

---

**Electronic Theses and Dissertations**

---

2020

# Assessing employee retention strategies at AAR Healthcare Limited Kenya.

Khalibwa, Irene  
*Strathmore Business School*  
*Strathmore University*

## **Recommended Citation**

Khalibwa, I. (2020). *Assessing employee retention strategies at AAR Healthcare Limited Kenya* [Thesis, Strathmore University]. <http://hdl.handle.net/11071/10250>

Follow this and additional works at: <http://hdl.handle.net/11071/10250>

**ASSESSING EMPLOYEE RETENTION STRATEGIES AT AAR HEALTHCARE  
LIMITED KENYA**

**IRENE KHALIBWA**

**MASTER IN BUSINESS ADMINISTRATION-HEALTHCARE MANAGEMENT**



**2020**

**ASSESSING EMPLOYEE RETENTION STRATEGIES AT AAR HEALTHCARE  
LIMITED KENYA**

**IRENE KHALIBWA**

**STUDENT NUMBER 107110**

**A RESEARCH DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE AWARD OF DEGREE OF MASTERS IN BUSINESS  
ADMINISTRATION IN HEALTHCARE MANAGEMENT AT STRATHMORE  
UNIVERSITY**



**SCHOOL OF BUSINESS  
STRATHMORE UNIVERSITY  
NAIROBI, KENYA**

**(AUGUST 2020)**

## DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the dissertation contains no material previously published or written by another person except where due reference is made in the dissertation itself.

Irene Khalibwa [Name of Candidate]



[Signature]

14/10/2020 [Date]

## Approval

The Thesis of Irene Khalibwa was reviewed and approved for examination by the following:

Name of Supervisor: Dr Ben Ngoye

Faculty Affiliation: Lecturer, Strathmore University Business School/Institute of Healthcare Management

Institution: Strathmore University Business School/Institute of Healthcare Management

Supervisor's Signature:



Head of School/Institute/Faculty School Name: Prof Gilbert Kokwaro

Dean, School of Graduate Studies: Dr George Njenga

## ACKNOWLEDGMENT

I am grateful to God for the strength and grace to write this dissertation from the start to its end. I hereby acknowledge the guidance of my supervisor, Dr Ben Ngoye, who has been very instrumental in directing me in this journey. Special thanks to my family members for their overwhelming support and understanding during the entire period. Lastly, my gratitude goes to the AAR healthcare fraternity for the tremendous support you accorded me in this journey. I would not have made it without you.



## DEDICATION

This dissertation is dedicated to my family members: my husband Dickson, my children Amani, Baraka and Nuru.

You are all special to me.



## TABLE OF CONTENTS

<b>DECLARATION</b> .....	ii
<b>ACKNOWLEDGMENT</b> .....	iii
<b>DEDICATION</b> .....	iv
<b>LIST OF FIGURES</b> .....	ix
<b>LIST OF TABLES</b> .....	x
<b>LIST OF ABBREVIATIONS</b> .....	xi
<b>ABSTRACT</b> .....	xii
<b>CHAPTER ONE: INTRODUCTION</b> .....	1
1.1 Introduction.....	1
1.2 Background of the study .....	1
1.3 Problem Statement .....	6
1.4 Study Objectives .....	8
1.5 Scope of the study.....	8
1.6 Significance of the study.....	9
<b>CHAPTER TWO: LITERATURE REVIEW</b> .....	10
2.1 Introduction.....	10
2.2 Theoretical Framework.....	10
2.3 Dynamics of Employee Retention .....	12
2.4 Empirical Review.....	17
2.5 Gaps in the reviewed empirical literature .....	20
2.7 Summary of Chapter.....	23
<b>CHAPTER THREE: RESEARCH METHODOLOGY</b> .....	24
3.1 Introduction .....	24

3.2 Research Design .....	24
3.3 Population and Sampling .....	24
3.3.1 Target study population .....	24
3.3.2 Sample Size and Sampling Technique.....	25
3.4 Data Collection Methods.....	26
3.5 Data Analysis .....	26
3.6 Validity and Reliability .....	27
3.7 Ethical Considerations.....	28
CHAPTER FOUR: ANALYSIS OF THE STUDY FINDINGS .....	29
4.1 Introduction .....	29
4.2 Response Rate .....	29
4.3 Socio-Demographic Characteristics of the respondents.....	29
4.3.1 Gender.....	29
4.3.2 Academic qualification.....	30
4.3.3 Cross tabulation of professional qualification and gender.....	31
4.3.4 Role occupied by Staff.....	31
4.3.5 Number of Years in the current Position .....	32
4.3.6 Number of Years Working in the Current Organization .....	33
4.4 Employee retention strategies applied at AAR Healthcare Kenya ltd .....	33
4.4.1 Descriptive statistics .....	33
4.5 Employee work environment strategies applied at AAR Healthcare Kenya ltd .....	36
4.5.1 Descriptive statistics .....	36
4.5.2: Inferential statistics.....	38
4.6 Reward and Recognition strategies applied at AAR Healthcare Kenya ltd.....	39
4.6.1 Descriptive statistics .....	39

4.6.2: Inferential statistics .....	40
4.7 Employee training and career development strategies applied at AAR Healthcare Kenya	41
4.7.1 Descriptive statistics .....	41
4.7.2: Inferential statistics .....	42
4.8 Organization leadership and management style applied at AAR Healthcare Kenya ltd.....	42
4.8.1: Descriptive statistics .....	42
4.8.2: Inferential statistics .....	43
4.9 Combined effect of independent variables on employee retention .....	44
4.9.1: Model summary results.....	44
4.9.2: Analysis of Variance (ANOVA).....	45
4.9.3: Regression Coefficients summary .....	45
4.10 Summary .....	46
CHAPTER FIVE: DISCUSSION, CONCLUSION AND RECOMMENDATIONS .....	48
5.1 Introduction .....	48
5.2 Discussion of the study findings .....	48
5.2.1 Work Environment and Employee Retention.....	48
5.2.2 Training and Employee Retention .....	49
5.2.3 Reward and recognition and Employee Retention.....	49
5.2.4 Leadership and management style and Employee Retention .....	50
5.3 Conclusion of the study.....	50
5.4 Limitations of the study.....	51
5.5 Recommendations .....	51
REFERENCES.....	53
APPENDICES:.....	61
Appendix 1: NACOSTI Permit.....	61

Appendix 2: Consent Form ..... 62  
Appendix 3: Study Questionnaire ..... 63



## LIST OF FIGURES

<i>Figure 1: Conceptual Framework</i> .....	22
<i>Figure 2: Gender distribution of employees</i> .....	30
<i>Figure 3: Academic Qualification of employees</i> .....	30
<i>Figure 4: Role occupied by the staff</i> .....	32
<i>Figure 5: Number of years in current position</i> .....	32
<i>Figure 6: Number of years working in the current organization</i> .....	33
<i>Figure 7: Number of trainings attended</i> .....	42

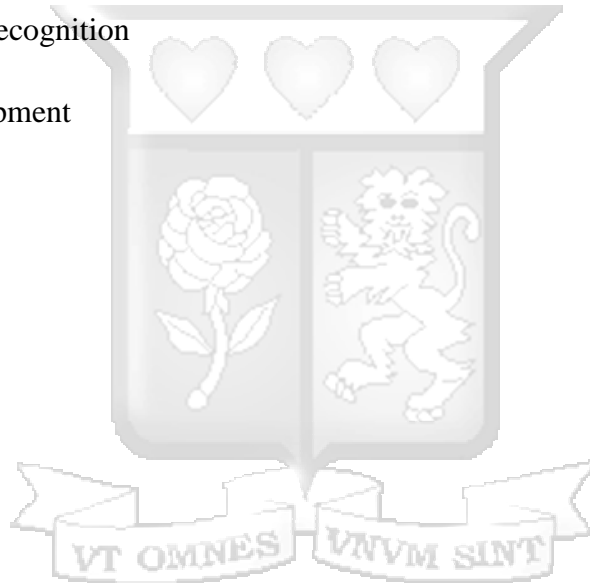


## LIST OF TABLES

<i>Table 2.1: Table summarising some empirical studies and their gaps</i> .....	22
<i>Table 3.1: Target Population of AAR Healthcare</i> .....	26
<i>Table 3.2: Reliability test results</i> .....	29
<i>Table 4.2: Response rate for the questionnaire</i> .....	29
<i>Table 4.3.3: Summary of Professional qualification and gender</i> .....	31
<i>Table 4.4.1.1 Satisfaction with Retention Strategies</i> .....	34
<i>Table 4.1.1.2 Importance of Retention Strategies</i> .....	35
<i>Table 4.5.1: Working environment Safety.</i> .....	38
<i>Table 4.5.2: Correlation analysis</i> .....	39
<i>Table 4.6.1: Summary response on reward and recognition</i> .....	40
<i>Table 4.6.2: Correlation analysis</i> .....	41
<i>Table 4.7.2: Correlation analysis</i> .....	42
<i>Table 4.8.1: Summary statistics on leadership and management Style</i> .....	43
<i>Table 4.8.2: Correlation analysis</i> .....	44
<i>Table 4.9.12: Regression Model summary</i> .....	44
<i>Table 4.9.2: Analysis of Variance (ANOVA) summary statistics</i> .....	45
<i>Table 4.9.3: Regression Coefficients</i> .....	45

## LIST OF ABBREVIATIONS

AAR	Africa Air Rescue
HRM	Human Resource Management
ER	Employee Retention
FDG	Focussed Group Discussion
WE	Work Environment
LM	Leadership Management
CR	Compensation Recognition
TD	Training Development



## ABSTRACT

Organizations are facing the hurdles of retaining their most valued employees with the current cutting competition among companies to have team of high performing workers. Studies have shown that the healthcare industry has very high staff turn-over with doctors who are key drivers of the healthcare industry having an average of 3 years' length of stay in one particular employer. Some health facilities such as AAR however buck this trend. AAR Healthcare is one of the Tier 1 leading private healthcare services provider in Kenya with comparably high employee retention rate. This study assesses various employee retention strategies applied by AAR Healthcare Kenya. The study specifically investigates how work environment, training and development, recognition and compensation and leadership and management of employee strategies have been applied at AAR Healthcare Kenya and their effectiveness. The research applied a quantitative cross-sectional design approach. A multi-stage convenient sampling technique was adopted to select research respondents from the 21 branches and the headquarters with a total population of 343 employees. The findings of study showed that there was a relationship between employee retention and work environment safety, organization culture, leadership management style and reward recognition, all at 10% significance level. Conversely, the number of trainings did not have a statistically significant relationship with employee retention. Additionally, the study found that the employees were happy with the strategies employed to provide a good working environment and also with the organization culture. However, when it came to the reward and recognition and the leadership and management styles, there was room for improvement based on the responses. The study recommends that healthcare practitioners look into their strategies on these key areas the study focused on and especially, in reward and recognition and leadership and management style as this will further increase their chances of retaining their work force. Additionally, this study serves as a benchmark for policy makers on what can be done to help formulate strategies based on retention and offer guidance on what to do to increase employee retention for organizations

VT OMNES VNVM SINT

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Introduction**

Chapter One outlines the background of the study by first introducing a brief introduction of employee retention strategies in general and of AAR Healthcare. Furthermore, the chapter outlines the problem statement before following the objectives of the research as well as its significance. The chapter concludes by discussing the limitations of the study.

### **1.2 Background of the study**

Employee retention is defined as “a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project” (Bidisha, 2013). Employee retention is aimed at ensuring that the workforce is maintained at the required capacity meanwhile ensuring that the operational output is maximized (Mita, 2014). Employees’ retention offers a challenge to the human resource experts due to the ever-rising employee turn-over rate especially of the highly skilled staff who are constantly in high demand by various organizations across the globe (Michael & Crispen, 2009).

Mckeown (2002) argues that employee retention rate was high till the 1980s after the rise of voluntary job changes and job mobility thus prompting employers to start developing employee retention strategies to curb the high employee turn-over rate. According to the Retention Report (2019), employees in the United States of America (U.S.A) continue to voluntarily quit their jobs for better opportunities. For example, in 2018 a total of 41.4 million U.S. labourers who voluntarily vacated their jobs (Retention report, 2019). At a national level, voluntary employee turnover was over 27% (Retention report, 2019). In South Africa, for example, studies have shown that the best-skilled employees have been constantly migrating to more developed countries for the search of better career opportunities and have been rated among the best performing employees in countries like Europe, Italy, Germany and Britain (Gillingham, 2008).

Replacing an employee is twice as expensive as an employee's salary; this cost rises depending on the employee’s impact on the job and seniority in the organization (Yamamoto, 2011; Self & Dewald, 2011). Constant turnover renders companies in a state of perpetual operational disruptions resulting in an existential threat to the firm (Mercer 2019). Some of the reasons for migration of labourers from African nations to the developed world includes heavy workload, lack of promotion prospects, poor living conditions, lack of facilities, a declining health service,

poor management, and high levels of violence and crime (World Health Report, 2006). For the African labourer, remuneration, building experience, upgrading qualifications, a safer environment, and family-related matters are reasons making the workers leave the continent (World Health Report, 2006).

Kresiman (2002) opined that productivity, commitment, and employee retention issues are critical in the management of the workforce in the future. Key to note is that this challenge is fuelled by corporate restructuring efforts, questions over employee loyalty, and aggressive competition for top talent from the job market (Kresiman, 2002). The vast majority of firms experiencing employee departures undergo challenges in the execution of business plans that if left unchecked results in the eventual decline in productivity (Caplan et al., 1997). The situation is further compounded by corporate downsizing and economic uncertainty, as occasioned by outsourcing. Consequently, the effect of losing highly talented employees rises exponentially (Caplan et al., 1997).

Chipunza and Samuel (2009) highlight that both the private and government sectors face difficulty in retaining highly skilled and talented employees. The study further argues that managers have a crucial role in retaining key employees in the firm. These employees often move to seek employment from the competing organizations in the industry who in turn seek their trade secrets and knowledge, thus, creating a serious operational nightmare for the losing firms (Chipunza & Samuel, 2009).

Organizations across the world must address and focus on employee turnover rates in order to manage the costs and low productivity associated with high turn-over rates (Mitchell et al., 2001). Day (2000) argued that firms unable to retain their employees may be faced with economic challenges especially where the lost knowledge and trade secrets are lost to its competition. The longevity and success of a firm are dependent on its ability to retain strategic and highly talented employees (Lewis & Sequeira 2012). Employees' recruitment, selection, orientation, and job descriptions are the foundation of employee retention (Dibble, 1999).

According to Logan (2000), the retention of employees is fuelled by several key factors that firms need to focus on. These factors include strategy, organizational culture, benefits philosophy, pay, and career development systems. Customer satisfaction, effective succession

planning, organizational performance in terms of satisfied colleagues, increased sales, and reporting staff is dependent on how best a firm is able to retain the best talent in the organization. With the above in mind, there is a need for an effective employee retention strategy (Lahkar & Baruah, 2013).

### **1.2.1 Employee Retention Strategies**

Employee retention strategies are a combination of planned activities by the human resource division in an organization that is geared towards satisfying varied needs of its diverse population of employees and creating an environment that motivates them to maintain their jobs for a longer time period or such a time that their duration of employment elapses (Bella, 2017).

Aguenza and Som (2012) opined that people-focused strategies can enable employers to increase their ability to retain their employees. Such a strategy is one that incorporates policies and practices that create an enabling work environment where employees are able to execute their mandate without fear over losing their jobs, such a strategy must be stated in the firm's vision, mission, objectives, culture, and values. More importantly, the firm must develop realistic measures aimed at assessing the employees' expectations and needs (Aguenza & Som, 2012).

Akuoko (2012) enumerated the following as the strategies for employee retention in an organization; employee job security, participation, training, motivation, employee-employer's relationship on employee retention, and work environment. Employee participation strategy is a system in which there is free and supportive sharing of information across the organization that pertains to making key decisions especially between employees and the management (Gupta & Joshi, 2007). The organization ensures that there is no gap in communication between the employer (leaders) and the employees, therefore, giving employees greater control of the organization (Noah, 2008).

Employee training is equipping employees with the relevant knowledge and skills and ensuring that their skills are continuously and consistently enhanced in order for them to deliver their duties and responsibilities more effectively (Simba & Sinha, 2012). Gupta and Joshi (2007) argue that employee training is associated with morale, low turnover, and absenteeism, and improvement in employee productivity and development. Job security is a scenario where employees feel confident and assured about the future sustainability of their employment. The

employees who feel secure with their jobs work at peace and in harmony without threats of industrial actions hence increasing productivity and overall performance in the organization.

