

**RELATIONSHIP BETWEEN REWARDS AND
EMPLOYEE RETENTION IN NON GOVERNMENTAL
CONSERVATION ORGANISATIONS IN NAIROBI,
KENYA**

By

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DECLARATION

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

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

Edith Awino Onyango

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

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Name of supervisor

RELATIONSHIP BETWEEN REWARDS AND EMPLOYEE RETENTION IN NON GOVERNMENTAL CONSERVATION ORGANISATIONS IN NAIROBI, KENYA

ABSTRACT

The general study objective was to investigate the relationship between rewards and employee retention among environmental conservation NGOs in Nairobi, Kenya. The study specifically aimed; to determine the effect of direct financial rewards on the employee retention among environmental conservation NGOs in Nairobi, Kenya, to determine the effect of indirect financial rewards on employee retention among environmental conservation NGOs in Nairobi, Kenya, to determine the influence of various work environments on employee retention among environmental conservation NGOs in Nairobi, Kenya and to determine the relationship between Learning and Development and employee retention among environmental conservation NGOs in Nairobi, Kenya. A descriptive survey was used in the collection of primary data. The target population was employees of environmental conservation NGOs in Nairobi, Kenya. The data was collected using self-administered questionnaires. The study respondents comprised all employees of the two selected Environmental Conservation NGOs. This was because the study would directly benefit the organizations who are currently working on their long term strategic plans part of which includes a retention strategy. The data was analyzed using both descriptive and inferential statistics to explore the various variables of the study. The study found that the work environment, learning and development, direct financial rewards and the indirect financial rewards all had a positive correlation to employee retention. It was clear that under the direct financial rewards, salary stood out to be the most important while under the indirect financial rewards, pension benefits, leave benefits and healthcare all contribute to satisfaction of employees. According to majority of the respondents, leadership style was very important in terms of work environment. On the aspect of organization learning, work place/learning was very significant. Majority of respondents indicated training was very significant on employee development. The study concluded that retention and motivation of employees is improved by providing challenging work, achievement opportunities, realistic performance management and review processes. The study also concluded that direct financial rewards and indirect financial rewards even though very important are not enough to retain employees, rather a combination of the work environment in particular the leadership style impact on employee retention. Organizations that only focus on the monetary rewards will not be able to retain their highly skilled workforce. From the multiple regression analysis done, the study implied that work environment contributes most to employee retention followed by direct financial rewards and then indirect financial rewards, while learning and development contributes the least to Employee Retention within the environmental conservation organizations in Nairobi. The study recommended that it would be useful to carry out comparable studies from other NGOs in a different sector to study their retention strategies and how they impact on employee motivation.

Key words: rewards, employee retention, direct financial rewards, indirect financial rewards, work environments and learning and development.

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DEDICATION

To my dad, the late S.J.H. Onyango, who believed in me and inspired me to keep going no matter how tough it got and to my family for their love and support.

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LIST OF ABBREVIATIONS

AMCEN	:	Kenyan Ministerial Conference on the Environment
CBD	:	Convention on Biological Diversity
CITES	:	Convention on International Trade in Endangered Species of Wild Flora and Fauna
HR	:	Human Resource
IT	:	Information Technology
NGO	:	Non Governmental Organization
UK	:	United Kingdom

TERMS AND DEFINITIONS

Reward and compensation: is defined as all types of payments financial or non financial awarded to employees as a result of the employment relationship Dessler, (2005).

Employee Retention: is defined has putting together strategies and policies that encourage workers to stay with organizations for lengthy periods. Organizations put in resources to bring new employees up to speed with the way they work. When employees leave the organization is completely at a loss because all the knowledge, time and resources invested in the employee goes with them. Employee retention therefore takes into account the different measures to ensure employees stay in the organization for the longest time. (www.managementstudyguide.com)

Employee motivation: Is a reflection of the energy levels, loyalty, commitment, and innovation that a employees bring to their job. (www.the-no-sugar-coach.com)

Total Rewards: This is all types of rewards that is financial and non financial that an organization may offer to its workforce

Workforce: This refers to the labour pool in employment. The term describes those working for a single industry or organization. (www.answers.com)

Work environments: the surrounding of a person. It is the professional and social environment in which one interacts with a number of people they work with. www.environment.blurtit.com

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Employee retention has become an increasingly recurring problem in many organizations today; as a result organizations are working to design and put measures in place to address this recurring retention problem. Employee retention is a vital element in the survival and success of an organization and should be considered when developing strategies and business plans to ensure a competent skilled work force that delivers the organization objectives and goals. The departure of key staff can have drastic impacts on the performance of the organization and those employees likely to leave are usually the most valued ones (Armstrong 2006). Employee retention adds a competitive edge and ensures the organization is able to compete and meet market expectations.

Presently, the employment relationship is affected by many things among them technological advances, globalization and trade, diversification and total quality management processes. Employee retention issues have been identified as being very crucial in the work environment as they make a huge contribution to the success of the organization. Outstanding performers will leave an organization because they are under paid, discontented or unenthusiastic (Coff 1996). Further, researchers have shown that for organizations to be successful, they have to change the way they do things and adapt their practices to the work environment, encourage innovation and creativity and ensure proper governance and direction that gives priority to employee retention issues. Organizations that do not succeed in maintaining their skilled work

force will be left with an unqualified workforce that in the end will affect their performance and ability to compete effectively (Rappaport, Bancroft, & Okum, 2003)

Employee retention is a very crucial task for organizations because it determines their existence and success in this highly volatile competitive business environment. Employees are the driving force of any organization without which the organization cannot deliver on its objectives nor compete in the market. Organizations that fail to retain their highly skilled employees are likely to lose their competitive edge in the ever competing business environment. Labor turnover is very expensive in both financial and non-financial terms and impacts on the organization negatively. Organizations must endeavor to identify and understand the factors that affect employee retention and how they should be addressed. A study conducted by Markova & Ford (2011) revealed that rewarding employees with non monetary rewards strongly predicts their inward motivation which can be seen by the length of service as compared to either group or individual monetary rewards. Employees hold the skills and expertise that the organization needs to survive, it is therefore imperative that the organization keeps the employees motivated to encourage them to maximize their potentials and make proper use of their skills and knowledge for the benefit of the organization. Organizations use efficient reward systems as one of the incentive tools(Jenkins et al., 1998). However many organizations still use the old reward system based on wage models.(Yellen, 1984).

Reward is the compensation organizations give to their employees in acknowledgement of the services rendered by them. Compensation is the reason employees look for work, to earn an income. The effort that employees put in order to provide a service to the organization is usually rewarded. (Khan, 2012). Reward Management is concerned with designing and execution of strategies and policies, whose objective is to compensate employees fairly,

equitably and consistently according to the value they bring to the organization in ensuring achievement of strategic objectives (Armstrong 2006). Organizations offer reward and compensation packages in order to attract the right caliber of employees, motivate them, gain their commitment and loyalty, encourage proper use of their expertise for the interest of the organization and continue to retain their services. Rewarding employees also helps in creating a positive relationship and reinforces the psychological contract.

Total reward as described by Fernandes (1998) refers to all the components that make up a reward package. It includes the direct financial rewards, indirect financial rewards, work environments and learning and development. When an organization is able to adopt and put in place a reward package that does not only focus on the monetary benefits but instead includes the non monetary aspects like work environment as well as learning and development, then it can be said that the organization has a concrete total rewards package (Armstrong & Brown, 2001). Jiang, et al (2009) contend that when organizations introduce a total reward strategy, they will among other things enhance employee's job satisfaction, motivation and job performance as well as their psychological contract and commitment to the organization. Total reward strategy is a holistic approach, it includes all the aspects valued by employees in the employment relationship like direct financial rewards, indirect financial rewards, learning and development and the work environment (Kaplan, 2007).

Employees wishing to change jobs still want to continue their profession with an organization that provides growth opportunities, career advancement, personal development, a favorable work atmosphere and a governance team that appreciates its employees. Rewards and benefits could be significant elements when thinking of alternative employment; however

research has shown that compensation is not highly ranked on the list of reasons for changing employment. Employees have a deep-rooted need for appreciation, respect, motivation and demanding responsibilities without which there is no job satisfaction and contentment and this may drive employees to seek alternative employment. Organizations that rank monetary rewards top in their tactic for retention of employees are moving in the right track, but are only seeing one side of the picture. In order to design an efficient retention strategy, having compensation systems combined with opportunities for employee growth and development is a more absolute way of looking at the picture.

The study investigated the relationship between rewards and employee retention among selected Environmental Conservation Non Governmental Organizations in Kenya.

1.1.1 Overview of Environmental Conservation Organizations

Using the world's natural resources sustainably is a key element to ensure continued survival of the world's biodiversity. Many environmental conservation organizations are using collaborative applications of both scientific and indigenous knowledge, working together with local communities in order to conserve biodiversity while at the same time improve livelihoods and develop local institutions.

International conventions and agreements are an important base in addressing biodiversity issues as well as the gas and oil industry. Some of this international conventions include the Convention on International Trade in Endangered Species of Wild Flora and Fauna, 1975 (CITES), The Ramsar Convention, 1971, Convention on Biological Diversity, 1992 (CBD) amongst others. The African Ministerial Conference on the Environment (AMCEN) mandate is to advocate for the sustainable use of the environment while ensuring that the basic human needs

are met adequately. They also provide information that encourages the sustainable use of the natural resources..

