EFFECT OF HUMAN RESOURCE MANAGEMENT STRATEGIES ON EMPLOYEE RETENTION: A SURVEY OF AGRICULTURE SECTOR NGOs BASED IN NAIROBI, KENYA

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Waweru, S. W.,*1 & Kagiri, A.*2

*1 Msc. Scholar, Jomo Kenyatta University of Agriculture & Technology [JKUAT], Nairobi, Kenya
*2 Ph.D., Jomo Kenyatta University of Agriculture & Technology [JKUAT], Nairobi, Kenya

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ABSTRACT

This study aimed at evaluating the agricultural sector NGO’s in Nairobi, Kenya, using an exploratory research design and quantitative analysis to establish the effects of Human Resource Management strategies on employee retention. The study targeted members of Management of the Agricultural NGO’s in Nairobi City County thus, the target population of the study was one hundred and twenty eight (128) management employees. Standardized questionnaires were used in collecting the primary data. Both descriptive and inferential statistics were adopted for the study. The salary paid did not commensurate to the work and did not make the employees feel fully appreciated for their work and effort. The job neither made good use of the employees’ skills and abilities nor did it give employees fulfillment and satisfaction. The employees were not provided with all the necessary resources and apparatus they needed in order to do their work correctly. There was lack of knowledge and information sharing, across the whole organization. Seminars and workshops were not used regularly to increase the staff competencies in the organization. Job shadowing was not used to required skills to grow into a particular career path neither was it commonly used to allow staff to acquire exposure into the different career options. The contracts in the organization were inflexible to keep the organization responsive against any fluctuations in demand. The study recommended that the employers should provide good salaries to avoid subjecting employees to financial constraints while giving them remuneration that does not correspond to their duties. The employers should look for the right leaders who would value the contribution of employees and actively emphasize their improvement. There is need for the provision of professional training, coaching and mentoring, in order to increase the opportunities for career growth within the organization. The organization should increase permanent contracts as opposed to temporary contracts and also describe employee behaviour at the end of the contract.

Key Words: Employee Compensation, Employee Contracts, Career Growth Opportunities, Employee Engagement
INTRODUCTION

Successful organizations share a fundamental philosophy of valuing and investing in their employees, (Armstrong, 2016). Employee retention can be defined as the process of keeping employees and reducing turnover over a sustained period of time. Employee retention is usually represented by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period). The rate of retention is the inverse of the rate of employee turnover and if a relatively high number of employees stayed at post within a specified period then the retention rate is high and the turnover rate is low.

Employee retention is one of the challenges facing many organizations including Non-Governmental Organizations (NGOs). Retaining employees requires a combination of strategies such as motivating employees by providing a conducive work environment, employee engagement in areas of decision-making, paying competitive salaries and continuous recognition of good performance, among many other strategies. Many organizations are increasingly finding it difficult to retain employees. Czurak (2011) explained that as our communities continue to experience significant growth in the key industries, employee recruitment and retention becomes a priority.

In today's business world, living with job insecurity is a reality for many employees. Job security is usually reinforced by the terms of the employment contract, supportive labor legislation and/or collective bargaining agreements. Furthermore, studies on staff retention show that excessive turnover creates an unstable workforce and increases the human resources costs and organizational ineffectiveness (Caesens, Stinglhamber and Marmier, 2016). Empirical studies done in private organizations have come up with similar results. Studies done in the private sector also show that employee retention has become a critical issue for organizational success.

Employee retention lends itself as a potential source of competitive advantage to a firm, argues Cloutier et al. (2015). An effective approach to retention can help a company successfully compete for limited human resources. Minimum employee turnover in organizations helps to attract qualified and competent people, and creates employee loyalty. The failure to sustain staff can prove costly in several ways. It can greatly affect the image of the organization. It can also lead to haphazard and poor selection of employees. According to Khan and Du (2014), poor quality of selection means extra cost on training and supervision.

