33.3% for 11-20 years, 13.9% for less than 5 years, 11.1% for between 6-10 years while only 2.8% was in operation for a period between 20 and 30 years. This indicates that the organizations had been in operation for more than 10 years and therefore was familiar with the security industry issues.

4.2.7 Organization information

Table 4.4: Organization's Size

	Frequency (n=113)	Percentage (%)
Below 99	9	8.3
100-200	13	11.1
201-400	13	11.1
401-600	50	44.4
Above 600	28	25.0
Total	113	100.0

The study further sought to establish the size of the organization in terms of the current number of employees. According to the table 4.4 above, most of the respondents claimed that their organizations had between 401-600 employees, 25% said over 600 employees, 11.1% said 100-200 employees or 201-400 employee while those who said below 99 employees were 8.3% respectively.

4.2.8 Ownership status

The respondents were also required to indicate the ownership status of the organization they were working for. According to the study findings, all the respondents said that their organization was a foreign owned company.

Table 4.5: Target Market of the Organization

	Frequency (n=113)	Percentage (%)
Mainly foreign	3	5
Mainly local	72	115
Both foreign and local	38	60
Total	113	100.0

The respondents were required to indicate the target markets for the organization. According to the study findings, majority of the respondents (63.9%) said that their organization targeted mainly local markets, 33.3% said the organization targeted both foreign and local markets while 2.8% said that the organization mainly targeted foreign markets. This depicts that the security firm organization targets mainly the local markets.

4.3 Procurement process and Firm Performance

Table 4.6: Frequency of Recruitment and Selection

	Frequency (n=113)	Percentage (%)
Most often	19	16.7
Often	41	36.1
Less often	53	46.3
Total	113	100.0

The study also expected the respondents to indicate the frequency of recruitment and selection in the organization. According to the data finding as recorded in the table 4.6 above, majority of the respondents said that the organization as shown by 46.3%, did recruitment and selection less often, 36.1% did it often while 16.7% of the rest indicated that recruitment and selection was done most often respectively.

4.3.1 How effective the recruitment and selection is in the organization

The figure 4.5 below presents the data findings on the effectiveness of recruitment and selection process in the organization.
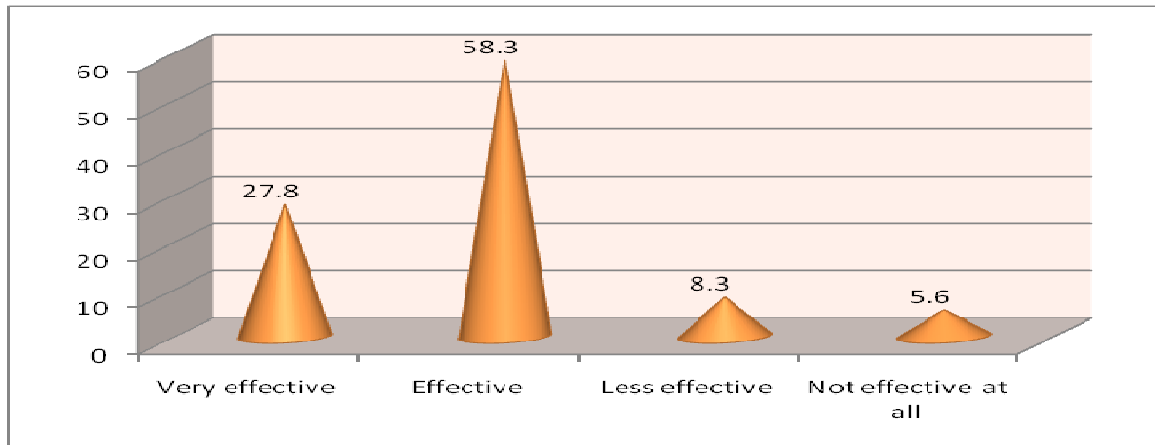
FIGURE 5. Effectiveness of the recruitment and selection process in the organization

From the study findings majority of the respondent as shown by 58.3% stated that the recruitment and selection process in the organization was effective, 27.8% stated that it was very effective, while 8.3% were of the opinion that the recruitment and selection process in the organization was less effective and not effective at all as shown by 5.6 respectively.