Environmental conservation organizations in Kenya have different agendas either working with wetlands, birds, mammals, pollution and prevention, rivers and lakes, but the overall mission is to ensure sustainable use of natural resources while empowering people to benefit from the sustainable use of natural resources. In order to carry out their broader agenda, environmental conservation organizations do need a highly skilled committed work force that can contribute to the success of their overall objectives.

1.2 Problem statement

A retention strategy looks into all the specific retention issues the organization is experiencing and outlines ways of how to deal with them. Cappelli (2001) mentions that movement of employees is highly determined by the market and not the organizations. He contends that as a result of market competition, it is not easy to counter market forces and organizations cannot protect employees from seeking better opportunities and determined hard hitting recruiters. He suggests the need to relook the old objective of HR Management which was to reduce staff turnover and replace it with a new goal which is to influence who lives and when they leave.

Wadhwa (2012) revealed that international business, service improvement, quality enhancement, progressing employability, advancing expertise, enticing and maintaining talent, improving morale, refining efficacy, and encouraging innovation are the many encounters faced by the Indian IT industry. Human Resources are the intellectual capital that pushes the industry

and creates benefit for the organization. Consequently enticing, training, retaining and inspiring employees are key issues in determining organization success (Karnik, 2006)

Sinha, and Sinha (2012) in comparing factors affecting employee retention in organizations from heavy engineering industry in India found that employees value interpersonal relations with their colleagues (Clarke, 2001) as this creates an environment for positive interaction (Dillich, 2000) and encourages work team initiatives, group assignments involving peers at different levels and prospects for interaction both formally and informally (Johns et al 2001) contributes highly to retention. .

Brundage and Koziel (2010) mention that the first step in accomplishing success with retention is implanting in the organization a tradition that employees are the most valuable. When retention becomes of uppermost importance, the mind frame flows through the organization and employee programs will instinctively shift towards amplifying employee contentment and retaining the best abilities.

According to the Kenya SME toolkit employee retention is a fundamental requirement for the continued sustainability of any organization. Increasing remuneration is not an obvious approach to keeping employees in place; however compensation below market rates will heighten turnover. The toolkit further indicates that giving competitive wages is important but is not the only method nor is it a warranty to keep employees. The toolkit mentions approaches like providing flexible schedules, respecting employees, championing longevity and improving communications as some of the key areas employers need to address in order to tackle the retention problem.

Nge'the, Iravo & Namusonge (2012) mention that retention of employees is one of the key problems that many organizations in different sectors encounter which has been increased by globalization that has heightened competition and escalated the movement of knowledgeable workers. The study looked at employee retention issues like leadership style, distributive justice, work environment, salary, promotional opportunities, training and development, autonomy and recognition as some of the key issues that influence employee retention.

From the above, it can be deduced that employee retention is a key factor for organization to exist and should be given topmost priority when designing organization policies in order to accomplish their goals and objectives. Organizations must be informed of what measures they need to put in place in order to retain their skilled work force.

The study sought to investigate the relationship between rewards and employee retention among environmental conservation NGOs in Nairobi, Kenya.

1.3 Study Objectives

1.3.1 General Objectives

The study objective was to investigate the relationship between rewards and employee retention among environmental conservation NGOs in Nairobi, Kenya.

1.3.2 Specific Objectives

Specific objectives included:

- i. To determine the effect of direct financial rewards on the employee retention among environmental conservation NGOs in Nairobi, Kenya

- ii. To establish the effect of indirect financial rewards on employee retention among environmental conservation NGOs in Nairobi, Kenya
- iii. To determine the influence of various work environments on employee retention among environmental conservation NGOs in Nairobi, Kenya
- iv. To establish the relationship between Learning and Development and employee retention among environmental conservation NGOs in Nairobi, Kenya

1.4 Research questions

The Research questions used in the study were:

- i. Do direct financial rewards play a role in employee retention in the work place?
- ii. What is the effect of indirect financial rewards on employee retention in NGOs in Kenya?
- iii. What influence does the work environment have on employee retention in NGOs in Kenya?
- iv. What is the relationship between learning and development and employee retention in the NGOs in Kenya?

1.5 Scope and Limitations of the study

The study involved rewards as a Human Resource function and its effects on employee retention as a key motivating factor. The study focused on NGOs in Nairobi and the efforts they have put in place towards employee retention and motivation. However one limitation likely to be faced is the fact that NGO employees are generally very busy people and so they may not be able to give comprehensive feedback and some of them may not respond freely as a result of

fear. The respondents were assured of confidentiality of all information and the questionnaires were anonymous. Those who failed to respond were replaced with another sample.

1.7 Basic Assumptions

In order for organizations to accomplish their objectives, they will have to align their organizational practices to the work environment situation where existence and success depends upon flexibility, resourcefulness and innovation. Organizations must work to retain employees who have the necessary expertise and capacity to deliver; otherwise they will be under staffed with an incompetent work force that will eventually deter their performance and outputs. Managers are presently facing a tricky task of motivating and retaining employees in an atmosphere surrounded with competition and exit of skilled employees who are not only attracted by salaries alone. Besides salary, other factors exist which can motivate an employee and therefore organizations must be able to strike a balance between generously rewarding their employees and fostering exceptional performance from them in order to remain competitive.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Literature review is a survey and discussion of the literature in a given area of study. The literature review in this study gives some theories on employee motivation as well as what some recent studies have found out about the relationship between rewards and compensation and employee retention.

2.2 Theoretical Literature Review

This study looks at the relationship between rewards and employee retention in NGOs in Kenya. In order for employees to be retained, they must be motivated. Different theories of motivation were discussed in order to see which one is likely to be aligned with the situation in the work environment today.

2.2.1 McGregor's theory of Motivation

McGregor (1960) researched the governance skills and efficiency of common workers. One of his concepts involved the assessment of employees by use of well known theory X and Y concept. Theory X indicates that employees have little self drive and treats are necessary to boost their morale; workers evade assignments as they loathe it, and shun all forms of responsibility. On the other hand theory Y employees' desire assignments, do not like treats; work is regarded highly as they want to fulfill their quest for appreciation and self-actualization. On the other

hand, theory X managers see their employees as lethargic, uncooperative and therefore, require to be governed through reprimands and rewards for them to deliver the job (Pfeffer and Baller, 1991). Theory Y managers regard their employees as enthusiastic, hardworking, innovative and responsible (Pfeffer and Baller, 1991).

Russ (2013) revealed that managers with low trait like communications assumption levels possess a high theory Y orientation, who assume their workers have a high morale, seek to build robust relations, and lean towards two way dialogue in the work environment, while Managers with a high trait like communications assumption likely possess a moderate theory X orientation assuming workers are unenthusiastic and are inspired wholly by evident rewards and require top-down communication in order to be productive.

2.2.2 Maslow's theory of Human Motivation

According to Maslow's (1943) people are driven by five critical needs. He called this the hierarchy of human needs and designed a tree explaining these needs. At the base of the tree are the main needs that inspire people to work and these are food and shelter. Once the main needs are satisfied by means of salaries then, people want well being and safety by having good job conditions. Social needs refer to the need to be able to fit in, to have a place in a group or community. Self- confidence will arise as a result of an upgrade or advancement opportunity. At the top of the tree is Self fulfillment where there is innovation, challenge and interest. Maslow suggested that when one level is achieved, it brings about motivation and interest to achieve the next level.

2.2.3 Frederick Herzberg's two factor theory of Motivation

The Two-Factor theory of motivation Herzberg (1959) indicated that some elements were the real motivators or satisfiers. Hygiene factors if not present or sufficient brought about dissatisfaction. Improvements in hygiene factors could help prevent discontent even though improvements alone would not provide motivation. Herzberg et al (1959:pp 113-114) stated that when the hygiene factors go down to a level that employees do not accept then job displeasure will occur, on the other hand increasing the level of the hygiene factors does not guarantee motivation.

Herzberg showed that in order to keep employees motivated, organizations need to provide work conditions that make employees happy. Hygiene factors include organization procedures, work environment, leadership, interpersonal relations, monetary rewards, prominence and security. Motivators include accomplishments, appreciation, development, accountability and opportunities for personal growth.

This study is anchored on Herzberg's theory as it acknowledges the two types of needs that employees have and both needs should be addressed. A study conducted by Ruthankoon and Ogunlana (2003) to test Herzberg's two-factor theory in Thai Construction Industry indicates that job satisfaction comes about when goals are accomplished. The study further indicates that motivation factors were found to be accountability, development, growth possibilities and leadership, while working conditions, job security, site safety, company procedures and execution, team relations, personal reputation were hygiene factors and both contributed to pleasure or displeasure of employees.

2.3 Empirical Literature Review

Retention is a very multifaceted issue and there are no defined resolutions for ensuring workers are retained in organization. Retention has been looked at as a responsibility to continue to engage or work with an organization continuously (Zineldin 2000). There is no such thing as life time job, employees are always on the lookout for better prospects and will not hesitate to hand in their notice when an opportunity comes their way. In UK the average work duration is six years (Reed 2001). Retention has been defined as “ recognition, loyalty, and confidence, eagerness to endorse, and repurchase intentions” (Stuass et al. 2001).