Employee security measures to control unwarranted decisions in the organization such as arbitrary terminations or suspensions of employment while assuring employees of their continued employment. The work environment infers to the structures, systems, and conditions that make a workplace favourable for the employees to perform their duties and responsibilities (Senol, 2009). Work environment defines the climate surrounding employees that is likely to have influence when they are performing their duties and includes guiding rules and regulations, internal and external factors, company policies, organizational culture, working relationships work location, and resources (Zeytinoglu & Denton, 2005).

Employee motivation is one of the most comprehensive strategies of curbing employee turnover in an organization (Sinha & Sinha, 2012). Employees are inspired to perform their duties and responsibilities through appropriate motivation strategies (Chaudhary and Sharma, 2012). Different scholars have coined different strategies for employee retention in different industries across the world. For example, Andrea and Lewis (2012) classified employee retention strategies in five main categories: Compensation, environment, growth, relationship, and support. He defined compensation to include bonuses, salary and wages, stock options, benefits, insurance cover, allowances, and vacations among others.

The work environment must be well managed to maximize the utilization of human resources in a firm. The environment of work encompasses ample opportunities to grow, appreciation for the work done, a friendly and conducive environment, and a perception that the firm is as good as a second home to the employee (Andrea & Lewis, 2012). Andrea and Lewis (2012) defined growth as one of the strategies for employee retention and suggests that for the organization to retain its best workers it must foster an environment where employees' individual goals and career aspirations and satisfactorily addressed.

The relationship in the organization defines interactions between the supervisors and their subordinates and the company management and its employees in general. The management must provide employees with an enabling work environment and culture in terms of both professional and personal relationships in order to keep them longer in their jobs (Andrea & Lewis, 2012).

The common saying that employees leave their bosses has been proven by the evaluation of various exit survey interviews and by the researcher's human resource. Support offered to employees by their supervisors and managers is a key determinant of how long an employee is likely to remain in their current job. The employees must be supported both at work and their personal crisis in order to increase the retention rate (Andrea & Lewis, 2012).

George and Jones (2012) opined that firms need to align their compensation schemes and performance recognition with the employee satisfaction within a framework of an enabling organizational structure with a view of optimizing their effort towards increased productivity. Furthermore, Abraham Maslow's theory of hierarchy stated that an employer must strive to satisfy the employee's hierarchy of needs through the provision of psychosocial support to the individual employer. In other words, employers who satisfy employee needs are better placed to retain their workforce (George & Jones, 2012).

Bodjrenou, et al. (2016) argue that firms must purpose to not only attract talents in the industry but also ensure retention of the same. Bodjrenou et al. (2016) further opined improving employee retention strategies and providing sound professional management and leadership are an increasing challenge for firms.

Naqvi and Bashir (2015) opined that the modern-day employee seeks more than the monthly pay check. Various experts have developed employee retention strategies such as quality management relationships and developmental opportunities, work-related stress, compensation and performance recognition and compensation, development opportunities, and promotion (Fitz, 1990; Walker, 2001; Brown et al., 2002; Naqvi & Bashir, 2015).

This study assessed employee retention strategies employed at AAR Healthcare Kenya ltd, specifically, the influence of work environment, rewards and recognition, leadership and management, and training and development.

**The work environment** factors included workplace facilities such as conducive and ample working space, provision of safety measures such as fire and safety equipment, indemnity for occupational hazards, insurance cover packages for the employees, provision of loans and support for the employee family members, organization and good communication systems, support from the organization and job security.

**Rewards and recognition** included salary structure, provision of group insurance, overtime salary, fringe benefits, and compensation for employees who are laid off, performance appraisal system in practice, yearly bonuses, and performance-based incentives.

**Leadership and management** included the leadership style adopted by the senior management, the approachability of the manager, recognition of the employees' achievement by their supervisors, respect for subordinates, teamwork, and coordination of communication in the organization.

**Training and development** comprised training programs in the organization, career progression, and succession plans, promotions, and skill development programs.

### **1.2.2 AAR HEALTHCARE Kenya Ltd.**

AAR Healthcare is one of the leading providers of outpatient healthcare services in Kenya. It represents the tier one level of private healthcare services in the country serving over 30000 clients monthly with a population of more than 500 employees on regular fulltime employment. The company has a chain of outpatient centres across the country with its headquarters in Nairobi that hosts senior management, finance, human resource, and other support services offices. The company was founded in 1984 as a provider of emergency and rescue services in the country and has since grown and expanded to offer more services and have a regional presence in East Africa. The company is one of the private healthcare providers that have been in the industry for more than 30 years. There are a number of staff who have been working in AAR Healthcare since its inception 1980s and others have grown into senior management positions from the lowest entry-level roles. This study will focus on AAR Healthcare Kenya as it is one of the leading providers of outpatient healthcare services in Kenya as opined in the Retention report (2019) and also because the management was willing to allow the researcher to collect data from the company employees. The study will then assess the strategies that AAR has been employing to retain its staff for many years. The company management has always associated its success to its staff capacity and good human resource practices.

### **1.3 Problem Statement**

Globally, employees' retention has been one of the most complex hurdles to the human resource experts in the recent past due to the ever-raising employee turn-over rate especially of the highly

skilled staff who are constantly in high demand by various organizations across the globe (Michael & Crispen, 2009). Mckeown (2002) argues that employee retention rate was high till the 1980s when employment migration and voluntary employment changes have begun to increase and employers had to start developing employee retention frameworks in order to counter the problem of high turn-over rate. In South Africa, for example, studies have shown that the best-skilled employees have been constantly migrating to more developed countries for the search of better career opportunities and have been rated among the best performing employees in countries like Europe, Italy, Germany and Britain (Gillingham, 2008).

The National Healthcare Retention and Registered Nurse Staffing Report (2017) revealed that the average turnover rate for US hospitals was 18.2%, the highest in almost a decade. Despite high turnover rates in the healthcare industry, only 21.6% of the healthcare facilities have employee retention policies in place for retaining experienced workers. Currently, 58.6% of the healthcare facilities have rolled out employee retention plans for new employees. Whereas the tactic is useful, it is not comprehensive hence the need to find ways to increase tenure at the facility can improve patient care, assist reduce staffing gaps, and adapt programs that put in place a well-trained staff at the facility.

Over the past 3 years, AAR healthcare limited has witnessed a reduction in the employees' turnover rate. The turnover rate is recorded as 21%, 19%, and 11% in the year 2016, 2017, and 2018 respectively. This is in contrast to the high employee turnover rate recorded in other healthcare Institutions. For instance, at MP Shah hospital, over the past four years, it is recorded that approximately 260 nurses and 70 doctors had left the health facility translating to an average of 90 nurses and 20 doctors per year (Apinde, 2018).

AAR, therefore, seems to be bucking the trend with regard to employee retention. Put differently, whereas industry-wide and for comparable hospitals the trend toward high employee turnover, for AAR turnover is low and employee retention is high. This paper, therefore, seeks to assess the employee retention strategies employed by AAR healthcare limited, in order to help academics and practitioners understand the reasons behind this opposing trend. The study will classify employee retention strategies into four broad categories: recognition and compensation, Work environment; training and development and leadership and management and investigate their application at AAR Healthcare Kenya Limited.

## **1.4 Study Objectives**

### **1.4.1 Main Objective**

The study assesses employee retention strategies applied at AAR Healthcare Ltd. Kenya.

### **1.4.2 Specific Objectives**

- a) To investigate the relationship between employee work environment strategies and the employee retention of AAR Healthcare Kenya ltd
- b) To investigate the relationship between employee recognition and compensation strategies and the employee retention of AAR Healthcare Kenya ltd
- c) To investigate the relationship between employee training and career development strategies and the employee retention AAR Healthcare Kenya ltd.
- d) To investigate the relationship between organization leadership and management style applied and the employee retention of AAR Healthcare Kenya ltd.

### **1.4.3 Research Questions**

- a) What is the relationship between employee work environment strategies and the employee retention of AAR Healthcare Kenya ltd?
- b) What is the relationship between employee training and compensation strategies and the employee retention of AAR Healthcare Kenya ltd?
- c) What is the relationship between recognition and compensation strategies and the employee retention of AAR Healthcare Kenya ltd?
- d) What is the relationship between organization leadership and management style and the employee retention of AAR Healthcare Kenya ltd?

## **1.5 Scope of the study**

The study was limited to AAR Healthcare Kenya Outpatient centres, which is a for-profit organization. The organization has 21 branches spread across the country and stratified into three regions namely Nairobi, Coast, and Rift Valley. The organization has a total of 347 employees who were the targeted population for the study. The study encompassed regular and permanent employees working at AAR Healthcare Kenya limited at the time of the study period.

## **1.6 Significance of the study**

The study was aimed at exploring the organizational employee strategies practised by AAR healthcare as a measure of retaining its employees which is geared toward improving organizational performance and productivity. Employee retention is a voluntary but necessary move by a firm to create an enabling environment that engages its employees over the course of their contract. The primary purpose of employee retention is to avert the loss of highly talented and strategic employees from leaving the organisation as this could have an adverse effect on productivity, efficiency, and profitability.

This research brought considerable new insights for various organizations to adapt to further improve their employee retention strategies and bring down further the employee turnover rate. Healthcare organizations appreciate the fact that the employees are the most important asset they possess and hence should strive towards successfully retain the employees, besides organizations encourage the development of new ideas and innovation from its employees.

The study findings and recommendations are of paramount importance to not only the management of AAR Healthcare Kenya but also various policy holders in government and other organizations and other outpatient facilities in understanding the effects of employees' retention strategies on employee retention and resultant productivity and profitability. The findings and the recommendations serve as a platform to streamline the retention strategies across healthcare organizations within the country. It is also useful to other players in the health sector who are experiencing high rates of turnover and are striving to devise strategies of employee retention.

For academics, the research provides findings that serve as a point of reference for individuals who wish to conduct similar or related research projects. Different healthcare sector may also benefit by adopting and implementing the employee retention strategies practiced at AAR healthcare as a measure of improving employee retention in their organization.

The study findings may be used by policy and regulatory authorities in the government of Kenya to assist in formulating and planning for human resources in the country. The study findings will also be of importance in informing health workforce oversight bodies on the employee retention strategies and how best they can be applied by various employers in the country to avert the challenges of employee turnover.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

The second chapter focuses on the conceptual and theoretical framework, review of the variables, empirical review of the literature, and analysis of research gaps. It concludes with a summary of the chapter.

### **2.2 Theoretical Framework**

Motivational theories to include Equity theory, and Herzberg's two factor theory provides the theoretical background for the study.

#### **2.2.1 Equity Theory**

The Equity Theory of Work was conceptualized by J. Stacey Adams in the 1960s. The theory is premised on employee's perception of the correlation between their input and outcomes. Here, outcomes infer to pay, job satisfaction, fringe benefits, opportunities for advancement, employment status, and job security. On the other hand, inputs refer to education, special skills training, effort, work experience, and time.

George & Jones (2012) opined that human nature dictated that compensation ought to be commensurate to input especially where similar effort by another colleague, known to an employer, in the firm or another company provided such a standard of measure. Where the employer is unable to acquire equity of work, they result in distorting the outcomes of inputs in various forms such as seeking employment elsewhere. Employee's inputs such as social skills loyalty, experience, knowledge, effort, and skills must be balanced with the outputs from the employer such as increased responsibility, challenging tasks, recognition and compensation, bonuses, and supportive work environment. Employees will always evaluate their inputs and the rewards or outcomes provided by their employer and compare with their colleagues or employees in other organizations. Greenberg (1999) argues that the existence of inequalities between employees' inputs and the outcomes from the employer can lead to a high rate of absenteeism and even resignation hence affecting employees' retention which is fundamental in an organization. Therefore, employers must ensure that the employee's inputs are equitable to the outputs provided by the employer.

### **2.2.2 Herzberg's Two Factor Theory**

Herzberg (1959) was the first to propose the two-factor theory where he opines that there exist certain job factors that result in satisfaction of employees while there are other factors that prevent dissatisfaction. According to Herzberg there was a difference between creating satisfaction and preventing dissatisfaction in the workplace. The key principle behind this theory hinges on two concepts namely motivation and hygiene.

Under motivation, he highlights factors such as recognition, responsibility, achievement, how meaningful the work is and growth possibilities (Alshmemri, 2017). These are what lead to positive job satisfaction since they motivate the employees to up their performance and they are usually referred to as satisfiers (Herzberg, 1959). Employees find such factors as rewarding in an intrinsic nature and are perceived as an additional benefit for the employee in a job.

On the other hand under hygiene, he mentions the policies of a company, the relationship between the supervisors and the employees, the salary paid, job security and working conditions. These are the factors that are considered important for the existence of motivation to be possible in the workplace. They are not responsible for the long-term positive satisfaction at the workplace however, if they are not present then they can lead to dissatisfaction of the employees. They are therefore quite necessary for the worker not to be dissatisfied as a prerequisite of being able to feel motivated at the workplace. They are also known as dissatisfiers and they provide extrinsic value to the work done. These factors are what many researchers consider to be necessary to give employees the right psychological framework to be able to work well.

Generally speaking, the motivation serves to create positive attitudes towards the job while the hygiene creates a good working environment for the job to happen. However, the theory does have its limitations such as the assumed correlation between satisfaction and productivity of the employee. Additionally, the raters used to gauge satisfaction vary from person to person and an employee may find a job acceptable but still not like a certain aspect of their job. Lastly, this theory doesn't so much address the nature of the blue-collar employees and mostly caters for white collar jobs. Nonetheless, the theory does have general acceptance among the research community tackling the topic of job satisfaction.

These two theories have shown that employee's inputs are equitable to the outputs provided by the employer and also certain job factors result in satisfaction of employees while other factors prevent dissatisfaction. For instance, according to Herzberg theory, factors such as recognition through things such as compensation and also office culture do contribute to how the employee will view the work and consequently improve their retention. Furthermore, the Equity theory shows how investment into training of the employees and also how the company leadership treats the employees have a big bearing on the output the employee will have at the end of the day. These theories therefore, go into demonstrating the theoretical framework behind the choice of the objectives of the study.

### **2.3 Dynamics of Employee Retention**

The two theories explored above have demonstrated that an employer must strive to satisfy the employee's needs through the provision of various support structures to the individual employee. In other words, employers who satisfy employee needs are better placed to retain their workforce (George & Jones, 2012). Bodjrenou et al. (2016) argue that firms must purpose to not only attract talents in the industry but also ensure retention of the same. Bodjrenou et al. (2016) further opined improving employee retention strategies and providing sound professional management and leadership are an increasing challenge for firms. In this section we further explore w how the strategies outlined in the objectives relate with employee retention.

#### **2.3.1 Manager Employee Relationship and Employee Retention**

Employees tend to extend their contract or stay in a firm whose management recognize the efforts made by subordinates, are fully aware of what the employer expects from them, and where they feel that their immediate supervisor shows genuine concern for their welfare (Ferreira, 2007 cited in Michael, 2008). In other words, where the relationship between the employee and employer is of high professional quality, they may in turn extend their stay in a firm (Ferreira, 2007).

Michael (2007) opined that responsibility and accountability for retaining talented employees ought to be the main responsibility of a firm's leadership. The best strategy for a firm to mitigate employee turnover is by developing a culture that not only encourages employees but also gives them a reason to stay. In this regard, the management of a firm plays a key role in retaining valued talent longer. The best way to achieve the above is in developing an enabling and

productive two-way communication between the subordinate and their immediate supervisor. As such, the leaders of a firm ought to develop and adopt a leadership style that would establish their authority not through intimidation but reasoned judgment and understanding when dealing with subordinates.

According to Fried & Fottler (2015), it is the responsibility of the leader to create an enabling environment where differences in roles, title, position, and department are both respected and valued but not inhibitive of open communication. Each employee, ought to be regarded as an integral part of the team with a say in the operations of the firm.

Various research indicated that at least 89% of managers or supervisors often state that money retains talented employees (Herman, 1999; Kaye & Jordan-Evans, 1999; Kreisman, 2002). Contrary to this, in her article published on LinkedIn, Brigette Hyacinth (2017) stated that employees join firms but leave managers. A US Gallup poll of one million respondents revealed that the key reason employees terminate their employment is due to poor relationship with their bosses or immediate managers. Despite how good a job may be, employees will always quit if the reporting relationship with the supervisor is not healthy. The above was the result of research undertaken over 25 years by Gallup whereby it was noted that the relationship between managers and employees is the main factor affecting employee productivity and turnover. The conclusion is that "People leave managers not companies...in the end; turnover is mostly a manager issue."