Table 4.7: Respondents level of agreement to statement related to recruitment and selection processes

Statement	Mean
Heavy recruitment occurs at entry level (recruitment from outside the organization)	3.5556
Recruitment and selection in the organization aim at attracting the maximum number of highly talented applicants	2.9444
The recruitment and selection process of getting highly qualified personnel is aimed at increasing organizational competitiveness and hence performance	4.5000
Vacant higher technical and problem solving positions is exclusively filled from outside the company	2.6389
The job of the workforce is subjected to formal job analysis (in the context , job analysis is the study of the duties and responsibilities that comprise the job content)	2.7778
Selection of manual and physical skills is not based on job description and job specification.	2.0000
Vacant managerial and higher technical positions are exclusively filled from within.	2.9722
Job performance is highly emphasized as a condition for internal selection	2.8889
Average	3.035

The study also required the respondents to indicate their level of agreement with the statements related to recruitment and selection as shown in the table above. According to the findings, the majority of the respondents as is shown by a mean score of 2.0000 agreed to some extent that selection for manual and physical skills is not based on job description and job specification. They also agreed to a moderate extent, (as shown by a mean score of 2.639) that vacant higher technical and problem solving positions are exclusively filled from outside the company. Other respondents as shown by a mean score of 2.7778 were in agreement that the job of the workforce is subjected to formal job analysis (in the context, job analysis is the study of the duties and responsibilities that comprise job content). On the same level of agreement as shown by a mean score of 2.8889, other respondents were in agreement that job performance is highly emphasized as a condition for internal selection. Still on the same level

of agreement as shown by the mean scores of 2.9444 and 2.9722 respectively respondents were in agreement that recruitment and selection in the organization aims at attracting maximum number of highly talented applicants and vacant managerial and higher technical positions are exclusively filled from within. A mean core of 3.5556 indicated that respondents agreed to a little extent that heavy recruitment occurs at entry level (recruitment from outside the organization) while the mean score of 4.5000 indicated that respondents strongly disagreed that the recruitment and selection process of getting highly qualified personnel is aimed at increasing organizational competitiveness and hence performance.

4.4 Training / Development and Firm Performance

All the respondents stated that their institutions offered training. The study again required the respondents to rate the effectiveness of the training offered in the organization. The data finding are as presented in the table 4.8 below;

Table 4.8: Effectiveness of Training Offered

	Frequency (n=113)	Percentage (%)
Very effective	57	50.0
Effective	31	27.8
Less effective	3	2.8
Not effective at all	22	19.4
Total	113	100.0

In the table 4.8 above majority of the respondents as shown by 50% stated that training in the organization was very effective, 27.8% said that it was effective, 19.4% stated that it was not effective at all, an insignificant number (2.8%) were of the opinion that training in their institutions was less effective.

Table 4.9: Level of agreement with statements related to training and development

Statement	Mean
The organization makes use of formal training through training programmes	1.97222
There is socialization of new employees (staff orientation)	2.6389
The form of training and the processes enables people to acquire new knowledge, learn new skills and perform tasks better.	2.8333
Management development and decision making is linked to both individual and organizational needs	2.5000
Management development is aimed at management succession	2.7500
Training efforts are limited and informal	2.5556
The form of training offered includes mentoring, career counseling, management and supervisory development, and job training	2.6111
The quality of training and development is highly linked to the overall organization performance.	2.6667
Training evaluations based on performance are often conducted	2.4167
Without training employee performance cannot be achieved	2.9722
Average	2.592