Research indicate that retention is determined by numerous fundamental elements which have to be given due consideration. Some of these fundamental factors include Organization values, communication, policies, compensation and benefits, flexi time schedules and career advancement (Logan, 2000). Holbeche (1998) reported in order to retain and motivate outstanding performers, organizations should work on some for the following factors like giving stimulating work assignments, achievement opportunities, encouraging coaching and mentoring in the work place, practical work planning and sensible appraisals and feedback processes. Retention approaches should be designed after critically looking at the factors that deter or encourage retention. Depending on their ages different people desire different things in line with their careers. Early career employees (under 30) are keen on developing their professions, mid-career employees (31-50) are keen on deriving job satisfaction and motivation while late career employees (over 50) are approaching retirement are therefore keen on job security (Armstrong 2006).

Organizations consequently need to keep their employees from quitting or moving to other organizations; those that provide advancement programmes as well as opportunities for growth are managing to successfully retain their employees (Logan, 2000). This can be backed by the fact that there is a huge cost related with engagement and retraining of new recruits. Research on employee retention shows that enticing the current workforce through advancement or career development programmes is way cheaper than new recruitments as organizations understand and know their employees, their requirements and needs after the recruitment and induction costs have been met. Further literature on employee retention indicate that happy, contented and satisfied employees are more committed and are likely to perform exceptionally and aspire to enhance their organizations throughput (Denton 2000).

Previous studies also suggest that the formation of clearly distinct organizational goals and objectives impact retention and task efficiency. According to Kim et al. (2005) organizational leadership, governance and reinforcement had a major effect on employee loyalty and job satisfaction. According to Becker and Huselid (1999) organization culture shapes employee behavior and encourages employees to consistently act as required by the organization and in the process influences employee retention. Employee retention is influenced by various factors; however compensation and benefits stand out as the most commonly highlighted elements of employee retention. Studies by Cho et al., (2006), Becker and Huselid, (1999) Milman (2003) have tackled the effect of compensation, remuneration and appreciation on retention and turnover rates.

Delery and Doty (1996) asserted that making use official or non official procedures in the work place has many premeditated consequences that affect retention of employees. For instance having in place efficient HR management plans enhances retention and performance therefore

improving productivity. In particular, strategic recruitment and induction programmes, training and development programmes, enhancement of the work environment to meet employee needs, labor-management practices, employee participation programmes, performance reviews and evaluation, career advancement programmes and incentive based pays that acknowledge and reward employee accomplishments are all key factors that will bring about the desired results (Huselid, 1995; US Department of Labor, 1993). According to the US Department of Labor (1993) encouraging employee participation in decision making, setting of organization goals and objectives as well as involving them in the governance and direction of the organization through team assignments will increase job contentment and reduce turnover. Many researchers have established work systems such as customization, reengineering, product diversification, differentiation and the likes result in enhanced performance and positively improve employee morale and loyalty to the employer. (Pfeffer, 1994, Huselid, 1995; Osterman, 1994 MacDuffe). In addition research studies have indicated that monetary rewards are not adequate to appeal to and maintain the workforce Milman and Ricci (2004) Milman (2003) and deduced that intrinsic satisfaction and the work conditions were the most important predictors of retention as opposed to monetary rewards. According to Walsh and Taylor (2007) although rewards and life/ work balance are key elements, the retention and turnover of management employees is affected by the lack of opportunities for professional growth and career advancement.

Ya-Anan and Bunchapattanasukda (2011) revealed that Non-Governmental Organization (NGOs) have an important role in supporting the provision of key services for the benefit of the society (Davids et. Al, 2009). NGOs work go beyond the national boundaries in particular those dealing with international development and in enhancing the well being of the poor in developing countries. NGOs like any other agencies require strong oversight and highly skilled

staff who are competing in the same labor market with other sectors. NGOs are hard pressed with staff turnover and retention but they are coming up with measures to deal with the retention problem. Providing highly competitive compensation packages in line with market levels, regularly monitoring employee motivation levels, creating succession plans and making sure that new recruits are a good fit and match the job are some of the steps organizations take into consideration to be able to deal with the retention problem.

Moncarz and Zhao (2008) revealed that organization culture, employment, advancement programs and training practices impact the retention of those employees not part of top management. At the same time, employment and advancement programmes affect top management retention.

Some examples of organization attempts to influence employee performance involve making use of assessments. According to Shaw et Al. (1998), assessments help organizations to keep abreast of the value and significance that employees bring to them. Delery and Doty (1996) found that performance evaluations which are results oriented are intensely related financial measures of performance as well as return on equity. In attempting to align employee interest with those of shareholders, performance assessments are linked with incentive compensation. In addition Delery and Doty (1996); Huselid, 1995; Kallenberg and Moody, 1994; MacDuffie, 1995; Shaw et Al., 1998) indicate that training activities correlate with retention and productivity.

(Pillay (2009) mentions that one of the biggest problems encountered by the health care sector in developing countries is the high mobility of nurses; coupled with rural to urban movements as well as movement from the public sector to private sector. His study looked are

retention scales like work load, work environment, employment security, professional practice, work place organizations', external influences and work life/home life balance. It revealed that workplace organization, employment security, and working environment were very important aspects. Importance was also placed on salary and benefits and this showed that the values of nurses has changed over time. Pillay concluded that a homogenous approach could be put in place across sectors in order to make health organizations more attractive to nurses. Employment practices that will improve retention include remuneration, safe working environment, adequate resources, management support and a culture of participation and engagement opportunities for career development.

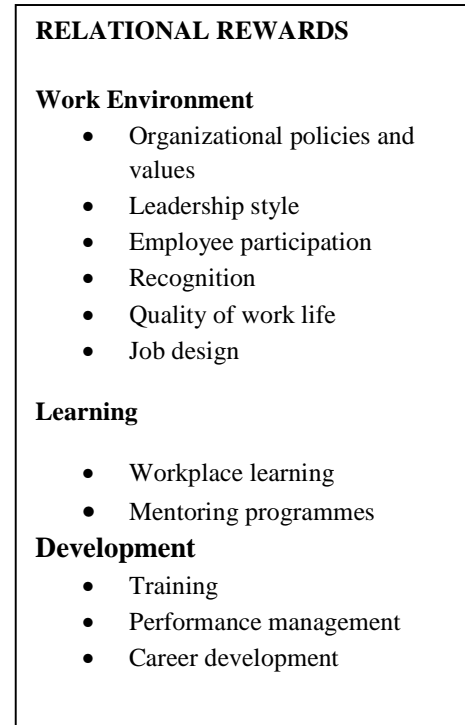
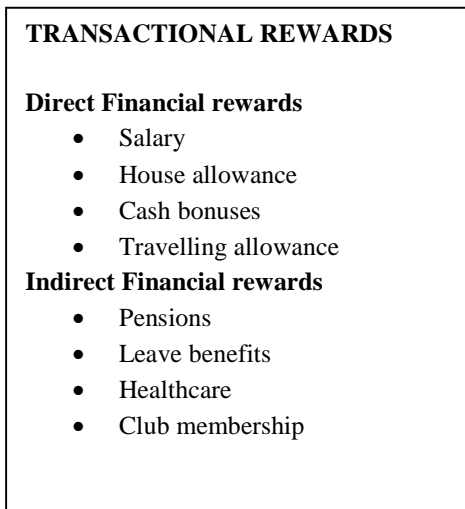
Adzei and Atinga (2012) stated that monetary elements connected to compensation pay and high salaries were significant in the retention of health workers. The study also established that health workers are motivated by promotion opportunities as this is an avenue to earning a higher salary. Non-financial factors noted to be important and in particular leadership skills and supervision appeared to be very important factors in retention. Additionally, the study also found out that when given opportunities for professional development, health workers are motivated and likely to be retained.

To sum it up, retention has been defined as a continuing relationship between employees and organizations. Organizations must therefore combine retention approaches, benefits factors and a favorable work environment in order to motivate and retain their employees thereby ensuring organizational success.

2.4 CONCEPTUAL FRAMEWORK

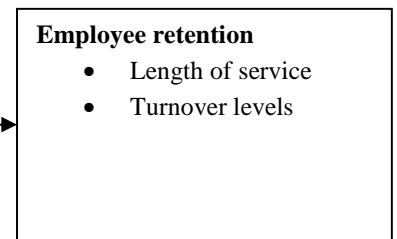
The conceptual framework is based on figure shown below

Independent variables



Dependent variable

Employee Retention



Source; Author 2013

Figure 2.1: The relationship between effects of rewards on employee retention.

The diagram depicts the conceptual framework. It shows how the researcher perceives the relationship between the variables of the study. The conceptual framework depicts the relationship in the objectives of the study. Direct financial rewards, indirect financial rewards, Work Environment and Learning and development are shown as independent variables. Employee retention is shown as the dependent variable. It is conceptualized that the independent variables may work affect the dependent variable either positively or negatively.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

Methodology was the system used to gather data for the research and includes a number of steps. The research design defines how the data was collected. In this case a descriptive survey was used in the collection of primary data. The target population was employees of environmental conservation NGOs in Nairobi, Kenya. The data was collected using self administered questionnaires which were sent to the sampled population together with a transmittal note explaining the purpose of the study and assuring them of confidentiality. The research findings were shared with the respondents.

3.2. Research Design

The study used descriptive survey design. According to Ezeani (1998) descriptive surveys are used is to gather detailed information and facts that describes an existing phenomenon. Some of the reasons why descriptive survey design is used to gather raw data is the ability to contain huge sample sizes, the ability to generalize results; ability to pick out small differences between diverse samples groups; the ease of asking and recording questions and answers; the ability to use advanced statistical analysis; and abilities of tapping into latent factors and relationships.