Buckingham & Coffman (1999) had earlier suggested that the role of the manager in mitigating employee turnover was important as employees often look up towards their supervisors and managers for both guidance and appraisals. Various studies revealed that the style of leadership and people management skill directly influences the ability of the firm to retain its workforce. Eisenberger et al. (1990) opined that how employees view a firm is dependent on their professional relationship with their team leaders. Furthermore, Eisenberger and associates (1990) opined that an employee's perception of a firm is strongly influenced by their workplace relationship with their supervisor.

### **2.3.2 Work Environment and Employee Retention**

The workplace environment includes both the special space and the social sphere surrounding the employee at work. Workplace environment was defined by the World at Work as the

combination of behavioural elements, psychological and observable physical components at the workplace. In this regard, a conducive workplace environment motivates the employee to not only report to work but also be more productive (Msengeti & Obwogi 2015). Kossivi et al. (2016) concurred with the above observation by stating that firms providing privacy at the workplace improve the levels of commitment and motivation in employees thereby increasing the firm's chances of retaining employees.

Ollukkaran and Gunasellan (2012) stated that the work environment infers to the conditions, structures, and systems set up in the workplace that influence an employee's performance. Similarly, Kossivi et al. (2016) opined that the workplace environment includes culture, rules, policies, workplace relationships, resources, internal and external environmental factors, and work location. All the above elements need to be designed to offer a conducive and flexible working environment that best optimizes employee motivation and thereby increase their output. According to Fried & Fottler (2015) attracting and retaining a diverse workforce have to do with the state of the work and that the leaders should create an environment in which the minorities feel included, professionally developed, and are safe.

Some of the work environment variables such as supervisor support, social support, promotion, co-worker relationship, perceived organization support, general working conditions, and participation in decision making are predictors of organization commitment (Richards, O'Brien, & Akroyd, 1994; Subramaniam & Mia, 2001; Casper et al. 2002; Haggins, 2011). Job autonomy, positive feedback also helps to increase the commitment of employees (Dunham et al. 1994; Hutchison & Garstka, 1996). Innovative organization subculture and employee firm ownership increases the level of commitment from the workforce (Klein, 1987; Lok et al. 2005).

Kossivi et al. (2016) stressed that firms need to recognize hardworking and performing employees as it would in turn promote an enabling working environment that promotes employee commitment to their contract. Similarly, Markey et al. (2015) opined that employees who find the working environment conducive are less likely to leave their employment. Through the study, a conducive working environment was characterized by low levels of stress and appraisals from management.

### **2.3.3 Rewards/Compensation and Employee Retention**

Reward systems encompasses financial rewards and non-financial rewards such as employee benefits, career prospects, recognition, and responsibility (Markey et al., 2015). Khan & Mufti (2012) further states that employee compensation as a framework for employee remuneration based on their input at the workplace. This is a similar definition provided by Nazim-ud-Din (2013) who state that employee compensation as that which is accrued from one's employment. Moreover, the authors argued that compensation management requires precision and accuracy to ensure smooth flow of the firm's operation. In addition, the authors note that compensation may exist in the form of both financial and non-financial form such as insurance, pension, and allowances such as company cars or subsidized transportation.

Employee remuneration is a key indicator of a firm's intention and commitment toward employee retention. However, the pay alone is inadequate in motivating employees to work in a firm for prolonged contracts. Whereas an employee may leave a firm for high wages elsewhere, high wages alone might not be enough to retain an employee. Maqsood (2015) opined that there could be other factors such as a psychologically conducive workplace environment. Nevertheless, compensation plays a significant role in attracting and retaining industry talent that is keen on delivering on their roles and responsibilities. Mathis and Jackson (2010) and Petera (2011) both opined that compensation management is geared towards realizing organizational goals through the attraction, motivation, and retention of talented and hardworking personnel.

According to Mathis and Jackson (2010), insufficient pay and benefits, limited career advancement, unhappiness with management were the notable reasons leading to employee resignation from firms. They also noted that a conducive working environment is the most crucial element of a firm's reward strategy. For the healthcare industry, firms need to develop comprehensive reward policies as replacement of healthcare workers is often complex and resource intensive. Moreover, firms often compete over a limited pool of available worker in the job market.

Khan (2011) suggested that there are three types of reward systems: financial and non-financial, extrinsic and intrinsic rewards, and performance and membership-based rewards. Intrinsic rewards infer to intangible rewards one derives from the workplace on account of their input such as ego. On the other hand, extrinsic rewards infer to tangible rewards or emoluments from

supervisors such as bonuses, salary increment, and sales commission. Financial rewards infer to financial gratitude given to employees geared towards uplifting the socioeconomic status of the employee. Non-financial reward encompasses inexpensive gratitude given to employees to uplift their morale such as employee of the year. Performance-based and membership-based rewards infer to rewards provided by employers to its employees on the basis of their performance or membership to the firm.

Fried and Fottler (2015) noted that whereas financial rewards in not always a motivating factor in employee retention, cash-based compensation has a significant role in attracting and retaining talent. The reason behind the assertion is that employees often assess their skills and input vis-à-vis their compensation. Alsbriet and Ramesh (2012) further noted that firms tend to use financial compensation schemes either in isolation or as part of a broader compensation package geared towards enabling employees adopt a healthier lifestyle. Examples of compensation packages include paid vacation days, cash bonuses, and health insurance rebates.

#### **2.3.4 Career Training and Development and Employee Retention**

Gilley et al. (2002, p. 34) suggest a collaborative effort, stating, “Career development as a process requiring individuals and organizations to create a partnership that enhances employees’ knowledge, skills, competencies, and attitudes required for their current and future job assignments”. Stahl et al. (2012) further noted that career development helps employees understand how to identify and access work roles that suit them well and opportunities for improving their skills and developing their potential. Research Employees who are satisfied in their decision to work and feel the Institute is developing them, are better motivated, more concentrated, and abler and willing to take on more challenging research work.

Firms need to comprehend that a key strategy to attract and retain top industry talent is through the development and implementation of a workforce career training and development program. Through career development, opportunities for promotion emerge after the workforce acquires skills that enable them to undertake greater responsibilities within both the external and internal labor market (Stahl et al., 2012)

### **2.3.5 Organizational Culture and Employee Retention**

Organizational culture infers to shared norms, beliefs, and values influencing employees' relationship with colleagues and the external environment of the firm. Ose & Opeke (2018) opined that organizational culture influenced the rate of employee retention. The author published that employees domesticated in a workplace setting that recognized individual accomplishment and achievement would be more satisfied after they individually work harder than the rest of the member of the team as they know that their efforts shall not go unnoticed. Moreover, George & Jones (2012) opined that employees domesticated in a workplace that looks towards team effort as opposed to individual effort would be more likely to leave the firm if the individual is stressed over individual achievement and competition.

Because human needs are varied and insatiable firms must realize the expectation of employees for the sake of averting employees terminating their employment. Some of the measures that can reduce employee turnover includes, entailing staff welfare and establishing a positive organisational culture. For firms to realize the maximum outputs from their employees, an enabling environment with a harmonious culture must be developed. In this regard, firms ought not be rigid and put in place fixed cultures; instead, firms need to be progressive (Ose & Opeke 2018).

### **2.4 Empirical Review**

In one study conducted by Tangthong et al. (2015) on human resource management (HRM) practices and employee retention in Thailand's foreign direct investments manufacturing industry revealed that there is a correlation between benefits, compensation training & development and employee retention. This was a literature review on the correlation between employee retention and human resources practices, particularly aiming at Compensation and benefits management and reward system and training and development with employee engagement as the intervening variable. The study revealed that the manufacturing industry had a high correlation between employee retention and human resources practices. Compensation and benefits were found to be more effective in retaining employees as many studies cited that employees who received a higher pay or salary for better performance felt appreciated and were more likely to work in a single firm for a longer period of time. Reward and training were also associated with employee retention although training as a variable need to be accompanied by

other HRM practices in order to have an effect on the retention strategies. Employee engagement was found as a true intervening variable for the relationship between HRM practices and employee retention.

Maqsood et al. (2015) analysed the correlation between employee retention and human resources practices in Pakistan's telecom industry. The study revealed a strong correlation after assessing how compensation and culture, HRM practices, training, and development affected employee retention. The study used a correlational design with cause and effect approach and the study setting was the telecom sector in Pakistan with a study population of 256 recruited through convenient sampling. Data was collected through a self-administered questionnaire with Likert scale statements rated 1 (strongly disagree) to 5 (strongly agree) and analysed using multiple regression and determine the relationship between the study variables. Employee retention was found to be highly correlated with the HRM Practices under investigation (training and development, compensation, and culture). Compensation was the strongest predictor of employee retention as compared to other variables. Though there was a significant relationship between employee retention and training the beta weight was negative which indicated that the majority of the employees could not be retained by training alone especially if compensation was not satisfactory and therefore had to transfer the earned skills to other competitive organizations. The study found out that the Telecom industry was retaining its employees since it was offering human resource practices that significantly predict employee retention. The sector was offering attractive and competitive compensation/rewards packages in addition to good cultural practices, training, and development programs for the staff.

Umamaheswari and Krishnan (2016) conducted a study on the workforce at ceramic Sanitary Ware Industries in to examine the role of work-life balance, career development, and supervisor support over employee's commitment and influence of the organizational commitment on the employee retention and its mediating role. The study targeted employees working in ceramic factories in India and a total of 500 closed-ended questionnaires were sent to the respondents in different factories who were selected through a random sampling method. Multiple regression analysis was performed to test whether there was any significance between the work-life balance, career development, and supervisor support on the organizational commitment. The three factors were significantly associated with organizational commitment with career development being the

strongest predictor of organizational commitment. Work-life was the next factor that was predominantly associated with organizational commitment followed by supervisor support. The study also revealed that employee retention was positively related to organizational commitment which indicates that increasing organizational commitment among employees will increase their retention rate in the organization.

Waiganjo and Ngure (2017) conducted a cross-sectional survey of health workers at Kenyatta National hospital to determine the factors affecting the retention of health workers in Kenya's public health. The study aimed to determine whether leadership style, remuneration, promotion, training, and work environment influence the retention of public sector health workers. The study design was a case-study approach and the target population was the workers at Kenyatta National Hospital who were either permanent or on contract at the time of the study. To arrive at a sample size of 400. Closed-ended and Open-ended questionnaires and focused group discussions were used to collect in-depth data from the study participants. A Multistage sampling technique was used to group the population according to the designation in order to ensure equal representation up to and across the hierarchy and simple random sampling applied to choose 10% of the respondents in each category. A sample of 400 employees participated in the study in which key informants were interviewed and FDGs conducted. Multiple regression analysis was used to establish the relationship between the independent variables and dependent variables. One of the major study outcomes was the intention to leave. All the independent variables (promotions, leadership style, work environment, remuneration, and training) were significantly associated with employee retention. Leadership style was the strongest predictor of employee retention and the hospital was reported to exercise recommendation leadership style which could explain the high rate of employee retention at the facility. However, in the multiple regression analysis, training was not found to have a significant relationship with employee intention to leave which implies that in the absence of other HRM practices such as remuneration, work environment, and promotions, training will not be a factor to consider in retaining employees.

Nyaga (2015) undertook a study in Kiambu County that revealed non-financial rewards were used by private schools in Kenya as a competitive advantage in the retraining of staff. The study recommended firms to continually review compensation and reward policies as a means to align the interests of its staff vis-à-vis the changing dynamics of the macro-environment;

where necessary, schools need to make develop different frameworks based on the demography of their employees.

Chitra (2013) conducted a study in South India to determine the role of leadership in employee retention. The study set up was a private bank sector in which 100 employees formed the sample population. The study presented a clear strategic path that leadership has a direct bearing impact on employee retention. The findings of the study revealed that the style of leadership impacts employee retention within India's private banks. In other words, there is a direct correlation between a diametric relationship leadership style and an employee's intention to leave a firm.

## **2.5 Gaps in the reviewed empirical literature**

Several studies have been carried out on employee retention, however, there were few identified by this study on private hospitals in Kenya. Reviewing the studies from our literature, the study by Tangthong et al. (2015) only focused on compensation, training, and culture as factors predicting employee retention in India and therefore did not account for major factors such as work environment which has been associated with high staff turnover in several studies. The study also focused on manufacturing companies under foreign direct investments which are heterogeneous and therefore may compromise comparison of the study variables.

The study by Nyaga (2015) in Kiambu county to determine the utilization of non-financial rewards for employee retention focused on only rewards as a strategy for employee retention and therefore limits the research on drawing comparisons on various practices that are known to affect employee retention as proposed by several authors on human resource practices and employee retention (e.g., Maqsood et al., 2015; Waiganjo & Ngure, 2017).

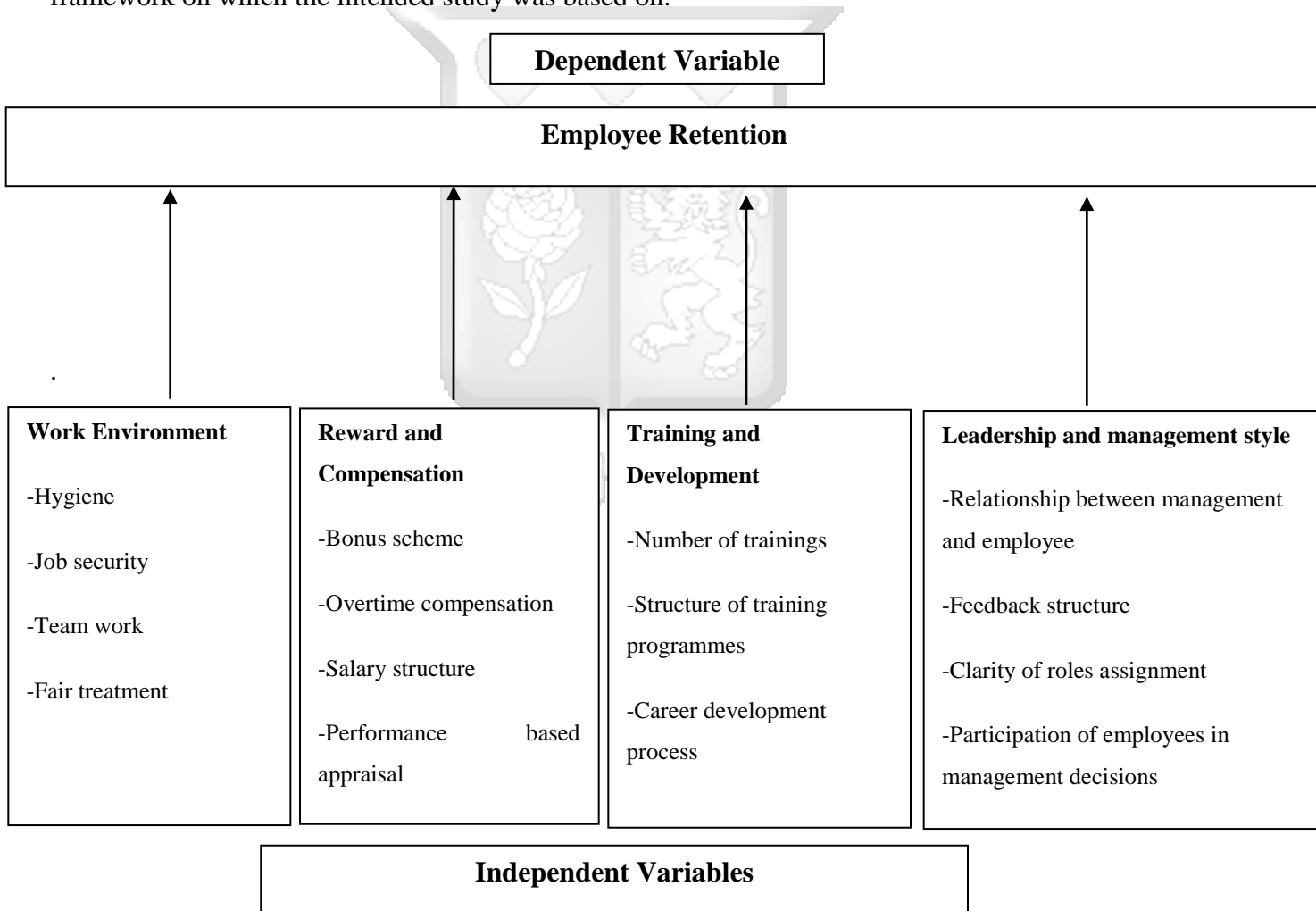
The study by Maqsood et al. (2015) on how telecom industry employees are affected by human resources practices should have been designed to take consideration of the different company sizes and scale operations within the sector. The study also used a random sampling method which did not take into consideration the diversity of organizational structure and the effect of geographical locations. The study by Waiganjo and Ngure (2017) at Kenya National Hospital that assessed the effect of leadership style, promotions, remunerations, and training and development could have included organization commitment as a factor determined by various human resource practices given that this was a public sector facility.