The study further sought to find out the respondents level of agreement with statements related to training and development. The data finding are as presented in table 4.9 above. The respondents were in agreement with the statements that the organization made use of formal training through training programmes as shown by a mean score of 1.97222, training evaluations based on performance were often conducted as shown by a mean score of 2.4167, management development and decision making was linked to both individual and organizational needs as shown by a mean score of 2.5000 and that training efforts were limited and informal as shown by a mean score of 2.5556. They were neutral on statement that the form of training offered includes mentoring, career counseling, management and supervisory development, and job training as shown by a mean score of 2.6111. There was socialization of new employees (staff orientation) as shown by a mean score of 2.6389, the quality of training and development was highly linked to the overall organization performance as shown by a mean score of 2.6667, management development was aimed at

management succession as shown by a mean score of 2.7500, the form of training and the processes enables people to acquire new knowledge, learn new skills and perform tasks better as shown by a mean score of 2.8333, and that without training employee performance cannot be achieved as shown by a mean score of 2.9722.

Extent to which training and development affect the performance of organization

On the question of the extent to which training and development affect the performance of G4S, the figure 4.6 below shows that,
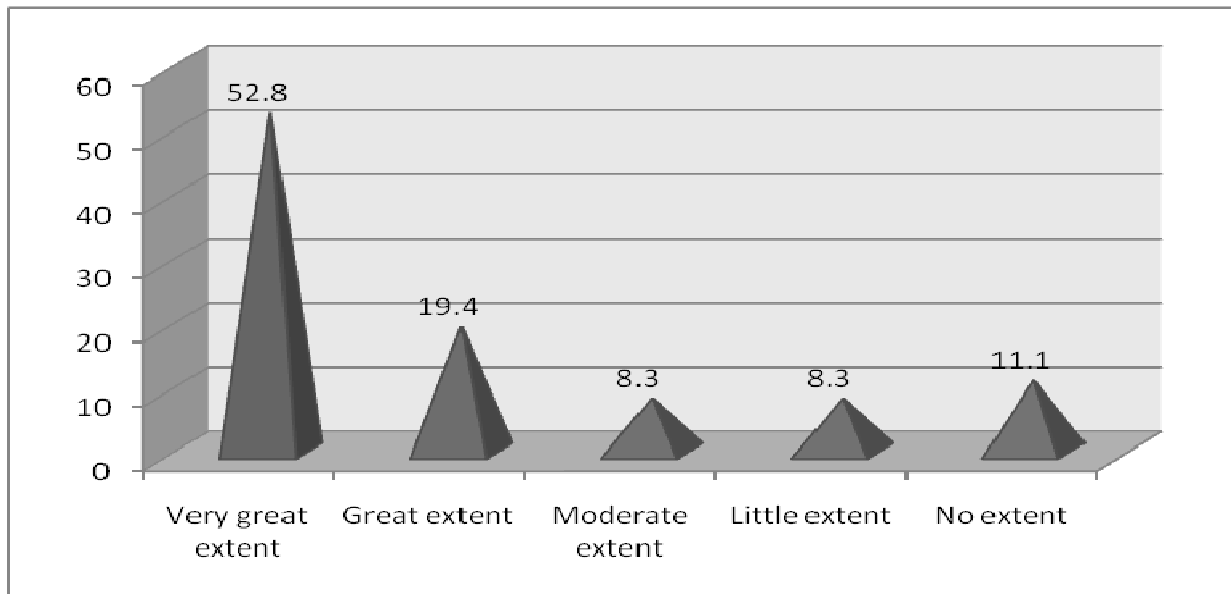
FIGURE 6. Extent to which training and development affect the performance

Majority of the respondents as shown by a figure of 52.8%, were of the opinion that training and development affect the performance of the organization to a very great extent, 19.4% stated that it affected performance to a great extent, 8.3% said it affected it to either to moderate extent or to a little extent while 11.1 said that training and development did not affect performance of the organization under investigation.