3.3 Target Population

A group of individual or events with a common observable behavior is referred to as population. (Mugenda, 2003). Researchers would like to generalize results to the absolute population and this is referred to as the “target population”. The target population for this study was the seventy five employees from two Environmental Conservation NGOs in Nairobi, Kenya. These are BirdLife International (25 employees) Nature Kenya (50 employees). The two organizations were selected due to a past working relationship and the fact that the study is directly beneficial to them.

3.3.1 Sampling Technique

A census was conducted on the target population. The study respondents comprised all employees of the two selected Environmental Conservation NGOs. This was because the population was accessible, manageable and centrally located in Nairobi. The two organizations will benefit from the study directly since they are currently preparing their long term strategies and a retention strategy is part of the overall strategy.

3.4 Data Collection Instrument

The study used self-administered questionnaires to collect data. The data sought after included opinions and feelings on the reward and compensation strategies employed by the various organizations, what the employees like or do not like, and what they consider to be the most important of all the retention factors.

The questionnaires were semi-structured in order to collect as much information as possible and were designed by referring to the literature review in the study. The questionnaire covered the objective that is; direct financial rewards, indirect financial rewards, work environment and

learning and development. The Questionnaires was designed using a five point Likert Type scale ranging from very important to not important at all.

Key outputs of this study included suitable recommendations on how best to improve on the area of employee retention in the NGO sector taking into account the current strategies being implemented by organizations in close discussion with their employees. This helped to foster strong employer/employee relationships thus impacts on the overall objectives of the organization as a whole.

3.5 Data collection procedure

The self-administered questionnaires were sent to the sampled population. This was sent together with a transmittal letter briefing the respondent on the research. The letter explained the purpose of the study, its significance and importance. The respondents were also informed that results of the study will be shared with them and that all questionnaires were treated in confidence and the respondents assured of anonymity. The letter also indicated the time frame allowing at least a two week period. Follow ups were done by telephone, and personal visits.

3.6 Validity and Reliability

Reliability is used to measure to what extent a research instrument yields consistent results or data after repeated trials while validity measures the extent to which results obtained from data analysis truly represent the subject being researched (Mugenda, 2003.) Pilot tests were conducted on the other organizations that do not form part of the sample and the procedures used were identical to the ones used in the study. The questionnaires were pre-tested with a sample to ensure its reliability and validity before being used on the sample.

The pretest sample was 5% of my sample size. Pretesting the questionnaire helped in revealing any deficiencies and point out any vagueness and this was corrected. Pilot tests help to test for content validity, construct validity and reliability as well as enhancing reliability of the data collection instrument. A reliability coefficient can be calculated to statistically ascertain reliability if the data collected during pretesting is analyzed.

3.7 Data analysis and presentation

The data was analyzed using both descriptive and inferential statistics to explore the various variables of the study. This was done using measures of central tendency, frequency of distribution and correlation analysis using statistical software to see how the independent variable affects the dependent variable using the correlation coefficient. The findings have been presented in the form of tables, charts, graphs, and pie-charts. Relevant interpretations, discussions and recommendations have also been drawn from the analyzed data.

CHAPTER FOUR

4. FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents findings and analysis of the study based on data gathered from the field. The analysis focused on answering the research questions. The results are presented on the relationship between rewards and employee retention among environmental conservation organizations in Nairobi, Kenya. The data was gathered exclusively from questionnaire as the research instrument which was designed in line with the study objectives.

4.2 Response Rate

Table 4.1 Response Rate

Response	Frequency	Percentage
Responded	30	40
Not responded	45	60
Total	75	100

Source: Survey Data, 2013

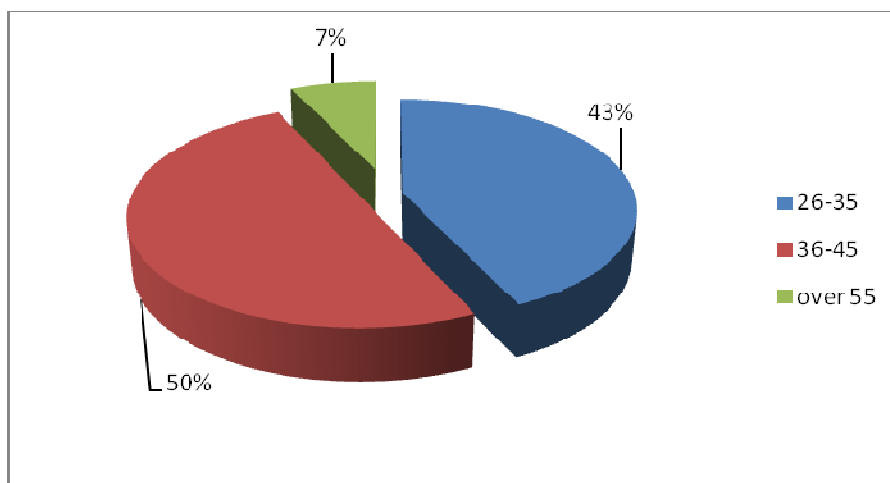
The study targeted to sample 75 respondents in collecting data with regard to investigate the relationship between rewards and employee retention among environmental conservation organizations in Nairobi. From the study, 30 out of 75 sampled respondents filled in and returned the questionnaire contributing to 40%.

4.3 Demographic information

The researcher started by gathering some demographic information which included; - the gender, age, marital status of the respondent and dependants.

4.3.1 Age of the respondents

Figure 4.1 Age of respondents



From the findings, 43% of the respondents were between the ages of 26-35 years, 50% were between the ages 36-45 years and 7% of them were over 55 years.

4.3.2 Gender of the respondents

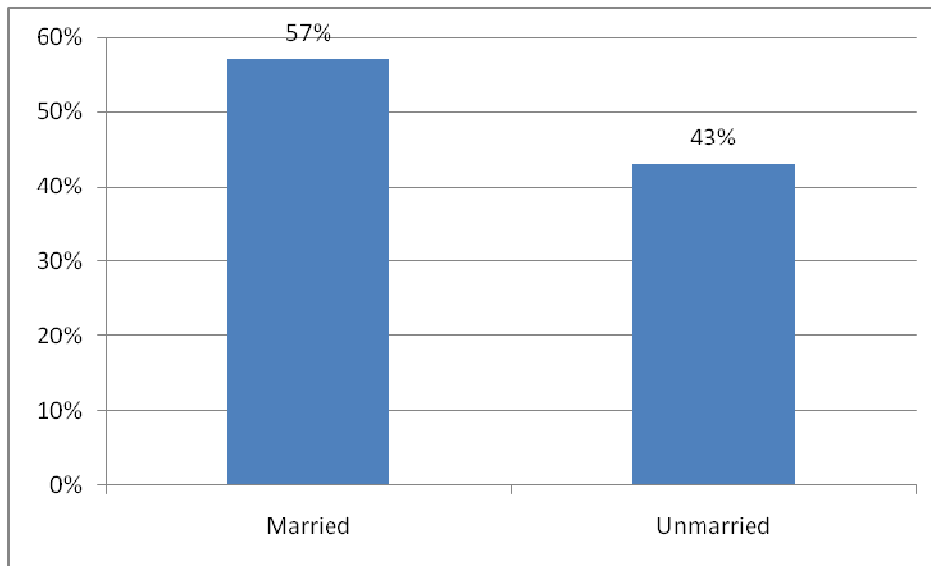
Table 4.2 Gender of the respondents

	Frequency	Percent
Male	11	37
Female	19	63
Total	30	100

With regards to gender, the study established that 63% of the respondents were female while 37% of the respondents were male.

4.3.4 Marital Status

Figure 4.2 Marital Status



The study established that 57% of the respondents were married while 43% of the respondents were unmarried.

4.3.5 Dependants

Table 4.3 Dependants

	Frequency	Percent
Yes	23	77
No	7	23
Total	30	100

The study sought to establish whether the respondents had any dependants. From the study, 77% of the respondents indicated that they had dependants while 23% of the respondents indicated that they didn't have any dependants.

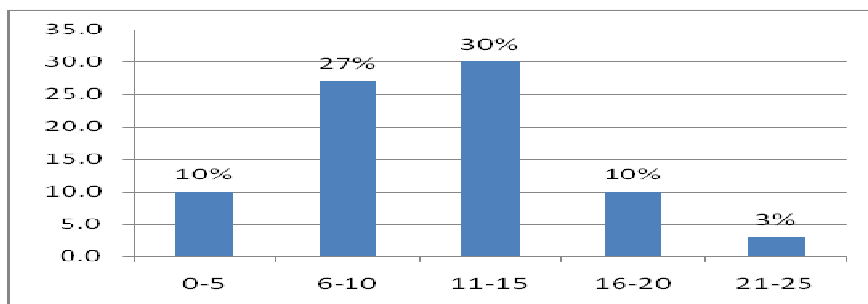
4.3.6 Number of dependants

No. of dependants	Frequency	Percent
0	3	10
1	5	17
2	5	17
3	7	23
4	2	7
5	1	3
11	1	3
Total	30	100

The study enquired about the number of dependants that the respondents had. Majority of the respondents had 3 dependants as shown by 23%, 17% had 2 dependants, 10% of the respondents had no dependants, 3% of the respondents indicated that they had 11 dependants and 3% of the respondents indicated that they had 5 dependants.