The highest level of staff turnover is normally witnessed in private sector than public sector, observes Krotel and Villadsen (2016). This is because, whilst salary and benefits are high, job security is less than in the public sector. When businesses are experiencing growth, job confidence and security typically increase. The opposite often holds true during a recession as businesses experience reduced demand and look to downsize their workforce in the short term.

Studies in Kenya observed that staff retention can be influenced by a number of controllable and uncontrollable as well as demographic factors. Thiriku and Were (2016) explain that controllable factors such as short contracts, poor working conditions, poor recruitment procedures, lack of staff motivation, and poor or inadequate incentives and rewards are the reasons that influence voluntary labor turnover. Most NGOs in Kenya operate within the same market place as private sector and are subject to the same forces of demand and supply. This is because most donors and project partners of the NGOs are the private sector.

Different forms of real or perceived disparities has a negative effect on employee retention strategies and would highly increase staff turnover rate, which negates the principle of finding and retaining competent skills for sustained competitive advantage. Zsuzsa Daczo (2012) stated that inequalities are an integral part...
of sociological research. Inequalities involving rights, access to goods, or opportunities, for example, have important consequences for people’s lives.

Whilst labor market regulations such as minimum wages, unionizations and social security have tended to improve income distribution, other emerging factors are working to fuel wage inequalities, (Florida, 2017). It is concerning that in the NGO sector there’s a huge growing divide between the wage structures for internationally recruited staff (Expatriates) and nationally recruited staff (Local staff or Nationals). Nationals are defined as staff located in their countries of residence or citizenship while Expatriates are staff located outside their countries of residence or citizenship. Whilst Nationals have the advantage of having local knowledge and perform majority of the tasks associated with proposals being implemented by the NGOs, their wages are usually four to ten times lower than Expatriates with similar sets of skills and doing a similar job level (NGO Sector Report, Kenya, 2016).

Human resource management concerns the human side of the management of enterprises and employees’ relations with their firms. Its purpose is to ensure that the employees of a company are used in such a way that the employer obtains the greatest possible benefit from the abilities and the employees obtain both material and psychological rewards from their work (Cahuc, Charlot & Malherbet, 2016). Human resource management is sometimes referred to as a "soft" management skill, effective practice within an organization which requires a strategic focus to ensure that people resources facilitate the achievement of organizational goals.

Employee retention defines a process in human resource management where personnel are motivated to remain with the organization for the longest possible period or until the completion of the project. It is beneficial to the organization as well as the employee and soon as an employee feels dissatisfied with the current employer or a job; they simply shift to another group. Every employer, therefore, has a duty to ensure they retain their best employees (Carsen, 2005).

Employee turnover that reflects the number of staff who has departed within a particular period is, therefore, one of the largest though widely unknown costs an organization faces. Although it is difficult to hold onto all desired staff, the loss can be certainly minimized. In most business settings, the primary goal of human resource managers reduce the attrition rate, thereby decreasing training costs, recruitment costs and loss of talent and organizational knowledge. Executing lessons learned from key organizational behavior concepts; enables employers to improve retention rates and decrease the associated costs of high turnover. Companies can seek positive turnover whereby they aim to maintain only those staff considered as be top performers (Carsen, 2005).

Non-Governmental Organizations in Kenya are service-providing agencies that are registered under The Societies Act, Cap 108, of the laws of Kenya. The term originated from the United Nations and normally refers to organizations that are not part of a government and are not conventional for profit businesses. In the cases in which NGOs are funded by totally or partially by the government, the NGO maintains its nongovernmental status by excluding government representatives from membership in the organization. The term is usually applied only to organizations that pursue wider social aims that have political aspects but are not openly political organizations such as political parties (Kitonga, 2016).

Non-Governmental Organizations generally play significant roles in development of communities that over time have been disadvantaged as a consequence of poverty and high levels of unemployment, as experienced especially in developing countries, Jhaksun (2013). NGOs run several programs ranging from health issues, education, environmental conservation,
Factors influencing employee retention among the non-teaching staff at the University of Nairobi, Kenyarecommends that UoN can enhance employee retention by encouraging transparency and fairness in provision of training and development opportunities to their employees.