4.5 Work-Life Policies, Health, Reward and Compensation

Table 4.10: Extent of agreement with statements related to work life policies and associated practices.

Statement	Mean score
Distress and fatigue from excessive time on job in the company sometimes lead to decline in performances	1.282
The company has managed to maintain a good record on the way parental leave for employees is enhanced	2.102
There is greater commitment since the employees have access to work life policies in the company	2.214
A large amount of time at work is not a good predictor of productivity whenever work-life policies are not in order	3.014

The study required the respondents to indicate the extent of agreement with statements related to work life policies and associated practices. According to the study findings, it was found that majority of the respondents strongly agreed that distress and fatigue from excessive time on job in the company sometimes lead to decline in performances as shown by a mean score of 1.282. Others were in agreement that that the company has managed to maintain a good record on the way parental leave for employees is enhanced an score of 2.102 and that there is greater commitment since the employees have access to work life policies in the company as indicated by a mean score of 2.214. The rest of the respondents moderately agreed that a large amount of time at work is not a good predictor of productivity whenever work-life policies are not in order as shown by a mean score of 3.014 respectively. this agree with researchers such as Grover and Crooker (1995) showed that there is greater organizational commitment if employees had access to work life policies and also these employees articulated considerably with lower intent to renounce their profession.

Table 4.11: Level of agreement with statements related to reward and compensation

The study also required the respondents to indicate their level of agreement with statements related to reward and compensation.

Statement	Mean
Constant fixed salaries are better than higher ones, but irregular hourly rates	2.1944
Bonuses should be distributed to all employees who have helped the organization achieve goals	2.3889
Compensation is based on individuals knowledge and skills; that is; employees should be paid for what they can do or talents, which they have(that can be used successfully to a variety of tasks and situations)	2.7778
Employee reward system consist of an organisation integrated policies, processes and practices for rewarding it's employees in accordance with their contribution, skill and competence and their market worth.	2.5278
The same salary and wage should be paid to every employee in a given job so long as an employee	2.7222
Fairness of the pay structure within an organization is based on individual input	2.6389
Employees prefer to be paid a salary that marches what similar organizations pay their employees in the same positions	2.8333
Compensation and rewards significantly affects organizational outcome	2.5833
A wide-ranging mix of compensation emanating from an effective disbursement system of plays a crucial role in the attraction of the suitable candidates, and shapes employees behavior and performance, and facilitates retention of talents.	2.5000
Average	2.574

According to the findings, respondents were in agreement with the statement that for a remarkable firm performance constant fixed salaries were better than higher salaries; but irregular hourly rates as shown by a mean score of 2.1944, bonuses should be distributed to all employees who have helped the organization achieve goals as shown by a mean score of 2.3889. the respondents were also in agreement with the statement that a comprehensive compensation mix augmented by an effective system of disbursement played an effective role in attracting the best candidates, shaping employees, behavior and performance outcome, and facilitates retention of talents as shown by a mean score of 2.5000. Further, they were in agreement with statement that that employee reward system consist of an organization integrated policies, processes and practices for rewarding it's employees in accordance with their contribution, skill and competence and their market worth as shown by a mean score of 2.5278 and that compensation and rewards significantly affects organizational outcome as

shown by a mean score of 2.5833. The respondents were neutral on statement that fairness of the pay structure within an organization was based on individual input as shown by a mean score of 2.6389 and the same salary and wage should be paid to every employee in a given job so long as an employee as shown by a mean score of 2.7222. They were also neutral on statement that compensation is based on individuals knowledge and skills; that is; employees should be paid for what they can do or talents, which they have (that can be used successfully to a variety of tasks and situations) as shown by a mean score of 2.7778 and that employees prefer to be paid a salary that marches what similar organizations pay their employees in the same positions as shown by a mean score of 2.8333.