4.3.7 Years of services

Figure 4.3 Years of service



The study sought to establish respondents' length of service. The findings showed that 30% of the respondents indicated they had worked for 11-15 years, 27% of the respondents indicated they had worked for 6-10 years, 10% of the respondents indicated that had worked for 0-5years, 10% of the respondents indicated they had worked 16-20 years, and 3% of the respondents had worked for 21-25 years.

4.4 Direct Financial Rewards

Table 4.4 Direct financial rewards

	Mean	Std. Deviation
Salary	4.8000	0.76112
House allowance	3.8333	1.34121
Cash bonuses	3.8333	1.14721
Travelling allowance	4.0333	0.99943

The study sought to find out the rate of importance of the following financial rewards to the respondents. From the findings, salary was very important as shown by a mean score of 4.8000, travelling allowance was very important as shown by a mean score of 4.0333, house allowance was somewhat important as shown by a mean score of 3.8333, cash bonuses was somewhat important as shown by a mean score of 3.8333. Salary stood out to be the most important aspect under the direct financial rewards.

4.5 Indirect Financial Rewards

Table 4.5 indirect financial rewards

	Mean	Std. Deviation
Pensions	4.9000	0.54772
Leave benefits	4.9333	0.25371
Healthcare	4.9333	0.36515
Club Membership	3.0333	0.49013

The study sought to find out the how respondents rated the following according to their importance. From the findings, leave benefits was very important as shown by a mean score of 4.9333, healthcare was very important as shown by a mean score of 4.9333, pensions are very important as shown by a mean score of 4.9000 and club membership was neutral as shown by a mean score of 3.0333. Pension, leave benefits and healthcare had the highest mean scores and were rated very important in the indirect financial rewards question.

4.6 Work Environment

Table 4.6 Work Environment

	Mean	Std. Deviation
Recognition	4.7667	0.81720
Employee participation	4.8000	0.80516
Job design	4.8000	0.76112
Organization values	4.8667	0.73030
Quality of work life	4.8667	0.57135
Organization policies	4.9000	0.40258
Alternative work schedule	4.9000	0.30513
Wellness programs	4.9000	0.30513
Leadership style	4.9333	0.25371

The study sought to find out the how respondents rated the following according to their importance. From the findings, leadership style was very important as shown by a mean score of 4.9333, Organization policies was very important as shown by a mean score of 4.9000, alternative work schedule was very important as shown by a mean score of 4.9000, wellness programs was very important as shown by a mean score of 4.9000, Organization values was very important as shown by a mean score of 4.8667, quality of work life was very important as shown by a mean score of 4.8667, employee participation was very important as shown by a mean score of 4.8000 and recognition was very important as shown by a mean score of 4.7667. Under the

work environments, leadership style had the highest mean indicating that leadership style has the highest impact on employee retention with regards to the work environment.

4.7 Organization Learning

Table 4.7 Organization Learning

	Mean	Std. Deviation
Work place/learning	4.9667	0.18257
Mentoring/ coaching	4.9667	0.18257

The study sought to establish the significance of the following aspects of organization learning. From the findings, Work place/learning was very significant as shown by a mean score of 4.9667 while mentoring/ coaching was very important as shown by a mean score of 4.9667. Work place learning and mentoring came out as very significant in the retention of employees.

4.8 Staff Development

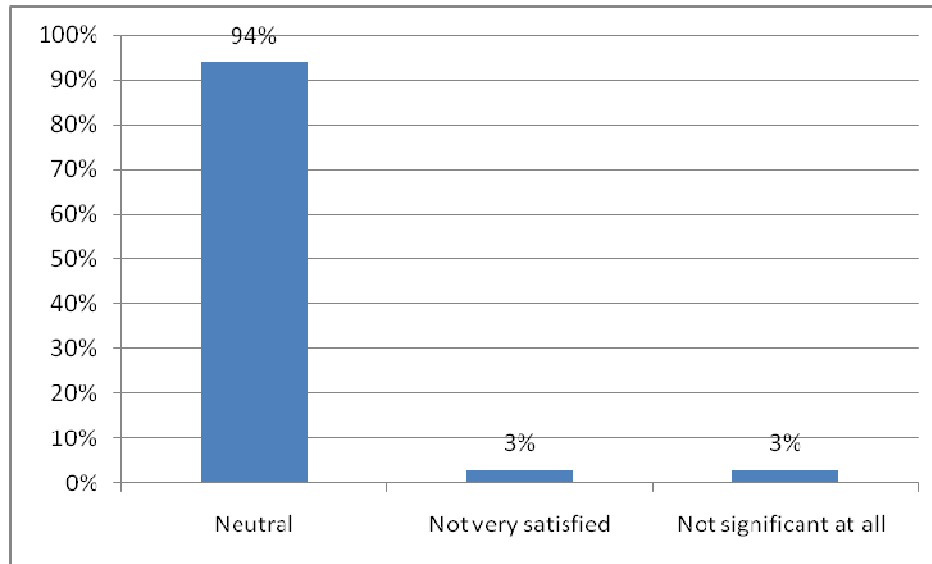
Table 4.8 Staff Development

	Mean	Std. Deviation
Training	4.1000	0.30513
Performance management	4.1000	0.30513
Career development	4.1000	0.30513

The study sought to establish the significance of employee development. From the findings, training was very significant as shown by a mean score of 4.1000; performance management was very significant as shown by a mean score of 4.1000 and career development was very significant as shown by a mean score of 4.1000. Employees value their development as can be seen from the ratings above on training, performance management and career development.

4.9 Job Satisfaction

Figure 4.4 Job Satisfaction



The study sought to establish whether the respondents were satisfied with their current job. From the findings, 94% of the respondents indicated that they were neutral, 3% of the respondents indicated that they were not very satisfied, 3% of the respondents indicated that it was not significant at all and none of the respondents indicated that they were very satisfied. This shows the employers need to find out reasons why the satisfaction level is just neutral while it could be better.

4.10 Quitting present job

Table 4.9 Quitting

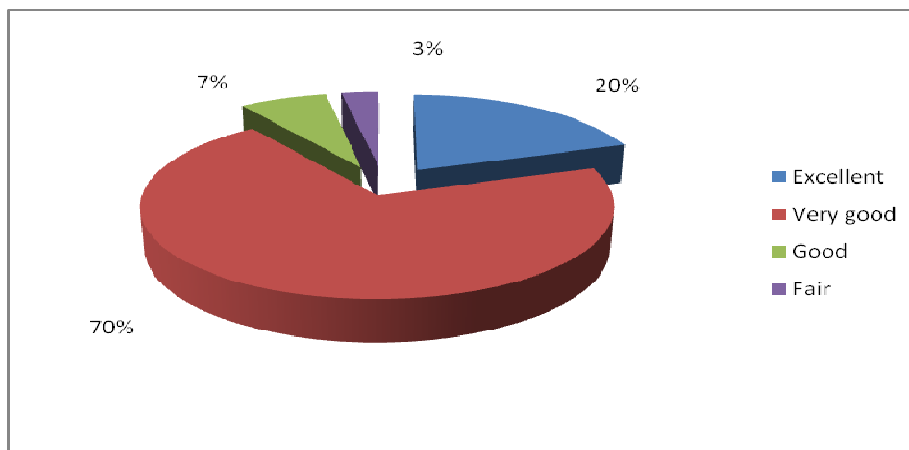
	Frequency	Percentage
Very strong feeling	0	0
Strong feeling	0	0
Neutral	2	7
Little feeling	27	90
No feeling at all	1	3

Total	30	100
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The study sought to establish the extent to which respondents felt that quitting their job would give them satisfaction in another job. From the findings, 90% of the respondents indicated that they had little feeling, 3% of the respondents indicated that they had no feeling at all. This means that the employees are quite content and are not currently thinking of changing jobs.

4.11 Relationship with line manager

Figure4.5 Relationship with line manager



The study sought to establish the relationship of respondents with their managers. 70% of the respondents had very good relationships, 20% of the respondents had excellent relationships, 7% of the respondents had good relationships and 3% of the respondents had fair relationships, none of the respondents had a poor relationship with their line manager. Majority of the respondents have a very good relationship with their line manager which reflects on the importance placed on the leadership style and how it affects employee retention.

4.12 Reward and Recognition

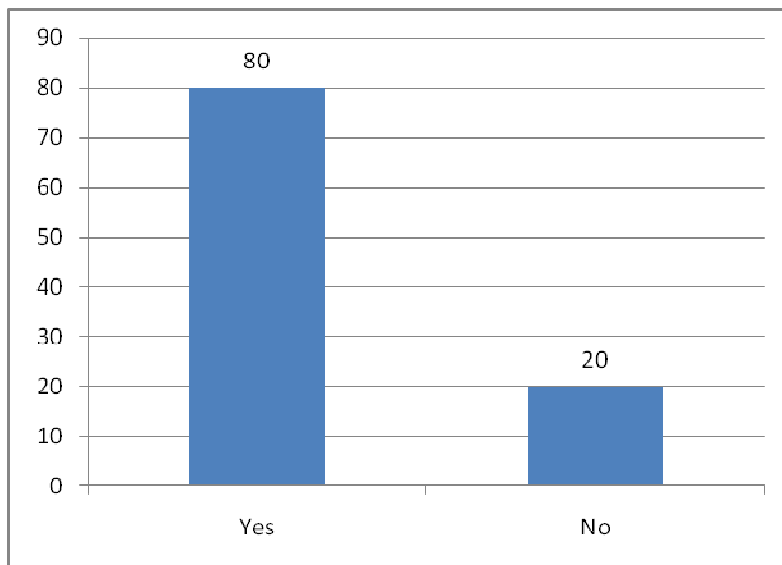
Table 4.10 Reward and Recognition

	Frequency	Percentage
Yes	30	100
No	0	0
Total	30	100

The study sought to establish whether the employer rewards and recognize the achievements of employees. From the findings, 100% of the respondents indicated that their employer rewards and recognize the achievements of employees, hence a motivating factor.