Empirical Study	Summary of Study	Gaps in study
Maqsood et al. (2015)	How telecom industry employees are affected by human resources practices should have been designed to take consideration of the different company sizes and scale operations within the sector	The study also used a random sampling method which did not take into consideration the diversity of organizational structure and the effect of geographical locations.
Waiganjo and Ngure (2017)	Assessed the effect of leadership style, promotions, remunerations, and training and development.	Could have included organization commitment as a factor determined by various human resource practices given that this was a public sector facility.
Nyaga (2015)	Determine the utilization of non-financial rewards for employee retention in Kiambu	Focused on only rewards as a strategy for employee retention and therefore limits the research from drawing comparisons on various practices that are known to affect employee retention as proposed by several authors on human resource practices and employee retention
Tangthong et al. (2015)	Focused on compensation, training, and culture as factors predicting employee retention in India	Did not account for major factors search as work environment which has been associated with high staff turnover in several studies. The study also focused on manufacturing companies under foreign direct investments which are heterogeneous and therefore may compromise comparison of the study variables.
Umamaheswari & Krishnan (2016)	Conducted a study on the workforce at ceramic Sanitary Ware Industries in to examine the role of work-life balance, career development, and supervisor support over employee's commitment and influence of the organizational commitment on the employee retention and its mediating role.	Did not look at reward and recognition

**Table 2.1: Table summarising some empirical studies and their gaps**

## 2.6 Conceptual Framework

There are four variables in this study. The dependant variable is retention whereas the independent variables consist of (1) quality work environment, (2) recognition and compensation, (3) training and career development, and (4) leadership and management style. The study explored whether the independent variable influenced the health care employees to continue working for AAR healthcare limited even when there was an offer for employment from a competing organization. These variables were further analysed to identify the factor with the greatest influence on employee retention. Figure 2.1 below illustrates the conceptual framework on which the intended study was based on.



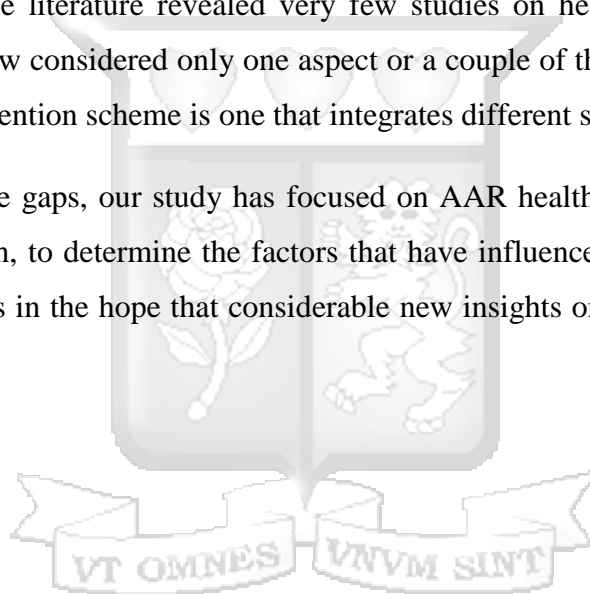
*Figure 1: Conceptual Framework*

## 2.7 Summary of Chapter

Based on the above literature review, it is evident that the challenges of employee retention are emerging as one of the most complex human capital challenges in the global economy. Factors that are associated with employee retention include work environment, promotions, remunerations, training and development, and organization (Maqsood et al., 2015; Waiganjo & Ngunjiri, 2017).

Employee retention programs are however to a significant degree context specific. In this sense, one would reasonably expect retention strategies in the textile industry to be different from those in the hotel industry, and for those in the health, sector to be different from those in the mining sector. Our review of the literature revealed very few studies on health sector organizations. Moreover, these select few considered only one aspect or a couple of the retention strategies, yet an effective employee retention scheme is one that integrates different strategies.

To partially address these gaps, our study has focused on AAR healthcare as an exemplar of a health sector organization, to determine the factors that have influenced the employee retention over the past recent years in the hope that considerable new insights on employee retention will be identified.



## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter aims to provide a detailed depiction of the study methodology that is used for this research. It entails the research design, the study population, the techniques used for sampling, the tools for data collection and the necessary statistical methods that were used for analysis.

### **3.2 Research Design**

This section explains the design that guided the planning and collecting data from the employees at AAR Healthcare Kenya in order to look into the strategies used in the industry. Research design can be defined as the arrangement of the necessary conditions for data collection and analysis that purposes to provide relevance to the purpose of the research (Kothari, 2009). This study adopted a descriptive cross-sectional survey which is an in-depth study of a phenomenon that is observed at a certain point in time (Burns and Gove, 2009). Cross-sectional study seeks to describe the situation as they exist at one point in time. Gathering of information from the employees on the retention a strategy that is work environment, recognition and compensation, training and development and leadership and management style was done by the administrating of a closed-ended structured questionnaire that had Likert scale statements. Exploratory data analyses will be used for this data where tables and graphs were used for presentation of the data. Further inferential statistics were applied to ascertain the correlation between different factors considered in the survey. The researcher administered questionnaires to the employees after requisite approvals had been sort from Strathmore University and AAR Healthcare Kenya ltd. The study targeted employees who have been working in the company on contractual or permanent terms and the researcher gave the questionnaires online through Monkey Survey.

### **3.3 Population and Sampling**

#### **3.3.1 Target study population**

The Target population for the study was 343 clinical and non-clinical staff members in the headquarters and the 21 branches of AAR Healthcare Ltd located in Nairobi, Coast and rift regions. The Outpatient centres are grouped into three major different regions depending on their geographical and the headquarters will fall under Nairobi region as the Table 3.1.

**Table 3.1: Target Population of AAR Healthcare**

S/No	Region	Number of Employees
1	Nairobi	302
2	Mombasa	13
3	Kisumu	13
4	Nakuru	8
5	Thika	7
	<b>Total Employees</b>	<b>343</b>

Source: AAR Healthcare staff list 2019

### 3.3.2 Sample Size and Sampling Technique

Sampling technique can be considered to be the process through which a few individuals are selected for a study in a way that is representative of the larger population (Ogula, 2005). Multi-sampling technique was applied to group the population into different regions which formed the strata for sampling. Each region was a stratum and study participants were selected based on the ratio of the population in their stratum and the total employee population of 343. The technique of convenient sampling was used to select the respondents in each of the regions and branches across the country to come to the desired sample size of the study. Cochran's formula adjusted for small population of study was used to arrive at the sample size and it can be represented as:

$$N_0 = \frac{Z^2 pq}{e^2}$$

Where:

e is the desired precision level or margin of error

p is the proportion of the study population which has the desired attribute

q is the difference between 1 and p

Z is a value that will be read of the standard normal distribution table

This study assumed maximum variability, p value of 50%, confidence interval of 95%, 5% level of precision and Z value of 1.96 (given confidence level of 95%). Substitution of the figures in the equation we get a sample size of 385  $((1.96)^2(0.5)/0.05)^2 = 385$ ). However, since our total

population is finite and less than 10,000 (343 employees), the formula will be adjusted for calculation of sample size when targeting small population as shown below:

$$n = \frac{n_0}{1 + (n_0 - 1)/N}$$

Where:  $n_0$  is the Cochran's size of the sample as calculated earlier,  $N$  is the population size of 343 and  $n$  is the adjusted sample size that will be obtained. Because the target population is 343 employees at AAR healthcare Kenya Ltd, the above formula was used to calculate the sample size of the study which came to 183 employees. The sample size for the study was 183 employees working on regular and fulltime bases at AAR Healthcare Kenya ltd across its branch in the country.

### **3.4 Data Collection Methods**

Data collection can be defined as the process through which data is gathered from the participants of the study (Burns and Grove, 2011). The study used online closed ended questionnaire uploaded on the monkey survey . The questionnaire used was adopted from related studies (Umamaheswari & Krishnan, 2016; Ngure & Waiganjo, 2017; Artnkson, 2011; Njoroge, 2017; Maqsood et al., 2015) and reviewed to fit the scope of this study. The measurements in the questionnaire were derived from the various categories of study variables. Work environment (WE) which included organization culture and work safety and employee retention (ER) will be measured using Likert scale statements in a rating of 1 to 5 where 1 is highly agree and 5 highly disagree. Employee compensation/recognition (CR) was measured using a Likert scale too. Leadership and management style (LM) and factors that influence employee retention were measured in a score of 1 to 10 where 10 is the highest score and 1 the list score. Training (T) was assed using structured and researcher guided questions.

### **3.5 Data Analysis**

Data analysis is considered to be the process of transforming the data collected with the aim of coming with valuable deductions that will aid in the decision-making process (Hair et al., 2008). The study applied quantitative techniques and as such, quantitative statistics was used to answer the research questions in an aim to achieve the objectives of the study. The descriptive statistics used allowed the researcher to categorize the data in a way that facilitated a deeper

understanding of the collected data. The data was checked and edited accordingly to ensure consistency with the data collection tools and to ensure that there were no errors or omissions in the data. This data was then entered into statistical software, SPSS, for analysis. In addition to the descriptive statistics, the study also conducted a correlation analysis to investigate how the independent variables related with each other and to check if there were any heterogeneity issues with the variables of concern. This was then followed by a regression analysis that explained the relationship between the study variables. Furthermore, an Analysis of Variance (ANOVA) was also conducted to examine the fitness of the regression models. The independent variables of the study were Work Environment (WE), Compensation/Recognition (RC), Leadership and Management (LM) and Training and Development (TD) while outcome variable was Employee Retention (ER) which was measured by intention to leave (IL) the organization.

### **3.6 Validity and Reliability**

According to Taherdoost (2016), variability can be described as the importance of the inferences and accuracy that are a resultant factor from the data obtained. This study assessed the research instruments to establish how good the data collected from the study was. The first step in achieving this was going through the instrument to ensure that it was in line with the set objectives of the study and it was capable of capturing all the relevant information towards this goal. Secondly, the researcher sought the expert opinions from the various University lecturers, defense panelists and the supervisor to make sure that the instruments were relevant in content and in their aim of meeting the study objectives.

Reliability is considered to be a measure of the ability of the instrument used in the study to have internal consistency in repeated trials while maintaining similar scoring (Taherdoost, 2016). To test the reliability of the questionnaire used in the study, a pilot was done at AAR Healthcare Kenya as a study setting before the actual data collection process. The researcher then conducted a Cronbach's Alpha test from a pilot sample size of 10 employees drawn from the study population who also participated in the main study. A Cronbach's alpha of 0.7 and above is generally considered as good and according to Castillio (2009), the decision rules as follows: >0.9 – Excellent, >0.8 – Good, >0.7 – Acceptable, >0.6 – Questionable, >0.5 – Poor and <0.5 – Unacceptable. In this study, the acceptable value of 0.7 was taken as the cut-off of reliability and the results are presented below.

**Table 3.2: Reliability Test Results**

<b>Reliability Statistics</b>		
<b>Variable</b>	<b>Cronbach's Alpha</b>	<b>N of Items</b>
Employee Retention	0.879	12
Work Environment Safety	0.981	32
Employee Training	0.934	7
Leadership Management Style	0.987	15
Reward and Recognition	0.859	8

### **3.7 Ethical Considerations**

Research permit to carry out this study was granted by the National Council for science and Technology (NACOSTI) after requisite approval by the Strathmore University Institutional and Ethical Research Committee (SU-IERC). Data collection across the sampled AAR Healthcare Kenya branches was conducted after seeking permission from the company management board. The letter of introduction for the study was submitted to AAR healthcare Limited for consideration before the process of data collection. The researcher ensured protection of the integrity of the participants' responses and identity. The study participants were protected against physical, mental, emotional, social or economic harm and that their information was held with confidentiality. Informed consent was sought from the respondents and participation in the study was voluntary.

## CHAPTER FOUR: ANALYSIS OF THE STUDY FINDINGS

### 4.1 Introduction

This chapter presents the data analysis and findings of the study as set out in the research objective and research methodology. The data collection done from 18<sup>th</sup> May to 31 May 2020. The chapter is organized into the following sections: the response rate, demographic profile of respondents, results from descriptive statistics and results from correlation analysis and regression model.

### 4.2 Response Rate

The study targeted 183 participants from the study population of 343. Questionnaires were coded, uploaded in Monkey Survey for data collection. The participants who completed and returned the questionnaires were 168 which was a response rate of 92% as shown in Table 4.2. The response rate was considerably good and can be used to produce accurate and useful findings representative of the target population compared to other studies (Ngure & Waiganjo, 2017).

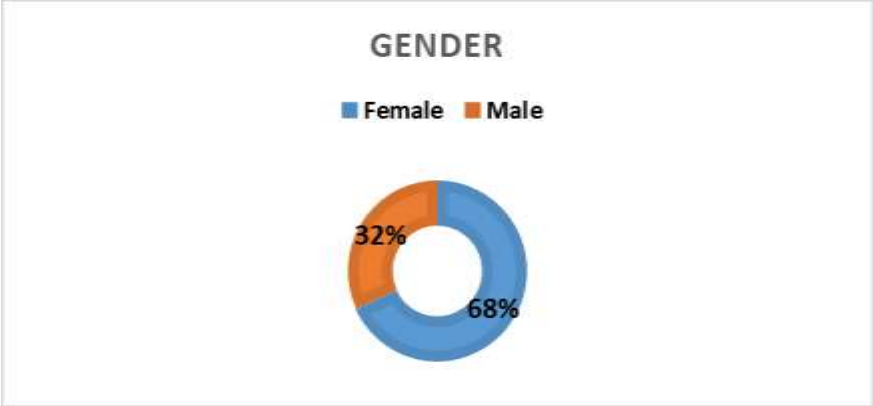
**Table 4.2: Response rate for the questionnaire**

<b>Total Responses</b>	<b>168</b>
<b>Sample Size</b>	<b>183</b>
<b>Percentage Response Rate</b>	<b>92%</b>

### 4.3 Socio-Demographic Characteristics of the respondents

#### 4.3.1 Gender

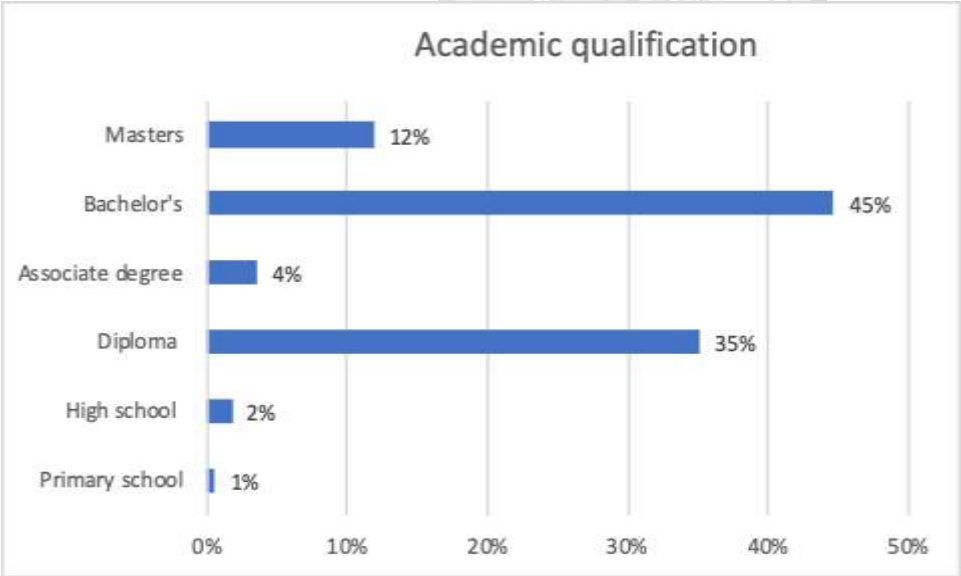
The respondents' distribution by gender was 32% Males and 68% Females as shown in Figure 2. This can be associated by high number of nurses who are female (95%) as compared to their counterpart males (5%). Previous studies have indicated that healthcare workers are largely composed of female gender as opposed to male gender which reflects gender distribution during training.