Table 4.12: Extent to which reward/ compensation affect the performance of the organization

	Frequency (n=180)	Percentage (%)
Very great extent	47	41.7
Great extent	35	30.6
Moderate extent	3	2.8
Little extent	16	13.9
No extent	13	11.1
Total	113	100.0

The study further sought to find out the extent to which reward/ compensation affected the performance in the organization. Most of the respondent stated that reward/ compensation affect the performance of the organization to a very great extent, 30.6% to a great extent, 13.9% stated that it affects to a little extent, 11.1% were of the opinion that it affects to no extent while 2.8% stated that reward/ compensation affect the performance of the organization to moderate extent.

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter is a presentation of the summary of the research findings on the influence of human resource management practices on firm performance in the Kenyan security industry, conclusions and recommendations are drawn there to. The chapter is hence structured into summary of finding and conclusions in addition to recommendations and areas for further research.

5.2 Summary of Major Findings

This section summarizes the findings and also a discussion the results. These are done in line with the study objective.

5.2.1 Procurement Process and Firm Performance

According to the study, recruitment and selection is done less often in the organization and that the processes in the organization were effective. This indicates that the effectiveness of the recruitment and selection decreases the number of times the processes have to be carried out hence enhancing organizational performance. Majority of the respondents also agreed to some extent that selection for manual and physical skills is not based on job description and job specification.

They also agreed to a moderate extent that vacant higher technical and problem solving positions are exclusively filled from outside the company. This indicates that with the right recruitment and selection processes, the individual's performance is notable hence no needed of filling the vacant positions exclusively from outside. The application of the right practices in recruitment and selection enhances organizational performance.

This concurs with (Cascio, 1992) and Schuler and Jackson (1996) who state that human capital contributes to managerial presentation through the HRM roles (recruitment and selection, training and advance, performance appraisal and reward and recompense. They have the opinion that human resource is capable of contributing to organization performance.

5.2.2 Training / Development and Firm Performance

On training, the study found out that the sampled organizations offers training and that this training is very effective. It was also found out that the organization makes use of formal training through training programs, training evaluations based on performance are often conducted, management development and decision making is linked to both individual and organizational needs and that training efforts are limited and informal. Training and development affect the performance of organizations to a very great extent as shown by the study. This is in line with the Kenya Institute of Public Policy Research and Analysis (2006). who was of the opinion that training and development is an essential HRM practice and that it affect organizational performance. (Jarventaus, 2007).

5.2.3 Work life policy and associated practices, reward and Compensation

The study established that the majority of the respondents strongly agreed that distress and fatigue from excessive time on a job in the company sometimes lead to decline in performances as shown by a mean score of 1.282. the study also established that the company has managed to maintain a good record on the way parental leave for employees is enhanced an score of 2.102, there is greater commitment since the employees have access to work life policies in the company as indicated by a mean score of 2.214 and that; a large amount of time at work is not a good predictor of productivity whenever work-life policies are not in order as shown by a mean score of 3.014 respectively.

On the question on reward and compensation, the study found out that, for a remarkable firm performance, constant fixed salaries are better than high, and irregular hourly rates and bonuses should be distributed to all employees who have helped the organization achieve goals. A comprehensive mix for compensation emanating from an appropriate system of recompense plays a fundamental role in the attraction of qualified candidates, shapes employees behavior and performance, and also facilitating talent retention. Employee reward system comprises of integrated policies and practices for gratifying employees according to their input, proficiency as well as competence. Their market worth and that compensation and rewards significantly affects organizational outcome. This concurs to Guest and Peccei (1994) finding that salary assessments should occur well after performance and reviews have been completed. Reward/ compensation affect the performance of the security firm to a great extent. Mathis and Jackson (2004) argued that

there should exist a balanced reward system affect the retention of employees and thus positively affect firm performance (Garvey, 2001).

5.3 Conclusions

The study sought to establish the effect of procurement (recruitment and selection) on performance. To this objective the study has concluded that recruitment and selection affected performance in the organization. This is a process of getting highly qualified personnel is aimed at increasing organizational competitiveness and hence performance. It was carried out less often in the organization but when it is done, the study has revealed that it was effective.