4.13 Motivation Level

Figure 4.6 Work environment impact on motivation level



The study sought to establish whether outside work environment impact on motivation level. From the findings, 80% of the respondents indicated that work environment had an impact on the motivation level while 20% of the respondents indicated that work environment did not

have an impact on motivation level. This indicates external work environment has an impact on the motivation level of a majority of the respondents.

4.14 Opportunities to share ideas at the work place

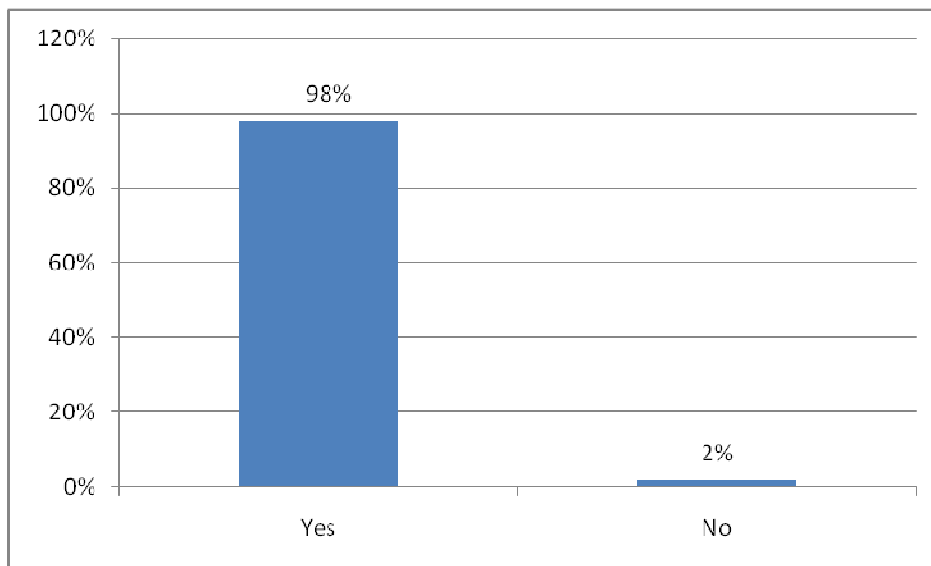
Table 4.11: Opportunities to share ideas at the work place

	Frequency	Percent
Yes	30	100
No	0	0
Total	30	100

The study sought to establish whether the respondents are given opportunities to share their ideas at the work place. 100% of the respondents indicated that they were given opportunities to share ideas at their work place and these impacts on their motivation level.

4.15 Sponsored training programs

Figure4.7 Sponsored training programs



The study sought to establish whether respondents attend sponsored training programs. From the findings, 97% of the respondents indicated that they attend the sponsored training

programs and 3% of the respondents indicate that they didn't attend the sponsored training programs. This means that the organizations support training and hence sponsor their employees in order to keep widening their knowledge base and these impacts on employee motivation.

4.16 Growth and Development

Table 4.12 Growth and Development

	Frequency	Percent
Yes	30	100
No	0	0
Total	30	100

The study sought to establish whether the organization provides opportunities for growth and development. From the findings, 100% of the respondents indicated that the organization provided opportunity for growth and development.

4.17 Policies and Procedures

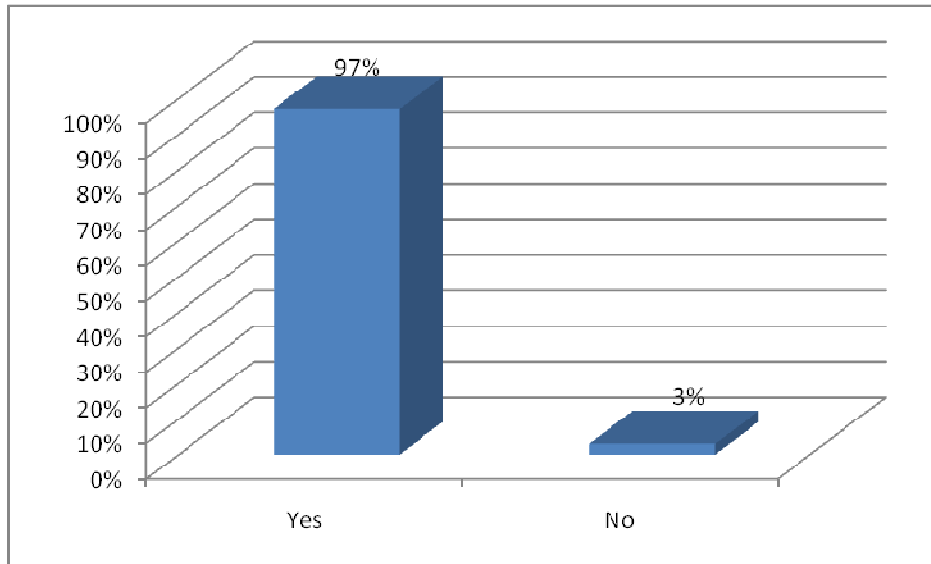
Table 4.13 Policies and Procedures

	Frequency	Percent
Yes	3	10
No	27	90
Total	30	100

The study sought to establish whether the organization policies and procedures make the job more difficult. From the findings, 90% of the respondents indicated that there weren't any policies and procedures that make their job difficult while 10% of the respondents indicated that there were policies and procedures that made the their job difficult.

4.18 Appraisal and Feedback process

Figure4.8 Appraisal and Feedback Process



The study sought to establish whether respondents were happy with the appraisal and feedback process in the organization. From the findings, 97% of the respondents indicated that they were happy with the appraisal and feedback process while 3% of the respondents were not happy with the appraisal and feedback process. Majority of respondents were happy with the appraisal and feedback process.

4.19 Organization Support

Table 4.14 Organization Support

	Frequency	Percent
Yes	30	100.0
No	0	0
Total	30	100

The study sought to establish whether the organizations support employees in advancing towards the future career goals. From the findings, 100% of the respondents indicated that the organizations support employees in advancing towards the future career goals and this means therefore that the organizations support employee growth.

4.20 First Employer

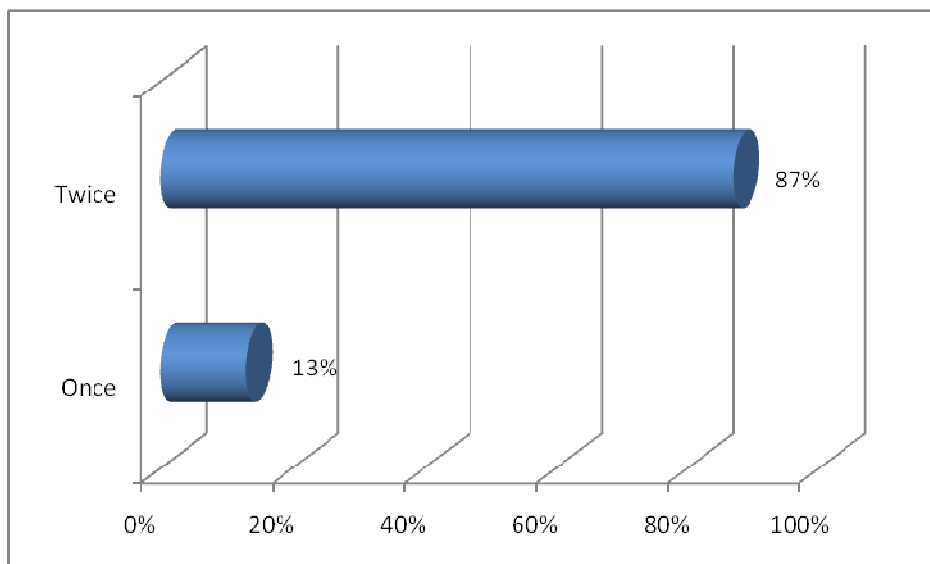
Table 4.15 First Employer

	Frequency	Percent
Yes	14	47
No	16	53
Total	30	100

The study sought to establish whether it was the first time for the respondents to be employed. From the findings, 47% of the respondents indicated that it was their first employer while 53% indicated that it was not their first time to be employed.