*Figure 2: Gender distribution of employees*

**4.3.2 Academic qualification**

As shown in figure 3 below, majority of the respondents had a bachelor’s degree (45%), 35% had a diploma, 12% had a master’s degree while the least number of employees had less than high school level of education.



*Figure 3: Academic Qualification of employees*

### 4.3.3 Cross tabulation of professional qualification and gender

Majority of the respondents were trained in nursing and medical laboratory sciences with a total of 41(26%) and 23(14%) respectively as shown in the Table 4.3.3. Project management and psychology had the least number of staff at 1% each.

*Table 4.3.3: Summary of Professional qualification and gender*

Professional Qualification	Gender				Total
	Female		Male		
	Number of Staff	Percent	Number of Staff	Percent	
Nursing	39	35%	2	4%	41
Medical Laboratory Sciences	11	10%	12	27%	23
Pharmacy	8	7%	7	16%	15
Accounting	8	7%	5	11%	13
Business Administration	9	8%	4	9%	13
Doctors	8	7%	5	11%	13
Marketing and public relations	8	7%	2	4%	10
Human Resource management	4	4%	3	7%	7
IT	4	4%	2	4%	6
None	4	4%	1	2%	5
Procurement	1	1%	2	4%	3
Economist	2	2%	0	0%	2
Tourism and Hospitality	2	2%	0	0%	2
Project Management	1	1%	0	0%	1
Psychology	1	1%	0	0%	1
Total	110	100%	45	100%	155

### 4.3.4 Role occupied by Staff

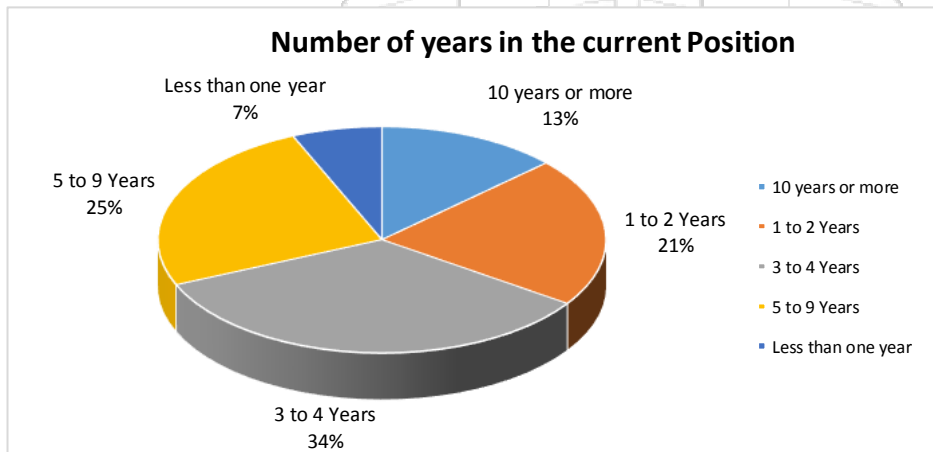
Figure 4 shows distribution of the previous roles and current roles occupied by staff. Majority of the staff (63%) were at the entry level (subordinate) before taking their current roles. A comparison with the current roles occupied by staff shows higher percentage of staff occupying supervisory roles in the organization. This is an indication of growth in career and roles within the organization.



**Figure 4: Role occupied by the staff**

**4.3.5 Number of Years in the current Position**

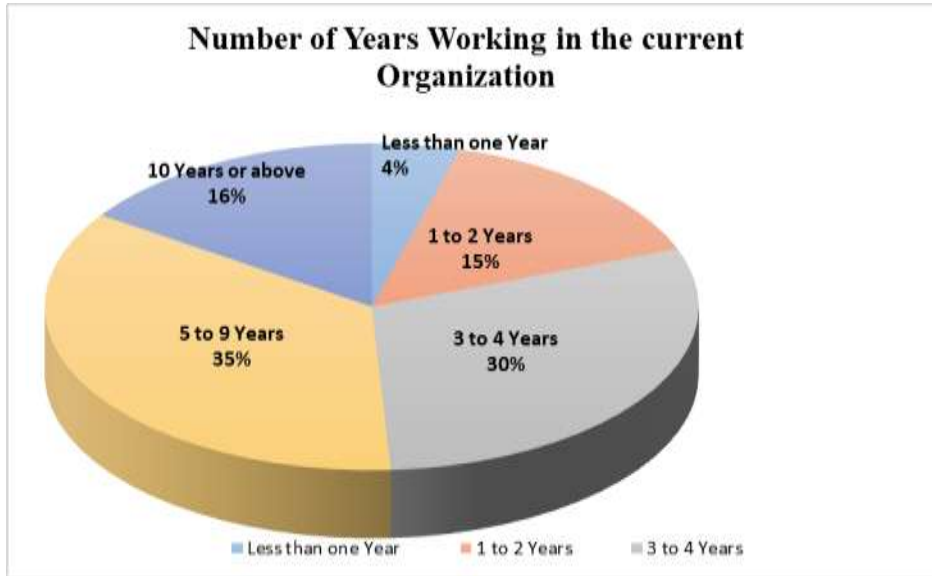
The Pie chart showing staff and number of years in their current positions in the organization reveals that majority of the employees have worked in the organization for a period of 3 to 4 years (34%) in the same position. Twenty-five percent of the employees had worked in the same position for a period of 5 to 9 years with the least number of employees (7%) had working less than a year in the same position. The study findings further show that 13% of the employees had worked 10 or more years in the same position as shown in Figure 5 below.



**Figure 5: Number of years in current position**

#### 4.3.6 Number of Years Working in the Current Organization

The study assessed the number of years' respondents had worked in the organization. Majority of the respondents had worked in the organization for a period of 3 to 4 years (34%) and very few staff had worked for less than 1 year (4%) which is a clear indication of low staff turnover as compared to other companies in healthcare private sector. This can also be attributed to high retention rate.



*Figure 6: Number of years working in the current organization*

#### 4.4 Employee retention strategies applied at AAR Healthcare Kenya ltd

This section presents descriptive statistics pertaining assessment of employee retention strategies applied at AAR Healthcare Ltd. Kenya. The frequency tables mean and standard deviations were computed and interpreted.

##### 4.4.1 Descriptive statistics

##### 4.4.1.1 Satisfaction with Retention Strategies

The study sought to determine employee retention strategies practiced in the organization. The findings in Table 4.4.1.1 revealed that over 68% (50% satisfied, 18% highly satisfied) were satisfied that the company had applied various employee retention strategies. Less than 10% of the employees were not satisfied with the application of the employee retention strategies with

20% not being sure of the strategies being practiced in the company. Working environment, job security and welfare measures had the highest mean score, 4.2, 4 and 3.9 respectively showing that majority of the employees were satisfied with the way the company practiced these strategies to boost staff retention. Location transfer opportunities with promotion and management support for higher education had the lowest mean score as compared to other retention strategies, 2.9 and 2.8, respectively.

**Table 4.4.1.1 Satisfaction with Retention Strategies**

Retention Strategies Satisfaction	Highly Disagree	Disagree	Neither Satisfied Nor Satisfied	Satisfied	Highly Satisfied	Mean	Std. Dev.
Working Environment	0(0%)	2(1%)	14(10%)	77(54%)	50(35%)	4.2	0.7
Job Security	3(2%)	8(6%)	13(9%)	84(59%)	35(24%)	4	0.9
Welfare Measures	2(1%)	5(4%)	24(17%)	83(58%)	28(20%)	3.9	0.9
Job Rotation & New Assignments	2(1%)	10(7%)	34(24%)	74(53%)	19(14%)	3.6	1
Promotion Opportunities	5(4%)	15(11%)	30(22%)	74(53%)	15(11%)	3.5	1
Help in Career Development	6(4%)	24(17%)	24 (17%)	62(45%)	23(17%)	3.5	1.2
Training and Development programs	3(2%)	12(8%)	34(24%)	67(47%)	27(19%)	3.2	1.6
Rewards and Recognition	6(4%)	15(11%)	22(15%)	63(44%)	36(25%)	3.2	1.7
Fringe Benefits	6(4%)	11(8%)	32(23%)	76(54%)	15(11%)	3	1.6
Workers Participation in management activities	5(4%)	18 (13%)	27(19%)	69(49%)	22(16%)	3	1.6
Location Transfer Opportunities with Promotion	3(2%)	12(9%)	44(32%)	66(48%)	12(9%)	2.9	1.6
Management support for higher education	9(6%)	25(18%)	35(25%)	54(38%)	18(13%)	2.8	1.6
<b>Average Score</b>	<b>3%</b>	<b>9%</b>	<b>20%</b>	<b>50%</b>	<b>18%</b>	<b>3.4</b>	<b>1.28</b>

#### 4.4.1.2 Importance of Retention Strategies in the organization

The importance of the employee retention strategies was also investigated with the respondents answering how important they felt that the employee retention strategies were in retaining employees in the organization. Table 4.4.1.2 shows that the total response rate for this question was 84%. Most of the respondents (70%) felt that the employee retention strategies were very important in the organization. Working environment, Job security and Training and development were ranked as the most important employee retention strategies in the organization with a mean score of 2.43, 2.4 and 2.37, respectively. Location transfer opportunities with promotion was ranked as the least important strategy with 5% feeling it was not important and 68% answering that it was important and overall means score of 1.99. Overall, it can be concluded that employee retention strategies are important (50%) in retaining of employees within the organization.

**Table 4.3.1.2 Importance of Retention Strategies**

Importance of Retention Strategies	Not Important At all	Important	Very Important	Response		Mean	Std. Dev.
Working Environment	2(1%)	13(9%)	127(89%)	142	85%	2.43	1.1
Job Security	1(1%)	18 (13%)	122(87%)	141	84%	2.4	1.11
Training and Development programs	1(1%)	26(18%)	115(81%)	142	85%	2.37	1.09
Rewards and Recognition	2(1%)	31(22%)	108(77%)	141	84%	2.31	1.1
Help in Career Development	2(1%)	29(21%)	109(78%)	140	83%	2.3	1.11
Welfare Measures	1(1%)	40(28%)	101(71%)	142	85%	2.29	1.07
Management support for higher education	2(1%)	33(24%)	105(75%)	140	83%	2.28	1.11
Promotion Opportunities	1(1%)	41(29%)	99(70%)	141	84%	2.26	1.08
Workers Participation in management activities	2(1%)	53(38%)	85(61%)	140	83%	2.16	1.08
Fringe Benefits	2(1%)	49(36%)	84(62%)	135	80%	2.1	1.14

Job Rotation & New Assignments	2(1%)	71(50%)	68(48%)	141	84%	2.07	1.03
Location Transfer Opportunities with Promotion	7(5%)	68(49%)	64(46%)	139	83%	1.99	1.06
<b>Average Score</b>	<b>1%</b>	<b>28%</b>	<b>70%</b>		<b>84%</b>	<b>2.25</b>	<b>1.09</b>

#### **4.5 Employee work environment strategies applied at AAR Healthcare Kenya ltd**

This section presents descriptive statistics pertaining assessment of employee work environment strategies applied at AAR Healthcare Ltd. Kenya. The frequency tables mean, and standard deviations were computed and interpreted.

##### **4.5.1 Descriptive statistics**

The working environment safety was assessed using various safety measures required in an organization. Table 4.5.1 shows this section had 77% response rate which can be used to deduce results application to the target population. Forty Percent of the respondents were satisfied with overall working environment safety with thirty percent reporting that they were highly satisfied with the safety measures within the organization. Majority of the employees agreed that the company provided a clean working environment, clean drinking water, hygienic maintenance of the toilets, and proper illumination at the workplace, fire safety measures and conducive temperatures. These measures had the highest score with the average mean of above 3.6. Ranking of the average score for all the working environment safety measures showed that 6% of the respondents strongly disagreed, 9 percent disagreed, 12% neither agreed nor disagreed, 40% agreed and 34% highly agreed. A total of 74% of the respondents agreed that the working environment safety conditions were meant within the organization.

**Table 4.5.1: Working environment Safety.**

Work Environment Safety	Highly Disagree	Disagree	Neutral	Agree	Highly Agree	Response	Mean	Std. Dev.
Cleanliness maintained in the organization is good	3(2%)	0(0%)	0(0%)	32(22%)	108(76%)	143(85%)	3.99	1.79
Pure drinking water facilities are provided at workplace	0(0%)	1(1%)	2(1%)	43(30%)	97(68%)	143(85%)	3.95	1.74
Toilets are maintained hygienically	0(0%)	00% ()	2(1%)	47(33%)	93(65%)	142(85%)	3.92	1.75
Firefighting methods followed by the organization are good	0(0%)	1(1%)	4(3%)	76(54%)	60(43%)	141(84%)	3.68	1.7
There is enough illumination at workplace	1(1%)	3(2%)	8(6%)	64(45%)	65(46%)	141(84%)	3.64	1.74
Conducive working temperature is maintained at workplace	3(2%)	4(3%)	7(5%)	60(42%)	68(48%)	142(85%)	3.64	1.75
Controlled emission of fumes and dust	0(0%)	2(1%)	9(7%)	58(42%)	68(50%)	137(82%)	3.59	1.82
First aid box maintained at workplace are good	0(0%)	3(2%)	12(8%)	74(52%)	53(37%)	142(85%)	3.59	1.67
Working environment is comfortable	2(1%)	2(1%)	13(9%)	63(45%)	61(43%)	141(84%)	3.58	1.74
Communication system is good	2(1%)	5 (3%)	14(10%)	64(45%)	58(41%)	143(85%)	3.57	1.69
Ventilation facilities are allowed	2(1%)	2(1%)	10(7%)	69(49%)	57(41%)	140(83%)	3.55	1.74
Employees are treated with due respect	3(2%)	3(2%)	15(10%)	67(47%)	55(38%)	143(85%)	3.55	1.69
Good work done is appreciated	3(2%)	5(3%)	19(13%)	63(44%)	53(37%)	143(85%)	3.49	1.69
Safety and health instruction courses conducted by the organization are good	3(2%)	4(3%)	15(11%)	72(51%)	47(33%)	141(84%)	3.45	1.71
Better co-ordination among workers	1(1%)	5(4%)	14(10%)	87(61%)	35(25%)	142(85%)	3.43	1.62
Insurance schemes provided by organization are good	3(2%)	6(4%)	11(8%)	68(49%)	50(36%)	138(82%)	3.39	1.78
Retirement benefits schemes provided such as pension, provident fund, and gratuity are appreciated	6(4%)	3(2%)	16(12%)	61(44%)	52(38%)	138(82%)	3.36	1.81
Fair treatment of employees	4(3%)	10(7%)	19(13%)	68(48%)	42(29%)	143(85%)	3.35	1.67

Employee's suggestions and grievances are considered	6(4%)	9(6%)	27(19%)	61(43%)	40(28%)	143(85%)	3.27	1.67
Adequate parking facilities are provided	8(6%)	16(11%)	16(11%)	67(48%)	34(24%)	141(84%)	3.13	1.71
Provision to avoid sound at workplace is allowed	0(0%)	13(10%)	26(19%)	67(49%)	30(22%)	136(81%)	3.11	1.71
Rest rooms and canteen are maintained well	2(2%)	8(7%)	15(13%)	46(40%)	45(39%)	116(69%)	2.81	2.05
Company have tie ups with hospitals	1(1%)	6(5%)	24(21%)	54(47%)	30(26%)	115(68%)	2.68	1.96
Transport facilities provided are good	13(10%)	29(23%)	28(22%)	36(28%)	21(17%)	127(76%)	2.4	1.75
Health camps facilities provided for employees and family members	17(16%)	24(22%)	18(17%)	34(32%)	14(13%)	107(6436%)	1.93	1.8
Educational loans for wards and self-appreciated	21(22%)	24(25%)	22(23%)	17(18%)	11(12%)	95(57%)	1.54	1.67
Interest free loans are provided for personal expenses	34(32%)	32(30%)	17(16%)	15(14%)	8 (8%)	106(63%)	1.48	1.52
Food is offered at subsidized rate	19(21%)	24(26%)	21(23%)	18(20%)	9(10%)	91(54%)	1.47	1.65
Provision for job opportunities for family members	25(25%)	34(34%)	23(23%)	10(10%)	8(8%)	100(60%)	1.44	1.51
Prevailing staff quarters facilities is good	7(10%)	16(22%)	15(21%)	26(36%)	8(11%)	72(43%)	1.36	1.75
Average Rating	6%	9%	12%	40%	34%	77%	3.04	1.73

#### 4.5.2: Inferential statistics

To investigate the relationship between the employee work environment strategies applied at AAR Healthcare Kenya Ltd and employee retention, a correlation analysis of the various components identified as measuring the variables effectively was carried out using the Pearson product moment correlation coefficient (r). Correlation analysis is a measure of association or linear relationship between two variables. A perfect positive linear relationship,  $r=1$ . The weaker the linear relationship between the variables, results in a correlation coefficient equal to 0, meaning no linear relationship. A value greater than 0 indicates a positive association where the

value of one variable increases, as does the value of the other variable. And a value lower than 0 indicates a negative association. The findings are indicated in Table 4.5.2 below.