The study also sought to gauge the effect of training and development on firms' performance. To this objective the study has concluded that training and development affects the performance of the organization to a very great extent. The organization offer training to the employees which is according to the study is effective. The organization offer training evaluations based on performance and management development and decision making is linked to both individual and organizational needs and that training efforts are limited and informal. The study by Landsman (2004) also concluded that training is a valuable activity for enhancing skills and improving staff performance and that training can address some of the factors contributing to staff retention, such as perceived support from the supervisor, the agency, and community.

On reward and compensation, the study has concluded that, reward/ compensation affect the performance in the organization to a great extent. A comprehensive compensation mix augmented by an effective system of disbursement plays an effective role in attracting the best candidates, shaping employees, behavior and performance outcome, and facilitates retention of talents and that compensation and rewards significantly affects organizational outcome. According to Myloni et.al, (2004) recruitment and selection primarily aims at attracting maximum number of highly talented applicants and selecting the best in order to achieve competitiveness in the firm.

The conclusion of this study is that distress as well as working for long hours in an organization causes a reduction in the performance of employees.It also crucial to note that the work policies utilized in any organization directly affect the productivity of any organization in relation to how employees are treated. In this study, there was also a

conclusion that the organization of study has a track record of maintaining a good parental leave for workers. Due to this, there was an observation of enhanced employee pretention as well as performance in the recent years. Grover & Crooker's (1995) literature asserts that today's vibrant situation, the most important anxiety lies on business management, and most importantly, Workplace flexibility.

5.4 Recommendation

The study recommends that the all the security firms and other organizations should endeavor to recruit qualified and skilled personnel to enhance their performance and thus the organizations'. It also recommends that the organization prioritize recruitment from within the organization to retain talent and expertise.

To sharpen the employees' skill to perform their duties, the organizations should constantly train their employees to enables people to acquire new knowledge, learn new skills and perform tasks better. This study therefore recommends that the security firm should fully embrace the training and development of its employees as this has been found to have a great impact on the performance. The organization should also ensure that it adopts the best training methods so as the training can be effective and yield results in as far as performance is concerned. The training offered should be job specific to enable the employee gain job specific skills and tactics to improve their performance.

The study recommends the organization and other related firms should employ constant fixed salaries as opposed to irregular hourly rates to motivate its employees towards enhanced performance. To motivate the employees, the organization should also provide financial rewards as well as non financial rewards. Outstanding performance by the employees should not go unrewarded; this goes a long way to motivating the employees for repeated outstanding performance.

The management in the security firm should encourage innovation by the employees to be able to design new products and services that enhance its competitive advantage of as well as creating good image upon its customers. The study also recommends that the organization engages in corporate social activities to improve on its image attracting more customer and therefore leading profitability of the organization in the long run.

The study finally concludes that the company maintains and continues embracing various work life policies in place while at the same time making improvements and avoiding cases related maternity leaves, sick leaves and so on. The government and the ministry of labour should enact or review such policies where it deems appropriate to enhance the performance of the company.

5.5 Areas for Further Research

This study has reviewed on the influence of strategic human resource management (SHRM) practices on performance of security firms in Kenya. The same study should be carried out in other firms to find out if the same results would be obtained. This study was carried out in Kenya thus should also be carried out all over the world in the security firms to find out if the same results would be obtained. The effect of other factors on firm/ organizational performance like banks should also be established.

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APPENDIX 1: LETTER OF INTRODUCTION

Dear Sir/Madam,

I am a student at KCA University pursuing an MBA degree course. As part of the academic requirements, I have designed a questionnaire to gather information on the determinants of human resource retention programmes in private security firms in Kenya. I therefore guarantee that any information you provide shall be handled confidentially and shall only be used for this academic project.