4.21 Number of times of changing jobs

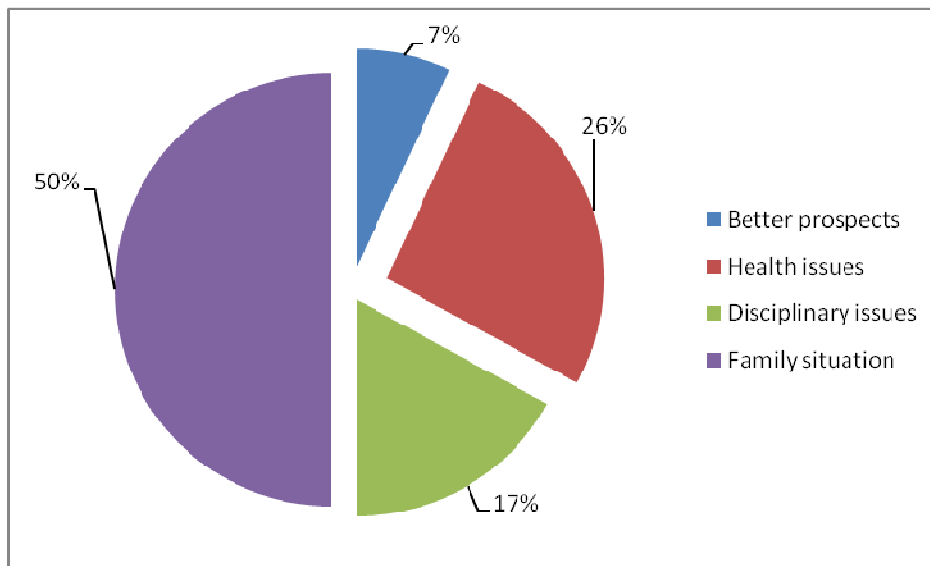
Figure 4.9 Number of times of changing jobs



The study sought to establish how many times the respondents had changed their jobs. From the findings, 87% of the respondents indicated that they had changed jobs twice while 13% of the respondents indicated they had changed jobs once.

4.22 Reasons for exiting jobs

Figure 4.10 reasons for exiting jobs



The study sought to establish reasons for employees to exit their jobs. From the findings, 50% of the respondents indicated family situation was a reason to exit job, 27% of the respondents indicated that health issues was a reason to exit their job, 17% of the respondents indicated that disciplinary issues was a reason to exit their job and 6% of the respondents indicated that better prospects was a reason to exit their job. This clearly shows that employees do not necessarily change jobs looking for better prospects. There are other factors they consider before seeking employment.

4.23 Inferential statistics

4.23.1 Pearson's Coefficient of Correlation

To quantify the strength of the relationship between the variables, the researcher used Karl Pearson's coefficient of correlation. The researcher used the Karl Pearson's coefficient of correlation (r) to study the correlation between the study variables and the findings were as in table 4.16.

Table 4.16: Coefficient of Correlation

	Employee retention	Learning and Development	Direct financial rewards	Indirect financial rewards	Work environment
Employee retention	1				
Sig. (p-Values)					
Learning and Development	.119	1			
Sig. (p-Values)	.365				
Direct financial rewards	.103	.097	1		
Sig. (p-Values)	.435	.461			
Indirect financial rewards	.242	.362	.213	1	
Sig. (p-Values)	.063	.004	.102		
Work environment	.435	.461	.213	.335	1
Sig. (p-Values)	.103	0.097	.102	.009	

Source: Author, 2013

From the findings, there was a positive correlation between Employee retention and Work environment with a correlation figure of 0.435, it was also clear that there was a positive correlation between the Employee retention and indirect financial rewards as shown by a correlation figure of 0.242, it was also clear that there was a positive correlation between the Employee retention and direct financial rewards with a correlation figure of 0.103 and a positive

correlation between Employee retention and Learning and Development with a value of 0.119. This implies that there exists a positive correlation between Employee retention and direct financial rewards, indirect financial rewards, work environments and learning and development and this addresses the general objective as well as the specific objectives of the research.

4.23.2 Multiple Regression Analysis

To establish the relationship between the independent variables and the dependent variable, the study conducted inferential analysis which involved a coefficient of determination and a multiple regression analysis.

The coefficient of determination was carried out to measure how well the statistical model was likely to predict future outcomes. The coefficient of determination, r^2 is the square of the sample correlation coefficient between outcomes and predicted values. As such it explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (Employee retention) that is explained by all the four independent variables (direct financial rewards, Learning and Development, Indirect financial rewards and Work environment).

Table 4.17: Coefficient of Determination Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.816(a)	.665	.626	.48203

Predictors: (Constant), direct financial rewards, Learning and Development, Indirect financial rewards and Work environment.

The four independent variables that were studied (direct financial rewards, Learning and Development, Indirect financial rewards and Work environment) explain only 66.5% of the

Employee retention as represented by the R^2 . This therefore means the four independent variables only contribute about 66.5% to the Employee retention within the environmental conservation organizations in Nairobi while other factors not studied in this research contribute 33.5% of Employee retention within the environmental conservation organizations in Nairobi.

Table 4.18: Summary of ANOVA results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.223	3	3.112	3.671	.001
	Residual	92.876	53	.641		
	Total	105.099	56			

The significance value of 0.001. This value is less than .05. Because of this, we can conclude that there is a statistically significant difference between the means of the direct financial rewards, Learning and Development, Indirect financial rewards and Work environment as to how they affect Employee retention within the environmental conservation organizations in Nairobi

The F critical at 5% level of significance was 3.671 since F calculated is greater than the F critical (value = 2.830), this shows that the overall model was significant.

The researcher further conducted a multiple regression analysis so as to identify the factors that affect Employee retention in environmental conservation organizations in Nairobi, Kenya. Multiple regression is a statistical technique that allows the study to predict a score of one variable on the basis of their scores on several other variables. The main purpose of multiple regressions is to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable. The researcher applied the statistical package for

social sciences (SPSS) to code, enter and compute the measurements of the multiple regressions for the study.

Table 4.19: Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.525	.223		2.349	.025
	Learning and Development	.004	.094	.006	.039	.036
	Direct financial rewards	.278	.098	.425	2.846	.007
	Indirect financial rewards	.031	.070	.062	.449	.026
	Work environment	.410	.082	.566	4.983	.000

Dependent Variable: Employee retention

The regression equation, $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \alpha$ becomes:

$$Y = 0.525 + 0.004X_1 + 0.278X_2 + 0.031X_3 + 0.410X_4$$

Where Y was the dependent variable (Employee retention within the environmental conservation organizations in Nairobi), X1 is the Learning and Development independent variable, X2 is the direct financial rewards independent variable, X3 is indirect financial rewards independent variable and X4 is Work environment.

From the regression equation established, taking all the factors (direct financial rewards, Learning and Development, Indirect financial rewards and Work environment) constant at zero, the Employee retention within the environmental conservation organizations in Nairobi would be 0.525. Further, if all the other variables are kept constant, a unit increase in Work environment will lead to a 0.410 success in Employee retention within the environmental conservation organizations in Nairobi. A unit increase in direct financial rewards will lead to a 0.278 success in Employee retention, a unit increase in Indirect financial rewards will lead to a 0.031 success in

Employee retention, while a unit increase in Learning and Development will lead to a 0.004 success in Employee retention. These results imply that Work environments contribute more to the Employee retention followed by direct financial rewards then Indirect financial rewards, while Learning and Development contributes the least to Employee retention within the environmental conservation organizations in Nairobi.

CHAPTER FIVE

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings and also it gives the conclusions and recommendations of the study based on the objectives of the study. The general objective of this study was to investigate the relationship between rewards and employee retention among environmental conservation organizations in Nairobi, Kenya.

5.2 Summary of the Findings

The study established that majority of the respondents were the aged between of 36-45 years. Most of the respondents were female hence brought about a gender disparity. The study established that majority of the respondents were married and had dependants and they had served their respective organizations for between 11-15 years.

According to majority of the respondents, leadership style was very important in terms of work environment. On the aspect of organization learning, work place/learning was very significant. According to majority of respondents, training was very significant on employee development.

Majority of the respondents were neutral when asked on their satisfaction level in the current job. The study established that majority of the respondents had little feeling when asked whether quitting their job would give them satisfaction in another job. The study established that the relationship of majority of the respondents with their manager was very good. The study

established that majority of the respondents indicated that their employer rewards and recognize the achievements of employees. Majority of the respondents indicated that work environment did not have an impact on the motivation level.

Majority of the respondents indicated that they were given opportunities to share ideas at their work place, they attended employer sponsored training programs and were also provided with opportunities for growth and development. Further, a large number of the respondents said they did not have any policies and procedures that made their job difficult and they were very happy with their appraisal and feedback processes. The study established the organizations supported their employees in advancing towards future career goals. Some respondents indicated that it was their first employer while the majority of the respondents indicated that they had changed jobs twice. Majority of the respondents indicated family situation was a reason to exit jobs. Karl Pearson's coefficient of correlation indicated that there is a positive correlation between the variables of the study. The study also found out that the four independent variables contribute 66.5% to employee retention in environmental conservation organizations in Nairobi while factors not studied in this research contribute 33.5% to employee retention within environmental conservation organizations in Nairobi.

5.3 Discussions

The study revealed that majority of the respondents rated salary as very important and at the same time they indicated that leave benefits are very important. According to Becker and Huselid (1999) organization culture shapes employee behavior and encourages employees to consistently act as required by the organization thereby influencing retention. The major and most notably among organization incentives for retention is compensation and benefits. The

study revealed that majority of the respondents had a good relationship with their manager and that their employer rewards and recognize the achievements of employees.

The majority of the respondents indicated that they were given opportunities to share ideas at their work place and were provided with opportunities for growth and development. According to Holbeche (1998) in order to retain and motivate outstanding performers, organizations should work on some for the following factors like giving stimulating work assignments, achievement opportunities, encouraging coaching and mentoring in the work place, practical work planning and sensible appraisals and feedback processes. The study revealed that majority of the respondents indicated that their organizations policies and procedures made their jobs doable. According to Delery and Doty (1996), making use of official or non official procedures in the work place has many premeditated consequences that affect retention of employees. For instance having in place efficient human resource management plans enhances retention and productivity.