**Table 4.5.2: Correlation analysis**

Correlations			
		Employee retention	Work Environment Safety
Employee retention	Pearson Correlation	1	.533**
	Sig. (2-tailed)		0.000
	N	144	143
Work Environment Safety	Pearson Correlation	.533**	1
	Sig. (2-tailed)	0.000	
	N	143	143
** . Correlation is significant at the 0.01 level (2-tailed).			

It is observed in Table 4.5.2 above that there is a moderate positive correlation ( $r=0.533$ ) between work environment strategy applied at AAR Healthcare Kenya Ltd and employee retention. This means that as the work environment strategies applied at AAR Healthcare Kenya Ltd increases there is a corresponding increase in employee retention. The value of correlation coefficient is statistically significant ( $R=0.533$ ,  $p$  value  $< 0.01$ ) at 1% level of significance.

#### **4.6 Reward and Recognition strategies applied at AAR Healthcare Kenya Ltd**

This section presents descriptive statistics pertaining assessment of reward and recognition strategies applied at AAR Healthcare Ltd. Kenya. The frequency tables mean, and standard deviations were computed and interpreted.

##### **4.6.1 Descriptive statistics**

The researcher sought to investigate reward and recognition strategies for employee retention. The findings are presented in table 4.4.5. Majority of the employees were satisfied with

provision for group insurance scheme with 46% satisfied and 13% highly satisfied. The second measure with the highest satisfaction among the employees was performance based appraisal system in practice with 41% reporting that they were satisfied and 10% highly satisfied with the plan. Provision for group insurance scheme and performance based appraisal system in practice had the highest mean score, 2.6 and 2.3 respectively which indicated that the employees were highly satisfied with these measures in the organization as compared to other employee retention strategies on reward and recognition.

**Table 4.6.1: Summary response on reward and recognition**

Level of Satisfaction	Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied	Mean	Std Dev.
Provision for group insurance schemes	8(5%)	11(7%)	50(30%)	78(46%)	21(13%)	2.661	1.951
Yearly bonus scheme	9(5%)	18(11%)	67(40%)	54(32%)	20(12%)	2.149	2.0019
Performance appraisal system in practice	7(4%)	15(9%)	61(36%)	69(41%)	16(10%)	2.339	1.9754
Performance based incentives	10(6%)	18(11%)	67(40%)	59(35%)	14(8%)	2.095	1.9553
Compensation paid for workers during layoffs	11(7%)	9(5%)	87(52%)	47(28%)	14(8%)	1.708	1.986
Over time salary	16(10%)	28(17%)	72(43%)	39(23%)	13(8%)	1.744	1.841
Fringe benefits provided by the company are good	6(4%)	17(10%)	73(43%)	62(37%)	10(6%)	2.012	1.9515
Salary Structure	9(5%)	21(13%)	70(42%)	60(36%)	8(5%)	1.97	1.8968
	6%	10%	41%	35%	9%		

#### 4.6.2: Inferential statistics

To investigate the relationship between the employee work environment strategies applied at AAR Healthcare Kenya Ltd and employee retention, a correlation analysis of the various components identified as measuring the variables effectively was carried out using the Pearson product moment correlation coefficient ( $r$ ). It is observed in Table 4.6.2 below that there is a moderate positive correlation ( $r=0.548$ ) between reward and recognition strategy applied at AAR Healthcare Kenya Ltd and employee retention. This means that as the reward and recognition strategies applied at AAR Healthcare Kenya Ltd increases there is a corresponding increase in employee retention. The value of correlation coefficient is statistically significant ( $R=0.548$ ,  $p$  value  $< 0.01$ ) at 1% level of significance.

**Table 4.6.2: Correlation analysis**

<b>Correlations</b>			
		Employee retention	Reward and Recognition
Employee retention	Pearson Correlation	1	.548**
	Sig. (2-tailed)		0.000
	N	144	141
Reward and Recognition	Pearson Correlation	.548**	1
	Sig. (2-tailed)	0.000	
	N	141	141

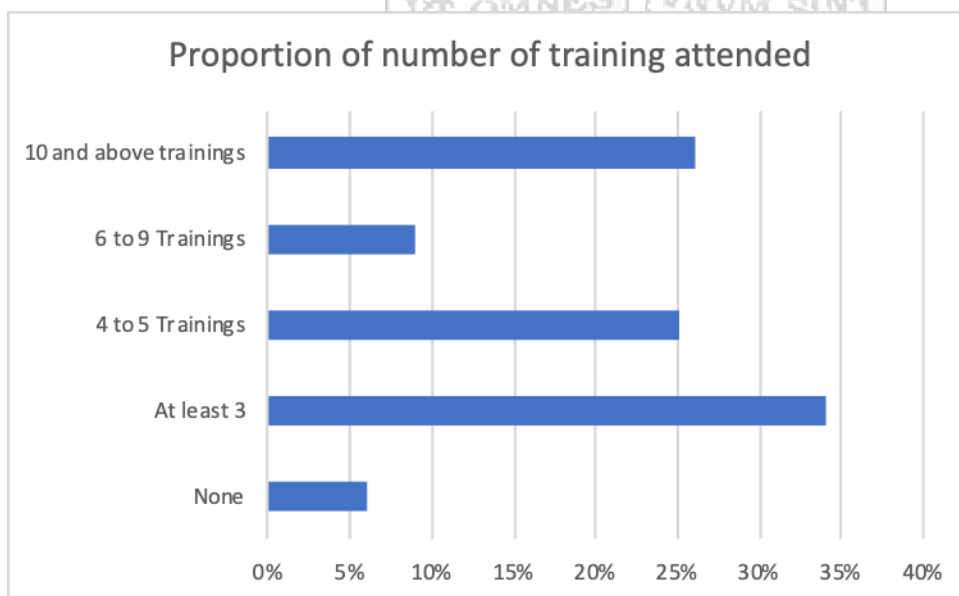
\*\* . Correlation is significant at the 0.01 level (2-tailed).

#### **4.7 Employee training and career development strategies applied at AAR Healthcare Kenya**

This section presents descriptive statistics pertaining assessment of Employee training and career development strategies applied at AAR Healthcare Ltd. Kenya. The frequency tables mean and standard deviations were computed and interpreted.

##### **4.7.1 Descriptive statistics**

The organization had conducted trainings to its employees with 95% reporting to have attended training organized by the company and only 6% having not attended any training. The findings in figure 7 below shows that 34% of the respondents had attended at least up-to 3 trainings, 25% 4 to 5 trainings, 9% 6 to 9 trainings and 26% 10 and above trainings.



**Figure 7: Number of trainings attended**

**4.7.2: Inferential statistics**

Correlation analysis was used to investigate the relationship between the employee training and career development strategies applied at AAR Healthcare Kenya Ltd and employee retention, It is observed in Table 4.7.2 below that there is a very weak positive correlation ( $r=0.190$ ) between employee training and career development strategy applied at AAR Healthcare Kenya Ltd and employee retention. This means that as the employee training and career development strategies applied at AAR Healthcare Kenya Ltd increases there is a corresponding increase in employee retention. The value of correlation coefficient is statistically significant ( $R=0.190$ ,  $p$  value  $< 0.05$ ) at 5% level of significance.

**Table 4.7.2: Correlation analysis**

		<b>Correlations</b>	
		<b>Employee retention</b>	<b>Employee training</b>
Employee retention	Pearson Correlation	1	.190*
	Sig. (2-tailed)		0.027
	N	144	136
Employee training	Pearson Correlation	.190*	1
	Sig. (2-tailed)	0.027	
	N	136	138

\*. Correlation is significant at the 0.05 level (2-tailed).

**4.8 Organization leadership and management style applied at AAR Healthcare Kenya ltd**

This section presents descriptive statistics pertaining assessment of organization leadership and management style applied at AAR Healthcare Ltd. Kenya. The frequency tables mean, and standard deviations were computed and interpreted.

**4.8.1: Descriptive statistics**

The respondents were asked to score leadership and management style statements in a scale of 1 to 10 where 1 was the least and 10 the highest. Table 4.8.1 shows that Respecting of co-workers and subordinates had the highest mean score of 6.98 followed by clarity in explaining the task to be accomplished (6.846). The statements such as Superiors follows an autocratic approach and superior is impartial had the least mean score of 5.654 and 5.774, respectively. The findings

show that the management respected co-workers, there is more teamwork and coordination in the organization and the superiors were approachable.

**Table 4.8.1: Summary statistics on leadership and management Style**

Leadership and management Style	Mean	Std. Deviation
Respecting of co-workers, subordinates	6.976	1.6305
Clarity in explaining the task to be accomplished	6.846	1.6176
Teamwork & co-ordination	6.798	1.6126
Approachability of superior	6.608	1.6297
Recognition of employee for their achievement	6.584	1.606
Superior makes working environment pleasant	6.488	1.6579
Superior considers other suggestions and opinions	6.416	1.6226
Superior maintains friendly relationship	6.346	1.6195
Superior cares for worker's personal welfare	6.19	1.6713
Superior is a good counselor	6.13	1.62
Superior helps in completing the work	5.94	1.5377
Superior acts like a coach	5.88	1.5998
Superior is a task master	5.87	1.6052
Superior is impartial	5.774	1.6321
Superiors follows an autocratic approach	5.654	1.6158

#### **4.8.2: Inferential statistics**

Correlation analysis was used to investigate the relationship between the leadership and management style applied at AAR Healthcare Kenya Ltd and employee retention,

It is observed in Table 4.7.2 below that there is a moderate positive correlation ( $r=0.560$ ) between employee training and career development strategy applied at AAR Healthcare Kenya Ltd and employee retention. This means that as the leadership and management style applied at AAR Healthcare Kenya Ltd increases there is a corresponding increase in employee retention. The value of correlation coefficient is statistically significant ( $R=0.560$ ,  $p$  value  $< 0.01$ ) at 1% level of significance.

**Table 4.8.2: Correlation analysis**

<b>Correlations</b>			
		<b>Employee retention</b>	<b>Leadership Management Style</b>
<b>Employee retention</b>	Pearson Correlation	1	.560**
	Sig. (2-tailed)		0.000
	N	144	141
<b>Leadership Management Style</b>	Pearson Correlation	.560**	1
	Sig. (2-tailed)	0.000	
	N	141	142

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

#### **4.9 Combined effect of independent variables on employee retention**

Multiple regression analysis was carried out to explain relationship between variables of the study. Analysis of variance (ANOVA) and Summary models were drawn to examine the fitness of the regression models in the analysis of the data for this study. The independent variables of the study were Work Environment (WE), Compensation/Recognition (RC), Leadership and Management (LM) and Training and Development (TD) while outcome variable will be Employee Retention (ER).

##### **4.9.1: Model summary results**

The model summary results in Table 4.9.1 show that a considerable proportion of the variance in the employee retention at AAR Healthcare Kenya ltd was attributed to the Work Environment, Compensation/Recognition, Leadership and Management and Training and Development. The study found that they explained 42.9% of the employee retention at AAR Healthcare Kenya ltd. This is as shown by the R squared of 0.429. Other factors not considered in the model explained (1-0.429)% of the total changes in the employee retention at AAR Healthcare Kenya ltd.

**Table 4.9.14: Regression Model summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>	<b>Durbin-Watson</b>
1	.655 <sup>a</sup>	0.429	0.407	0.49619	1.870
<b>a. Predictors: (Constant), Employee training, Work Environment Safety, Leadership Management Style, Reward and Recognition, Organizational Culture</b>					
<b>b. Dependent Variable: Employee retention</b>					

#### 4.9.2: Analysis of Variance (ANOVA)

The Analysis of variance results in Table 4.92 show that the model used to show the relationship between employee retention at AAR Healthcare Kenya Ltd and Work Environment, Compensation/Recognition, Leadership and Management and Training and Development was significant as shown by ( $F(5,126) = 18.95, p < 0.01$ ).

**Table 4.9.2: Analysis of Variance (ANOVA) summary statistics**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.328	5	4.666	18.950	.000 <sup>b</sup>
	Residual	31.022	126	0.246		
	Total	54.350	131			
a. Dependent Variable: Employee retention						
b. Predictors: (Constant), Employee training, Work Environment Safety, Leadership Management Style, Reward and Recognition, Organizational Culture						

#### 4.9.3: Regression Coefficients summary

A multiple regression analysis was performed with work environment, employee recognition and compensation, employee training and career development, and organizational leadership and management style as independent variables and employee retention as a dependent variable.

**Table 4.9.3: Regression Coefficients**

Model		Unstandardized Coefficients		t	Sig.	Collinearity Statistics	
		B	Std. Error			Tolerance	VIF
1	(Constant)	1.416	0.339	4.181	0.000		
	Work Environment Safety	0.221	0.092	2.392	0.018	0.635	1.574
	Organizational Culture	0.116	0.066	1.762	0.080	0.374	2.675
	Leadership Management Style	0.184	0.098	1.870	0.064	0.497	2.013
	Reward and Recognition	0.128	0.049	2.621	0.010	0.648	1.542
	Employee training	0.009	0.009	1.027	0.306	0.946	1.057
a. Dependent Variable: Employee retention							

As shown in Table 4.9.3, work environment safety had a positive and significant influence on employee retention at AAR Healthcare Kenya ltd as given by ( $\beta = 0.221, t = 2.392, p < 0.05$ ). The implication of these findings was that a unit increase work environment safety would lead to increased employee retention at AAR Healthcare Kenya ltd. Organizational culture had a positive and statistically significant effect on employee retention, ( $\beta = 0.116, t = 1.762, p < 0.10$ ). The study also found that leadership and management positively and significantly influenced employee retention at AAR Healthcare Kenya ltd as shown by ( $\beta = 0.184, t = 1.87, p < 0.10$ ). Hence, increased leadership and management styles among employees by a unit would result to an increase in the employee retention at AAR Healthcare Kenya ltd by 0.184 units. It was further found that reward and recognition use had a positive significant influence on the employee retention at AAR Healthcare Kenya ltd ( $\beta = 0.128, t = 2.621, p < 0.05$ ). This meant that a unit increase in rewards and recognition of employees would lead to increase in employee retention at AAR Healthcare Kenya ltd by 0.128 units.

Therefore, the final regression model will be

$$\begin{aligned}
 \textit{Estimated Employee retention} &= 1.416 + 0.221 \times \textit{Work environment safety} \\
 &+ 0.116 \times \textit{organizational culture} \\
 &+ 0.184 \times \textit{leadership management style} \\
 &+ 0.128 \times \textit{reward and recognition}
 \end{aligned}$$

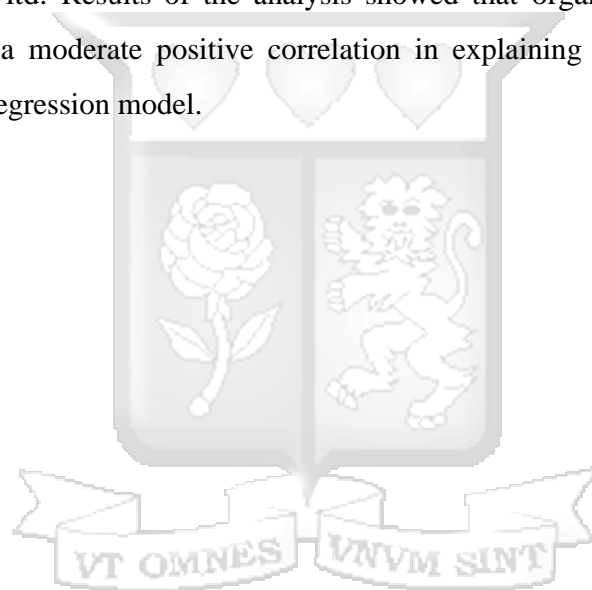
#### 4.10 Summary

This study aimed to assess the employee retention strategies that are applied by AAR Healthcare Ltd. Kenya. In doing so, the study investigated, specifically, the employee work environment safety, training, leadership, reward and recognition and organization culture strategies. The findings of the study showed that these strategies had a certain impact on the employee retention of AAR Healthcare Kenya.