Your assistance will be highly appreciated. I look forward to your favorable response.

Yours Faithfully,

……………………………………

Kamau Wainaina

APPENDIX 2: RESEARCH QUESTIONNAIRE.

SECTION A: GENERAL INFORMATION

Gender	Male [ ] Female [ ]
Position Description	Top management ☐ Head of department ☐ Manager/ assistant manager ☐ Supervisor ☐
Age Range	Under 25 ☐ 25 – 34 Years ☐
	35 – 50 Years ☐ Over 50 Years ☐
Experience	Under 5 Years ☐ 5 – 10 Years ☐
	11 – 15 Years ☐ Over 15 Years ☐
Educational Level	Diploma ☐ Under Graduate ☐
	Graduate ☐ Doctorate ☐
Nationality	Kenyan ☐ Other _____

SECTION B: ORGANIZATION INFORMATION

1. Please indicate the name of your organization...
2. What is the age of the organization you work for (number of years it has been in operation since it was established)? Please tick
   a. Less than 5 years { }   6- 10 years { }   11-20 years { }
   b. 20- 30 years { }   Over 30 years { }
3. What is the size of your organization (Total number of permanent employees)?
   a. Below 99 employees   { }   100- 200   { }
   b. 201- 400   { }   401- 600   { }
   c. Above 600   { }

4. What is the ownership status of the organization?

    a. Wholly foreign owned { }

    b. Wholly locally owned { }

    c. Joint venture   { }

    d. Any other form (...)

5. What is the target market of the organization in percentage?

Mainly foreign   { }

Mainly local   { }

Both foreign and local   { }

6. In your experience, what is it about the way your organization manages its people that is significantly different from other firms in the industry?

……………………………………………………………………………………………
……………………………………………………………………………

7. In your Opinion has the company moved away from the practice of traditional HRM and adopted current HRM practices for employee retention? Please discuss your answer briefly

……………………………………………………………………………………………
………………………………………………………………………………

8. Do you think HR contributes significantly to the employee's intention to work for the organization? Explain

……………………………………………………………………………………………
……………………………………………………………………………………….

9. Are managers actively involved in the implementation of HR practices in your organization?

……………………………………………………………………………………………
……………………………………………………………………………………….

SECTION C: SELECTION/ RECRUITMENT

10. How often is recruitment and selection conducted in your organization?

  Most often   { }   Often { }   Less often   { }

11. To what extent do you agree or disagree with the following statements related to recruitment and selection processes in your organization? Rate where 1 is to a great extent and 5 is to no extent.

Statement	1	2	3	4	5
Heavy recruitment occurs at entry level (recruitment from outside the organization)					
recruitment and selection in the organization aims at attracting maximum number of highly talented applicants					
The recruitment and selection process of getting highly qualified personnel is aimed at increasing organizational competitiveness and hence performance					
Vacant higher technical and problem solving positions are exclusively filled from outside the company					
The job of the workforce is subjected to formal job analysis (in the context , job analysis is the study of the duties and responsibilities that comprise job content)					
Selection for manual and physical skills is not based on job description and job specification.					
Vacant managerial and higher technical positions are exclusively filled from within.					
Job performance is highly emphasized as a condition for internal selection					

SECTION D: TRAINING / DEVELOPMENT

    12. a) Does your organization offer training aimed at improving employee skills?

    Yes { }   No { }

    13. To what extent do you agree with the following statements related to training and development in your organization? Rate where 1 is to a great extent and 5 is to no extent.