The study established that majority of the respondents were happy with the appraisal and feedback process as this was an avenue to discuss any areas that needed to be addressed. Progress and performance is monitored through the appraisals and where gaps are identified a solution is brought up which could be in the form of training or development.

From the analyzed data as well as the discussions, the study managed to achieve its objective in determining the relationship between rewards and employee retention in conservation NGOs in Nairobi and to ascertain which aspect was the most important to employees and which was least important. The study confirmed that indeed there exists a relationship between rewards and employee retention in non-governmental conservation

organizations in Nairobi. The work environment was highlighted as the most important, followed by direct financial rewards, indirect financial rewards and learning and development came last. It is evident from the study that employees of environmental conservation NGOs in Nairobi are mostly motivated by their work environments with leadership style being top most on the list.

The study can be compared to a previous study by Ng'ethe, Iravo and Namusonge (2012) which was done on the factors that determine retention of Academic Staff in Public Universities in Kenya. Even though the fields of operations are different, there are some factors of retention that apply to both sectors, one being public while the other being non-governmental. Similarities in the retention factors include work environments, salary, promotional opportunities, training and development and recognition.

The study contributes to the body of literature and previous studies conducted in this field. Further studies could be conducted in NGOs in a different sector to compare and ascertain how the motivating and retention factors vary.

5.4 Conclusions

The study concluded that there exists a relationship between rewards and employee retention in non-governmental conservation organizations in Nairobi. Specifically, direct financial rewards play a very important role and contribute to the retention of employees. The study also concluded that indirect financial rewards like pensions, leave benefits and healthcare have an impact on employee retention. The study further concluded that motivation does not only rely on financial rewards but rather a total package that includes indirect financial benefits, work environments, performance management processes as well as a positive learning

environment. It was evident from the study that work environments were ranked highly for their role in employee retention followed by direct financial rewards, indirect financial rewards and learning and development. The study also concluded people are not only motivated by salaries alone and therefore retention approaches should address factors holistically and not focus on the direct financial rewards alone. The study also concluded that the use of efficient HR management processes enhance employee retention and performance by giving feedback and positively reinforcing gaps in the performance of employees.

5.5 Recommendations

The study has explored the relationship between rewards and employee retention among environmental conservation organizations in Nairobi, Kenya.

The study recommends that in designing retention strategies, the environmental conservation organizations should have an understanding of the factors that affect retention as employees are not motivated by high salaries alone. The study also recommends that the organizations should put in place efficient human resource management processes as these enhance employee retention and productivity. The study further recommends that the organizations should offer employee development programs as well as training opportunities as these reinforce positive performance. The study recommends that the organizations should not only focus on direct financial rewards alone but on indirect financial rewards as well as the work environments as it is clear from the study that work environments play a key role in enhancing the employer – employee relationship.

Further, future research should be carried out to compare studies from non-governmental organizations in a different sector to study their retention strategies and how they impact on employee retention.

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APPENDICES

APPENDIX I: Letter of Transmittal

TO WHOM IT MAY CONCERN

Dear Sir

**RE: RESEARCH PROJECT: THE RELATIONSHIP BETWEEN REWARD AND
COMPENSATION AND EMPLOYEE RETENTION AMONG SELECTED
ENVIRONMENT CONSERVATION ORGANISATIONS**

This is to inform you that I shall be carrying out research on the above mentioned subject as part of my MBA study requirements. I therefore wish to inform you that your organization has been selected as part of my target sample.

The study is important as it will attempt to investigate employee retention problems currently facing the NGO sector workforce and come up with recommendations.

The research findings will be shared with your organization, all questionnaires will be treated in confidence and participants are assured of the highest level of confidentiality.

Please find attached the questionnaire, together with an endorsement letter from BirdLife International about the study. The completed questionnaire should be sent back at the end of two weeks from the date of this letter.

Thank you very much for your co-operation.

Yours sincerely

Edith Onyango

APPENDIX II: Employee retention questionnaire

This questionnaire is a research instrument whose main objective is to establish the relationship between rewards and employee retention

Demographic information

Please provide the following demographic information. (All responses will be kept confidential)

Age 18-25 26-35 36-45 46-55 over 55

Gender Male Female

What is your marital status?

Married Unmarried

Do you have any dependant?

Yes No

How many dependants do you have? _____

Years of service in this organization

0-5 6-10 11-15 16-20 21-25 over 25

1 Direct Financial Rewards

Please rate the following direct financial rewards according to their importance to you.

	Not important At all	Not very important	Neutral	somewhat important	very important
Salary	1	2	3	4	5
House allowance	1	2	3	4	5
Cash bonuses	1	2	3	4	5
Travelling allowance	1	2	3	4	5

2. Indirect Financial Rewards

Please rate the following indirect financial rewards according to their importance to you

	Not important At all	Not very important	Neutral	somewhat important	very important
Pensions	1	2	3	4	5
Leave benefits	1	2	3	4	5
Healthcare	1	2	3	4	5
Club membership	1	2	3	4	5

3. Work Environment

Please indicate the level of importance of the following to you

	Not important At all	Not very important	Neutral	somewhat important	very important
Organization policies	1	2	3	4	5
Organization values	1	2	3	4	5
Leadership style	1	2	3	4	5
Employee participation	1	2	3	4	5
Recognition	1	2	3	4	5

Quality of work life	1	2	3	4	5
Job design	1	2	3	4	5
Alternative work schedule	1	2	3	4	5
Wellness programs	1	2	3	4	5

4. Work Environment

Please indicate how the following impact on your commitment to your organization.

	Not important At all	Not very important	Neutral	somewhat important	very important
Organization policies	1	2	3	4	5
Organization values	1	2	3	4	5
Leadership style	1	2	3	4	5
Employee participation	1	2	3	4	5
Recognition	1	2	3	4	5
Quality of work life	1	2	3	4	5
Job design	1	2	3	4	5
Alternative work schedule	1	2	3	4	5
Wellness programs					

5. Organization Learning

Please indicate on a scale of 1 to 5 the significance of the following aspects of organization learning

	Not significant At all	Not very significant	Neutral	somewhat significant	very significant
Work place learning	1	2	3	4	5
Mentoring/coaching	1	2	3	4	5

6. Staff Development

Please rate on a scale of 1 to 5 the significance of employee development

	Not significant At all	Not very significant	Neutral	somewhat significant	very significant
Training	1	2	3	4	5
Performance management	1	2	3	4	5
Career development	1	2	3	4	5

7. How much are you satisfied with your current job?

Not satisfied At all	Not very very satisfied	Neutral	fairly satisfied	very satisfied
1	2	3	4	5

7b.

Explain _____

—

—

8. To what extent do you feel that quitting your present job will give you satisfaction in another job?

No feeling At all	little feeling	Neutral	strong feeling	very strong feeling
1	2	3	4	5

9. How is your relationship with your Line Manager?

Poor	fair	good	very good	excellent
1	2	3	4	5

10. Does your employer reward and recognize your achievements?

Yes No

11. Do activities outside the work environment impact on your motivation level? (Activities like team building)

Yes No

12. Are you given opportunities to share your ideas at the work place?

Yes No

13. Have you attended any organization sponsored training programs?

Yes No

14. Do you feel the organization provides opportunities for growth and development?

Yes No

15. Are there any organization policies or procedures that make your job more difficult?

Yes No

16. Are you happy with the appraisal and feedback process in the organization?

Yes No

17. Does your organization support you in advancing towards your future career goals?

Yes No

18a. Is this your first employer?

b. If no how many times have you changed jobs?

Once twice thrice four times more than four times

c. What was the reason for exiting your last job?

Better Prospects Health issues Other

Disciplinary issues

Family situation

General comments: Please note any other comments you have that were not addressed in the sections

above _____

APPENDIX III: BirdLife Data

	BirdLife International Partner countries	No of employees
Kenya		
Botswana	Birdlife Botswana (BB)	11
Burkina Faso	Fondation des Amis de la Nature (NATURAMA)	24
Burundi	Association Burundaise pour la Protection des Oiseaux (ABO)	7
Cameroon	Cameroon Biodiversity Conservation Society (CBCS)	11
Djibouti	Djibouti Nature	1
Egypt	Nature Conservation Egypt	0
Ethiopia	Ethiopian Wildlife and Natural History Society (EWNHS)	25
Ghana	Ghana Wildlife Society (GWS)	50
Ivory Coast	SOS Forets	5
Kenya	NatureKenya	50
Liberia	Society for the Conservation of Nature of Liberia	7
Madagascar	ASTIY	32
Malawi	Wildlife & Environmental Society of Malawi	34
Nigeria	Nigerian Conservation Foundation (NCF)	80
Rwanda	Association pour la Conservation de la Nature au Rwanda (ACNR)	6

Seychelles	Nature Seychelles	19
Sierra Leone	Conservation Society of Sierra Leone (CSSL)	5
South Kenya	BirdLife South Kenya (BLSA)	27
Tanzania	Wildlife Conservation Society of Tanzania (WCST)	23
Tunisia	Association "Les Amis des Oiseaux" (AAO)	4
Uganda	NatureUganda (NU)	39
Zambia	Zambian Ornithological Society (ZOS)	5
Zimbabwe	BirdLife Zimbabwe (BLZ)	9

Source: BirdLife International