The first objective was to investigate employee work environment strategies applied at AAR Healthcare Kenya Ltd. Results of the analysis showed that work environment safety was a significant variable with a moderate positive correlation in explaining the changes in employee retention. in the multiple regression model. The second objective was to investigate the relationship

between the reward and recognition strategies applied at AAR Healthcare Kenya Ltd and employee retention. Results of the analysis showed that reward and recognition strategies was a significant variable in explaining the changes in employee retention in both the simple and multiple regression model. The third objective was to investigate employee training and career development strategies at AAR Healthcare Kenya Ltd and employee retention. Results of the analysis showed that employee training had a positive significant relationship with employee retention but the variable was not significant in explaining the changes in employee retention in the multiple regression model.

The fourth objective was to investigate organization leadership and management style applied at AAR Healthcare Kenya Ltd. Results of the analysis showed that organization leadership was a significant variable with a moderate positive correlation in explaining the changes in employee retention in the multiple regression model.



## **CHAPTER FIVE: DISCUSSION, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter delves into the discussion of the findings and how they tie down to the objectives of the study. Additionally, we draw conclusions from the findings on the study and thereafter suggest recommendations for further studies based on the findings and limitations of the study.

### **5.2 Discussion of the study findings**

Employee retention remains a key issue among organizations as it is geared towards ensuring that the operational output of the organization is maximized while maintaining the required capacity necessary to achieve this. An effective employee retention program is one that augments a variety of practices that are aimed at creating a work environment that is comfortable for the employees. It needs to be aligned to the vision and mission of the company while encouraging a culture that also meets the expectations and needs of the employees.

This study aimed to assess the employee retention strategies that are applied by AAR Healthcare Ltd. Kenya. In doing so, the study investigated, specifically, the employee work environment safety, training, leadership, reward and recognition and organization culture strategies. The findings of the study showed that these strategies had a certain impact on the employee retention of AAR Healthcare Kenya. Based on the regression analysis that was conducted, it was found that there was indeed a relationship between employee retention and some of these strategies and the ones that had a statistically significant relationship were; work environment safety, organization culture, leadership management style and reward recognition. All these had a positive effect on employee retention but the number of trainings did not have a statistically significant relationship with employee retention.

#### **5.2.1 Work Environment and Employee Retention**

These findings were in agreement with some of the studies conducted on the area for instance, the positive relationship between work environment safety and employee retention was also found by Msengeti and Obwogi (2015) who studied the hotel industry in Mombasa County. When considering employee safety, the study examined not only the physical state of the working place but also the emotional state of the working environment and whether employees felt that they were treated fairly and their mental health was of concern too. The respondents did

feel that the company provided a good working environment for them to work in and this therefore implies that AAR, based on the findings from the study, will have a higher chance of retaining their employees.

### **5.2.2 Training and Employee Retention**

The findings from the study show that there did not exist a statistically significant relationship between employee training and the employee retention rate of the organization. This could be due to the fact that the employees felt that some of the training conducted was not suitable for the kind of skillset necessary for their day to day job. Additionally, a significant number of employees had been in the company for more than three years and they felt that the trainings were not adding any more value to their skillset.

These findings are contrary to what Stahl et al. (2012) noted in their study where they opined that career development helps employees understand how to identify and access work roles that suit them well and opportunities for improving their skills and developing their potential. They argue that this is an important factor to determine whether an employee will stay longer at a certain workplace. Khan (2018) however did find similar results to our findings in his study of companies in the UAE and he noted that niche training to develop certain skills was better than general trainings that companies in the UAE conducted.

### **5.2.3 Reward and recognition and Employee Retention**

Reward and recognition also did show a positive relationship with employee retention and based on the responses by the employees, this was the area that the company needed to improve on more. The findings showed that the employees were not entirely satisfied with the compensation structure for employees who are laid off or those not able to work due to accidents occurring within the company. Furthermore, the employees felt that the overtime pay could be better alongside the salary structure and they also felt that performance-based incentives would boost the productivity as it will show that the company recognized their efforts. Given that the regression analysis has shown that this is a statistically significant factor in determining employee retention, it may serve the company well to look into their strategy concerning this.

The findings also showed that the organization culture did have a positive effect on the retention of employees, a result similar to the study by Muturu and Mose (2019) and in line with the

Maslow Theory. Based on the responses from the sample of employees used for the study, it did show that the company was doing a good job at creating a good working culture. However, there are areas of improvements that the company could work on based on the responses by the employees on areas such as superiors spending more time listening to employees, providing scope for better career development plans and boosting moral through regular team activities.

#### **5.2.4 Leadership and management style and Employee Retention**

Based on the regression analysis, this was found to have a statistically significant relationship with employee retention with the strength of the relationship being second to that of the working environment. Additionally, the score on respecting of co-workers and subordinates had the highest mean score followed by clarity in explaining the task to be accomplished. The findings showed that the management respected co-workers, there is more teamwork and coordination in the organization and the superiors were approachable. Waiganjo and Ngure (2017) did come to the same findings in their study of Kenyan companies and additionally, this was also the same conclusion drawn by Wakabi (2016) in his study on leadership and management style and employee retention in Uganda.

Adekanbi (2016) on the other hand found leadership style to have a moderate significant effect on employee retention and his study went further to identify the most effective leadership style. He found that the transactional leadership style was what best encouraged employee retention in the banking sector of Nigeria and encouraged companies to explore such leadership style to reduce employee turnover.

#### **5.3 Conclusion of the study**

This study aimed to examine the effectiveness of the employee retention strategies that were being applied by AAR Healthcare limited. The study examined how the employee work environment safety, training, leadership, reward and recognition and organization culture strategies of AAR were performing by administering questionnaires to a sample of the employees and conducting an analysis to find out their effectiveness. Based on the findings of the study, it was found that working environment, organization culture, reward and recognition and the leadership and management styles were the ones that had a statistically significant effect on employee retention while the number of trainings was statistically insignificant to draw conclusions from.

Based on the responses from the respondents, the study found that the employees were happy with the strategies employed to provide a good working environment and also with the organization culture. However, when it came to the reward and recognition and the leadership and management styles, there was room for improvement based on the responses. Given the current economic environment due to the Covid-19 pandemic and workers having to work from home, these strategies will be very key to ensure that the company not only retains its employees but also gets the maximum output out of them. Retention may not be so much an issue at the current moment but it will be once the pandemic ends and also the company needs the maximum output out of their employees especially during such a time. It is therefore crucial that the company reexamine their strategies to do more of what works best and work on those that need slight modification to ensure a better employee retention rate and maximized output.

#### **5.4 Limitations of the study**

One of the limitations of the study is in the data collected process as it was intended to be done face to face but in light of recent events; the study had to be conducted through an online platform, Monkey Survey. What this meant was that the researcher was not in complete control of the data collection process and as such the validity of the responses was not to the expected standards of the researcher since respondents may have gotten tired of filling the questionnaire. Furthermore, questionnaire was a bit lengthy and this may have had an effect on the responses since the respondents may have gotten tired and since the mode of delivery was online.

#### **5.5 Recommendations**

The study recommends that AAR Healthcare Kenya look into its strategy on reward and recognition and leadership and management style as this will increase its chances of retaining its work force.

Additionally, the study recommends that further studies examine a number of companies within the same industry since this will provide a picture on the effectiveness of some of the strategies employed by various companies in the healthcare industry. This will provide more information to enable companies know how they can better their strategies based on the results from the other companies and it will also help in informing policy regarding employee welfare in other industries.

Furthermore, study findings can be used by policy and regulatory authorities in the government of Kenya to assist in formulating and planning for human resources in the country. The findings of the study can form a basis for further research into other academic studies on employee retention strategies among various sectors.



## REFERENCES

- Abbasi, S. M, Hollman,K,W. (2000). Turnover: The real bottom line. *Public Personnel Management* 2(3), 333-342.
- Adekanbi, A. (2016). *An Investigation into the Impact of Leadership Styles on Employee Retention: Identifying which Leadership Style best encourages Employee Retention in the Nigerian Banking Sector: A Case study of Zenith Bank Plc., Nigeria* (Doctoral dissertation, Dublin, National College of Ireland).
- Aguenza, B.B, Som.P, (2012) Motivational Factors of Employee Retention and Engagement in Organizations. *International Journal of Advances in Management and Economics*.
- Alsabri, M. A., & Ramesh, H. N. (2012). Impact of Employees Motivation on Banking Effectiveness-A Study of Selected Banks in Shimoga City India. *International Journal of Research in Computer Application & Management, Vol. 2(7)*.
- Alsabri, M.A., & Ramesh, H.N. (2012). Impact of Employees Motivation on Banking Effectiveness-A Study of Selected Banks in Shimoga City India. *International Journal of Research in Computer Application & Management, Vol. 2(7)*.
- Alshmemri, M., Shahwan-Akl, L., & Maude, P. (2017). Herzberg's two-factor theory. *Life Science Journal, 14(5)*, 12-16.
- Ambrose, D. (1996). *Healing the Downsized Organization*. New York: Three Rivers Press.
- Anderfuhren-Biget S, Varone F, Giauque D, Ritz A (2010) Motivating employees of the public sector: Does public service motivation matter? paper presented at irspm conference, bern, 2010
- Andrea V., Sequeira A. (2012). Effectiveness of employment retention strategies in industry. Retrieved from: <https://www.researchgate.net/publication/256038199>.
- Apinde, A. (2018). *Factors influencing employee retention at M.P. Shah Hospital in Nairobi, Kenya*. (Thesis). Strathmore University
- Armstrong, & Brown, D. (2006). *Strategic Reward: Making it Happen*. USA: Kogan Page Limited.
- Atkinson C. (2011). *Examining differences in work-life balance, job satisfaction, organizational commitment, and learning goal orientation in all baby boomers and generation xers*. Doctoral San Ndiego state University. Retrieved from: [www.managementjournal.info](http://www.managementjournal.info)

- Bala R. (2017). Role of employee retention strategies for keeping and retaining talents. *Journal of Knowledge Initiative*, 1(2): 76.
- Begley, C. E., Lairson, D., Morgan, R. O., Rowan, P. J., & Balkrishnan, R. (2013). *Evaluating the healthcare system: effectiveness, efficiency, and equity*. Chicago: Health Administration Press.
- Buckingham M, Coffman C (1999): First break all the rules: What the greatest managers do differently. New York, NY:
- Caplan, G, Teese, Mary. (1997). *Survivors—How to keep your best people on board after downsizing*. Palo Alto, CA: Davies-Black Publishing
- Casper, W.J., Martin, J.A., Buffardi, L.C., & Erdwins, C.J. (2002). Work--family conflict, perceived organizational support, and organizational commitment among employed mothers. *Journal of occupational health psychology*, 7(2), 99. Retrieved from: <http://dx.doi.org/10.1037/1076-8998.7.2.99>
- Chipunza, C., Samuel, M.O. (2009), Employee retention and turnover: using motivational variables as a panacea. *African Journal of Business Management*, 3(8), 410-415.
- Chitra, K. (2013). Role of leaders in employee retention – a pragmatic study with reference to private sector bank employees. *International Research Journal of Business and Management – IRJBM*. South India.
- Davy J, Kinicki A, Scheck C (1991). Developing and testing a model of survivor responses to layoffs. *Journal of Vocational Behaviour*, 38(45): 302-317.
- Day, D. V. (2000). Leadership Development: A Review in Context. *The Leadership Quarterly*, 11,581-613. Retrieved from: [https://doi.org/10.1016/S1048-9843\(00\)00061-8](https://doi.org/10.1016/S1048-9843(00)00061-8)
- Diaz, M. (2020). *Management style and employee retention* (Doctoral dissertation, California State University–Northridge).
- Dunham, R.B., Grube, J.A., & Castaneda, M.B. (1994). Organizational commitment: The utility of an integrative definition. *Journal of Applied psychology*, 79(3):370.
- Eisenberger, R., Fasolo, P., & Davis-LaMastro, V. (1990). Perceived organizational support and employee diligence, commitment, and innovation. *Journal of applied psychology*, 75(1): 51.
- George, J, M., Jones, G, R. (2012). *Understanding and Managing Organizational Behaviour*. (5<sup>th</sup> Ed).

- Gilley, J. W., England, S. A., & Gilley, A. M. (2002). Principles of human resource development. Cambridge: Perseus Books. (P. 94).
- Golafshani, N. (2003). Understanding reliability and validity in qualitative research. *The qualitative report*, 8(4), 597-607.
- Griffiths, F. (2009). A scoring system of appraising of mixed methods of research. *International Journal of Nursing Studies* 46 (2009) 529–546.
- Griffiths, F. (2009). Research Methods for Healthcare Practice. London.
- Grobler P.A., Warnich S., Carrel M. R., Elbert N.F., Hatfield R.D. (2005). Human Resource Management in South Africa. 2nd ed. Thomson Learning, High Holborn House 50-51 Bedford Row.
- Hutchison, S., & Garstka, M.L. (1996). Sources of Perceived Organizational Support: Goal Setting and Feedback1. *Journal of Applied Social Psychology*, 26(15): 1351-1366.
- Hutchison,S., & Garstka, M.L. (1996). Sources of Perceived Organizational Support: Goal Setting and Feedback1. *Journal of Applied Social Psychology*, 26(15), 1351-1366.
- Iqbal, S., & Hashmi, M. S. (2015). Impact of perceived organizational support on employee retention with mediating role of psychological empowerment. *Pakistan Journal of Commerce and Social Sciences*, 9, 18-34.
- Izzo.J.B, Wither P, (2002). Winning employee-retention strategies for today's healthcare organizations. *Journal of Healthcare Financial Management*; 56(6):52-7.
- Johnson, M. (2000). Winning the People War, Talent and the Battle for Human Capital, Copyright Licensing Agency, London
- Johnson, M. (2000). Winning the People War, Talent and the Battle for Human Capital. London.
- Kaye, B. & Jordan-Evans, S. 1999. Love ‘em and lose ‘em: Getting good people to stay. San Francisco: Berret-Koehler Publishers Inc
- Khan, W. & Mufti, O. (2012). Effect of compensation on motivating employees in public and private banks of Peshawar (BOK and UBL). *Journal of Basic and Applied Scientific Research*, 2(5), 4616-4623.
- Khan, W. & O.Mufti,(2012). “Effect of Compensation on Motivating Employees in Public and Private Banks of Peshawar”, *Journal of Basic and Applied Scientific Research*,2(5).

- Khan, N. (2018). Does Training & Employee Commitment Predict Employee Retention. In *International Conference on Management and Information Systems September* (Vol. 21, p. 22).
- Kothari, A., Edwards, N., Hamel, N., & Judd, M. (2009). Is research working for you? Validating a tool to examine the capacity of health organizations to use research. *Implementation Science*, 4(1), 1-9.
- Kossivi B., Xu M., Kalgare B. (2016). Study on “Determining Factors of Employee Retention” *Open Journal of Social Sciences*. 4, 261-268.
- Kreisman, Barbara J. (2002). Identification of the drivers of employee dissatisfaction and turnover. Unpublished Doctoral Dissertation. Austin, TX: University of Texas.
- Kreisman,B,J.(2002) Insights Into Employee Motivation, Commitment and Retention Retention: A Review of Literature. *Journal of Business and Management* 14(2): 8-16.
- Lahkar,B,D.,Baruah,M. (2013) Employee Retention: A Review of Literature. *Journal of Business and Management* 14(2):08-16.
- Lalitha, c.Singh, S. (2014) Employee Retention: A Strategic Tool for Organisation Profitability *international journal of innovative research & development*. 3(12).
- Lane, K.A., Esser, J., Holte, B., McCusker, M.A., (2010). A study of nurse faculty job satisfaction in community colleges in Florida.
- Lee,T,W.,Mitchell,T.R (1994). An alternative approach: The unfolding model of voluntary employee turnover. *Academy of Management Review*, 19(14): 51-89.
- Lewis, A, V., Sequeira, A, H. (2012). Effectiveness of employee effectiveness strategies in industries.
- Logan, J. K. (2000). Retention tangibles and intangibles: More meaning in work is essential, but good chair massages won't hurt. *Training & Development*, 54 (4):48-50.
- Lok, P., Westwood, R., & Crawford, J. (2005). Perceptions of organisational subculture and their significance for organisational commitment. *Journal of Applied Psychology*, 54(4): 490-514.
- Maqsood H., Amran R., Chaudhry S., Rosman Y., Omair M., Alamzeb A.,Fariha T. (2015). The Impact of Human Resource Practices on Employee Retention in the Telecom Sector. *International Journal of Economics and Financial Issues*,5(Special Issue):63-69.
- Mathis R. & Jackson J. (2011). *Human Resource Management* (13th ed). U.S.A.