Statement	1	2	3	4	5
The organization makes use of formal training through training programmes					
There is socialization of new employees (staff orientation)					
The form of training and the processes enables people to acquire new knowledge, learn new skills and perform tasks better.					
Management development and decision making is linked to both individual and organizational needs					
Management development is aimed at management succession					
Training efforts are limited and informal					
The form of training offered includes mentoring, career counseling, management and supervisory development, and job training					
The quality of training and development is highly linked to the overall organization performance.					
Training evaluations based on performance are often conducted					
Without training employee performance cannot be achieved;					

SECTION E: PERFORMANCE APPRAISAL AND FIRM PERFORMANCE

    14. Does the organization have performance appraisal systems in place?

    Yes {}   No {}

15. To what extent do you agree with the following statements related to performance appraisals effect towards HR retention program? Rate where 1 is to a great extent and 5 is to no extent.

Statement	1	2	3	4	5
The aim of performance appraisals is to help determine reward outcomes(pay increases, bonuses and promotions)					
Staff development does not depend on employee appraisals					
Performances appraisals assist are instrumental in identifying ways to help individuals improve their current positions and prepare for future opportunities.					
Appraisal results are used to identify the poor performers, who may require some form of counseling					
Appraisees are inclined to believe that appraisals results should be linked directly to reward outcomes- and are suspicious and disappointed when told this is not the case					
Performance appraisal is based on demonstrated achievement on performance objectives					
Performance appraisal is a vital means to offer promotion, recognition, and career development					
The developmental purpose of performance appraisal is more productive in influencing organizational performance.					

SECTION F: REWARD /COMPENSATION

16. To what extent do you agree with the following statements related to reward and compensation effect towards HR retention program? Rate where 1 is to a great extent and 5 is to no extent.

Statement	1	2	3	4	5
Constant fixed salaries are better than high, but irregular hourly rates					
Bonuses should be distributed to all employees who have helped the organization achieve goals					
Compensation is based on individuals knowledge and skills; that is; employees should be paid for what they can do or talents, which they have(that can be used successfully to a variety of tasks and situations)					
Employee reward system consist of an organisation integrated policies, processes and practices for rewarding it's employees in accordance with their contribution, skill and competence and their market worth.					
The same salary and wage should be paid to every employee in a given job so long as an employee					
Fairness of the pay structure within an organization is base don individual input					
Employees prefer to be paid a salary that marches what similar organizations pay their employees in the same positions					
Compensation and rewards significantly affects organizational outcome					
A comprehensive compensation mix augmented by an effective system of disbursement plays an effective role in attracting the best candidates, shaping employees, behavior and performance outcome, and facilitates retention of talents.					

SECTION G: HEALTH, SAFETY AND WORKLIFE POLICIES

17. To what extent do you agree with the following statements related to reward and compensation effect towards HR retention program? Rate where 1 is to a great extent and 5 is to no extent.

Statement	1	2	3	4	5
There is greater commitment since the employees have access to work life policies in the company					
The company has managed to maintain a good record on the way parental leave for employees is enhanced					
Distress and fatigue from excessive time on job in the company sometimes lead to decline in performances					
A large amount of time at work is not a good predictor of productivity whenever work-life policies are not in order					
My health and safety is guaranteed given the effective policies in the organization					
Any other {……………………………..}					

THANK YOU FOR YOUR CO-OPERATION

APPENDIX III: KENYA SECURITY INDUSTRIAL ASSOCIATION MEMBERS LIST.

14. 1. Welfare Security Services

2. Tanar Technical Consultants Limited

3. Bob Morgan Systems Limited

4. Collindale Security

5. Bob Morgan Services Limited

6. Kenya Secularms Ltd

7. Satellite Tracking (K) Ltd

8. Ultimate Security Ltd

9. Security Guards Services Ltd

10. Ultimate Management Ltd

11. G4S Security Services Kenya Limited

12. EARS Group

13. Falcon Security

15. Instarect

16. KK Security

17. Magnum Allied Systems Ltd

18. Pinkerton's

19. Riley Services Limited

20. Securex Agencies Kenya Ltd

21. Security Group Of Companies Ltd

22. Knight Sup

23. Radar

24. Tracker Group

25. Glen Edmunds performance Driving School

26. Satellite Tracking (K) Ltd

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