- McKeown, J. L (2002). *Retaining Top Employees*. New York: McGraw-Hill.
- Mercer (2019). *Workforce turnover around the world*.
- Michael, S.O. (2008). *Using Motivational Strategy as Panacea for Employee Retention and Turnover in Selected Public and Private Sector Organisations in the Eastern Cape Province of South Africa*. Master of Commerce Thesis, University of Fort Hare
- Michael, S.O. (2008). *Using Motivational Strategy as Panacea for Employee Retention and Turnover in Selected Public and Private Sector Organisations in the Eastern Cape Province of South Africa*. Master of Commerce Thesis, University of Fort Hare.
- Miller, N.G., Erickson, A., & Yust, B.L. (2001) Sense of place in the workplace: The relationship between personal objects and job satisfaction and motivation. *Journal of Interior Design*, 27, 35-44.
- Mita M., Aarti K., Ravneeta D., (2014). Study on Employee Retention and Commitment. *Internal Journal of Advance Research in Computer Science and Management studies*, 2(2): 2321-7782.
- Mitchelle, T.R., Holtom, B.C., Lee, T.M., Salblinski, C.J. (2001). Why People Stay: Using Job Embeddedness to Predict Voluntary Turnover. *The Academy of Management Journal* 44(6):1102-1121
- Mowday, R., Steers, R. and Porter, L. (1982). *Employee Organization Linkages*, Academic Press, New York.
- Msengeti, D.M., Obwogi, J. (2015) Effects of Pay and Work Environment on Employee Retention: A Study of Hotel Industry in Mombasa County. *International Journal of Scientific and Research Publications*, Volume 5, Issue 4, April 2015
- Muturu, E. M., & Mose, T. (2019). Effect of Work Place Environment On Employee Retention In Selected Supermarkets In Kenya. *Human Resource and Leadership Journal*, 4(1), 13-34.
- Nahid, G. (2003). *Understanding Reliability and Validity in Qualitative Research*. University of Toronto
- National Healthcare Retention and RN Staffing Report (2017).
- Nazim-ud-Din M (2013). HR Practices in Insurance Companies: A case study of Bangladesh. *Abasyn Journal of Social Sciences* 6(22):77-99

- Ngure K., Waiganjo E. (2017). Factors influencing retention of health workers in the public health sector in Kenya; A case study of Kenyatta National Hospital. *International Journal of Scientific and research publication*, 7(5):818-846).
- Njoroge S.W. (2000). A Survey of factors that influence employee retention in manufacturing firms in Nairobi. University of Nairobi Library.
- Nyaga,J,W. (2015) Non-Financial Reward and Employee Retention in Private Primary Schools in Kenya (Kiambu County) *International Journal of Management and Commerce Innovations* ISSN 2348-7585 (Online) Vol. 3, Issue 1, pp: (240-254).
- Ogula, P. A. (2005). Research methods. Nairobi: Catholic University of Eastern Africa Publications
- Ollukkarán, A. B. and Gunasellan, R. (2011), “A Study on the Impact of Work Environment on Employee”, *Namex International Journal of Management Research*, 2(2):71-85.
- Orodho J., (2009). Elements of education and social science research (3rd ed). Nairobi: Nairobi Kanzejja.
- Ose,J,I., Opeke,R. (2018). Influence of organisational culture on turnover intention of library staff in private university libraries, south-west Nigeria. *Academy of Strategic Management Journal*, 17(4).
- Patton, M. Q. (2002). Qualitative research and evaluation methods (3rd ed.). California:
- Rafferty, A,E,.Griffin,M,A. (2006). Refining individualized consideration: Differentiating supportive leadership and developmental leadership. *Journal of Occupational and Organizational Psychology*, 79: 37-61.
- Richards, B., O’Brien, T., & Akroyd, D. (1994). Predicting the organizational commitment of marketing education and health occupations education teachers by work related rewards. *Journal of Industrial Teacher Education*, 32(1):49-64.
- Richards, B., O’Brien, T., & Akroyd, D. (1994). Predicting the organizational commitment of marketing education and health occupations education teachers by work related rewards. *Journal of Industrial Teacher Education*, 32(1):49-64
- Singh, S., & Dixit, P. K. (2011). Employee retention: The art of keeping the people who keep you in business. *International Journal of Business and Management Research*, 1:441-448.


- Stahl, G., Björkman, I., Farndale, E., Morris, S. S., Paauwe, J., Stiles, P., .& Wright, P. (2012). Six principles of effective global talent management. *Sloan Management Review Journal*, 53(2), 25-42.
- Strauss, A. L., Corbin, J. M. (1998). Basics of qualitative research. Techniques and procedures for developing grounded theory (2nd ed.). California: Sage Publications, Inc.
- Strauss, A., Corbin, J. (1998). Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory (2nd Ed.). Thousand Oaks, London, New Delhi: Sage Publications
- Subramaniam, N., Mia, L. (2001). The relation between decentralised structure, budgetary participation and organisational commitment: the moderating role of managers' value orientation towards innovation. *Accounting, Auditing & Accountability Journal*, 14(1):12-30.
- Taherdoost, H. (2016). Validity and reliability of the research instrument; how to test the validation of a questionnaire/survey in a research. *How to Test the Validation of a Questionnaire/Survey in a Research (August 10, 2016)*.
- Tangthong S., Trimetsoontorn J., Rojniruntikul N., (2014). Human Resource Management Practices and Employee Retention in Thailand—A Literature Review. *International Journal of Trade, Economics and Finance*, 5(2): 162-166.
- Umamaheswari S., Krishnan J., (2016). Retention of employees in Ceramic Sanitary Ware Factories in India: Role of work life balance, career development and Supervisor support. *TEM Journal* 5(2): 21-225. Retrieved from: <https://dx.org/10.18421/TEM52-15>.
- Van der Merwe,S.P. (2009).Determinants of family employee work performance and compensation in family business. *South African Journal of Business Management*, 40(1): 51-63.
- Vidal, M.E.S., Valle, R.S., Aragon, B.M.I., 2007.Antecedents of repatriates' job satisfaction and its influence on turnover intentions: Evidence from Spanish repatriated managers. *Journal of Business Resources*.,60: 1272-1281.
- Wakabi, B. M. (2016). Leadership style and staff retention in organizations. *International Journal of Science and Research*, 5(1), 412-416.
- Waldman, J.D. Arora, S. “Retention Rather Than Turnover—A Better and Complementary HR Method.” HR Planning. 2004, in press.


- Weisul.K. (2011). 10 per cent of workers looking to leave their jobs. Retrieved from:  
[http://www.cbsnews.com/8301505125\\_162-57335303/84-percent-of-workerslooking-to-leave-their-jobs/](http://www.cbsnews.com/8301505125_162-57335303/84-percent-of-workerslooking-to-leave-their-jobs/).
- Wells, M., & Thelen, L. (2002). What does your workspace say about you? The influence of personality, status, and workspace on personalization. *Journal of Environment and Behaviour*, 34(3), 300-321.
- Winter, G. (2000). A comparative discussion of the notion of validity in qualitative and quantitative research. *The Qualitative Report*, 4(3&4). Retrieved from:  
<http://www.nova.edu/ssss/QR/QR43/winter.html>.
- Zineldin, M. (2000). TRM Total Relationship Management, Student litterateur, Lund




**APPENDICES:**

**Appendix 1: NACOSTI Permit**

  
REPUBLIC OF KENYA  
Ref No: **340513**

  
**NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY & INNOVATION.**  
Date of Issue: **27/May/2020**


**RESEARCH LICENSE**




**This is to Certify that MC. IRENE KHALIBWA OKANG'A of Strathmore University, has been licensed to conduct research in Nairobi on the topic: ASSESSING EMPLOYEE RETENTION STRATEGIES APPLIED AT AAR HEALTHCARE LIMITED - KENYA for the period ending : 27/May/2021.**

License No: **NACOSTI/P/20/4822**

**340513**  
Applicant Identification Number

  
Director General  
**NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY &  
INNOVATION**

Verification QR Code



**NOTE: This is a computer generated License. To verify the authenticity of this document,  
Scan the QR Code using QR scanner application.**

## Appendix 2: Consent Form

### Appendix 2. Consent Form

Project Title:

Employee retention strategies a case study AAR Healthcare Limited

I understand the aims of the project, the benefits and potential risks and that my participation is completely voluntary. I realise that I can withdraw at any time and that I am not obligated to answer questions. I understand that any information I provide will remain confidential, my identity and the Out Patient Centre will not be revealed and the collected data will not be used for purposes other than this research project.

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**Researcher**

Irene ~~Khalibwa~~

Masters Student

MBA Healthcare Management MBA Healthcare Management

Strathmore Business School

Telephone: +257 723 373 941

**Supervisor**

Dr Ben ~~Ngoye~~

Faculty

Strathmore Business School

Telephone +254 715 395 882

Email: [Irene.khalibwa@aar-healthcare.com](mailto:Irene.khalibwa@aar-healthcare.com) [BNgoye@strathmore.edu](mailto:BNgoye@strathmore.edu)

### Appendix 3: Study Questionnaire

Dear Respondent, my name is Irene Khalikwa, a Master's Degree student of MBA in Healthcare Management at Strathmore University. I am conducting a study on employee retention strategies, a case study of AAR Healthcare Kenya Ltd. This is in partial fulfilment for the award of my master's degree.

#### General Instruction for the study

Participation in this research requires you to take part in a filling in a questionnaire form. Your opinions are extremely worthwhile so please understand that there aren't wrong or right answers. The questions should take approximately 10 minutes to answer.

Please note that your participation in this research is completely voluntary.

Thank you for your help

#### A. Demographic Information

Item	Response
1. Gender	
2. Age	
3. Education Level	
4. Professional Qualification	
5. Role (Management, Supervisory, staff)	
6. Years of Continuous Employment at the current position	
7. Previous role/position	
8. Years of employment	

B. |

C. **Employee Retention Strategies**

a) **In this section kindly put a tick on the box that best describes your agreement with the statement provided:**

Strategies

Strategy not implemented at AAR	Highly Dissatisfied	Dissatisfied	Neither Dissatisfied Nor Satisfied	Satisfied	Highly Satisfied
------------------------------------	---------------------	--------------	---------------------------------------	-----------	------------------

9. Job Security

10. Promotion Opportunities

11. Welfare Measures

12. Working Environment

13. Job Rotation & New Assignments

14. Help in Career Development

15. Location Transfer Opportunities with  
Promotion

16. Management support for higher education

17. Training and Development programs

18. Rewards and Recognition

19. Fringe Benefits

20. Workers Participation in management  
activities

b) The following strategies have been very important in my decision to stay and work at AAR:

**Strategies**

- |  |  |                      |           |                |
|--|--|----------------------|-----------|----------------|
|  | Strategy not<br>implemented<br>at<br>AAR | Not important at all | Important | Very important |
| 21. Job Security                                   |  |                      |           |                |
| 22. Promotion Opportunities                        |  |                      |           |                |
| 23. Welfare Measures                               |  |                      |           |                |
| 24. Working Environment                            |  |                      |           |                |
| 25. Job Rotation & New Assignments                 |  |                      |           |                |
| 26. Help in Career Development                     |  |                      |           |                |
| 27. Location Transfer Opportunities with Promotion |  |                      |           |                |
| 28. Management support for higher education        |  |                      |           |                |
| 29. Training and Development programs              |  |                      |           |                |
| 30. Rewards and Recognition                        |  |                      |           |                |
| 31. Fringe Benefits                                |  |                      |           |                |
| 32. Workers Participation in management activities |  |                      |           |                |

**D. Work Environment**

**a) Work Safety**

**In this section kindly put a tick on the box that best describes your agreement with the statement provided:**

**Provisions**

- |  |                                    |                |          |                               |       |                   |
|--|------------------------------------|----------------|----------|-------------------------------|-------|-------------------|
|  | Strategy not<br>implemented at AAR | Strongly Agree | Disagree | Neither Disagree Nor<br>Agree | Agree | Strongly Disagree |
| 33. Provision to avoid sound at workplace is allowed |                                    |                |          |                               |       |                   |
| 34. Ventilation facilities are allowed               |                                    |                |          |                               |       |                   |

Provisions

	Strategy not implemented at AAR	Strongly Agree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Disagree
35. There is enough illumination at workplace						
36. Cleanliness maintained in the organization is good						
37. Conducive working temperature is maintained at work place						
38. Controlled emission of fumes and dust						
39. Working environment is comfortable						
40. Communication system is good						
41. Employees are treated with due respect						
42. Employee's suggestions and grievances are considered						
43. Good work done is appreciated						
44. Fair treatment of employees						
45. Better co-ordination among workers						
46. Adequate parking facilities are provided						
47. Transport facilities provided are good						
48. Pure drinking water facilities are provided at work place						
49. Toilets are maintained hygienically						
50. Rest rooms and canteen are maintained well						
51. Food is offered at subsidized rate						

Provisions

	Strategy not implemented at AAR	Strongly Agree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Disagree
52. Safety and health instruction courses conducted by the organization are good						
53. First aid box maintained at work place are good						
54. Firefighting methods followed by the organization are good						
55. Prevailing staff quarters facilities is good						
56. Educational loans for wards and self-appreciated						
57. Provision for job opportunities for family members						
58. Company have tie ups with hospitals						
59. Health camps facilities provided for employees and family members						
60. Insurance schemes provided by organization are good						
61. Retirement benefits schemes provided such as pension, provident fund, and gratuity are appreciated						
62. Interest free loans are provided for personal expenses						
63. Retirement benefits schemes provided such as pension, provident fund, and gratuity are appreciated						
64. Interest free loans are provided for personal expenses						

**b) Organizational Culture**



**In this section kindly put a tick on the box that best describes your agreement with the statement provided:**



**Provision**

	<b>Strategy not implemented at Strongly Agree</b>	<b>Disagree</b>	<b>Neither Disagree Nor Agree</b>	<b>Agree</b>	<b>Strongly Disagree</b>
65. The working environment is open & trustworthy					
66. Morale in the company is high					
67. Supervisors do spend good deal of time in listening to employees ideas					
68. Employees are allowed to take responsibility and authority					
69. Organization provides scope for better career development plans					
70. Organization recognizes human values and cultures					
71. Communication is effective at all levels					
72. Safe working environment is provided					



**E. Reward and Recognition**

**In this section kindly put a tick on the box that best describes your agreement with the statement provided:**

**Strategies**

	Strategy not implemented at AAR	Highly Dissatisfied	Dissatisfied	Neither Dissatisfied Nor Satisfied	Satisfied	Highly Satisfied
73. Salary Structure						
74. Provision for group insurance schemes						
75. Over time salary						
76. Yearly bonus scheme						
77. Performance based incentives						
78. Performance appraisal system in practice						
79. Fringe benefits provided by the company are good						
80. Compensation paid for workers during layoffs or during any accidents occurring within the company are satisfactory						

**F. Leadership and Management Style**

**Rank the following statements in response to leadership and management in the organization in a scale of 1 to 10 where 1 is the least and 10 is the highest.**

Statement	Score
81. Approachability of superior	
82. Recognition of employee for their achievement	
83. Team work & co-ordination	
84. Respecting of co-workers, subordinates	
85. Clarity in explaining the task to be accomplished	

Statement	Score
86. Superiors follows an autocratic approach	
87. Superior acts like a coach	
88. Superior is a good <del>counselor</del> .	
89. Superior helps in completing the work	
90. Superior is impartial	
91. Superior is a task master	
92. Superior makes working environment pleasant	
93. Superior makes working environment pleasant	
94. Superior considers others suggestions and opinions	
95. Superior maintains friendly relationship	
96. Superior cares for worker's personal welfare	

**G. TRAINING**



97. Have you attended any training programs by your company? Y/N .....
98. If yes, how many training programs you have attended .....
99. If no, please specify reason .....
100. What type of training program does the company offer? (Indicate with a tick where offered and a x where not)
- On-the job (in-house training) .....
- Off-the job.....
- Both.....

**H. Please rank the following factor that influenced you to remain the organization in a scale of 1 to 10 where 10 is the highest score and 1 the least score**

Item	Score
------	-------

- 101. Salary
- 102. Retirement Benefit
- 103. Career development
- 104. Working conditions
- 105. Supervision/management
- 106. Fringe benefits
- 107. Recognition and reward
- 108. Job security
- 109. Loyalty towards the company
- 110. Company image in the society
- 111. Please specify any other strategies that the company should include or improve to retain its employees for a long period of time.

.....  
.....