However, to the extent of my knowledge and research, none of these studies have focused on the effect of Human Resource Management Strategies on employee retention strategies in the NGO sector in Kenya, a gap that the current study attempted to close. Therefore, this study sought to build on existing research and literature to examine effect of HRM strategies on employee retention in the agricultural sector NGO’s based in Nairobi City County.

**Objectives of the Study**

The main objective of the study was to examine the effect of HRM strategies on employee retention in the agricultural sector NGO’s based in Nairobi City County. The specific objectives were:

- To examine the effect of compensation strategies on employee retention in the agricultural based NGO’s.
- To assess the effect of employee engagement strategies on employee retention in the agricultural based NGO’s.
- To establish the influence of career growth opportunities on employee retention in the agricultural based NGO’s.
- To explore the effect of employee contracts on employee retention in the agricultural based NGO’s.

**LITERATURE REVIEW**

**Theoretical Review**

**Equity Theory of Motivation**

Developed by John Stacey Adams back in 1963, the equity theory of motivation focuses on people’s feelings, and how fairly they have been treated in comparison with the treatment received by others in the same situation (Miner, 2015). It is based on the Exchange theory as social...
relationships involve an exchange process. People determine the perceived equity of their own positions by comparing their position with that of others. Their feelings about the equity of the exchange are affected by the treatment they receive when compared with what happens to other people. People place weight on the various inputs and outcomes involved in an exchange process according to how they perceive their importance. When there is an unequal comparison of ratios, an individual experiences a sense of inequity. Further, the feeling causes tension, which is an unpleasant experience, and consequently they are intrigued to reduce the tension and the perceived inequity. The magnitude of the perceived inequity determines the level of tension and the level of tension created determines the strength of the motivation. Thus this theory contributes to the current study by describing the critical human resource components impacting on employee satisfaction and hence retention.

It identifies six broad types of possible behaviors as a consequence of inequity:

Changes to inputs – An individual may increase or decrease the level of their inputs, for example, through the amount of quality work, absenteeism, working additional hours without pay, etc.

Changes to outcomes – An individual may attempt to change outcomes such as pay, working conditions, status, recognition etc., without changes to outcomes.

Cognitive distortion of inputs and outcomes – Although it is difficult to distort facts about oneself, it is possible to distort the utility of those facts, for example, the belief about how hard they are really working, the relevance of a particular qualification, or what they can or cannot obtain with a given level of pay.

Leaving the field – An individual seeks to find a new situation with a more favorable balance. This includes efforts such as requests for transfers, resigning and absenteeism.

Acting on others – An individual attempts to bring about changes in others, through ways such as influencing others to lower their inputs or accept greater outcomes. They may also cognitively distort the inputs and outcomes of others or force them to leave the field.

Changing the object of comparison – this involves changing the reference group with whom comparison is made. For example, in a situation where another person with previously similar outcome-input ratio receives greater outcomes without any apparent increase in contribution, an individual may be perceived as now belonging to a different level in the organization structure.

Managers may seek to remove or reduce the tension and perceived inequity among staff by influencing these types of behaviors. They may attempt to change a person’s inputs or encourage a different object of comparison. For example, a working parent may be encouraged to accept lower financial rewards for greater work flexibility. Outcomes can be changed by such interventions as increased pay, additional perks, improved working conditions, job transfers and dismissals (Lazaroiu, 2015).

Theory of Organizational Equilibrium

One of the earliest models of turnover is March and Simon’s (1958) theory of organizational equilibrium, in which the authors proposed that desirability of movement and ease of movement are the two main drivers of employee turnover (Flink, 2017). It is related to this study because it entails employee retention as one of the significant factors for organizational sustainability. Desirability of movement is commonly defined by the individual’s satisfaction with the job, whereas ease of movement generally reflects perceived or actual job alternatives in the external market (Flink, 2017).

Viewed from the perspective of retention, the model suggests that employees will be more likely to stay when they are satisfied with their jobs and believe that there are few alternatives available.
Hence, job satisfaction and lack of alternatives are included here as two important factors in employees’ decisions to stay. Employees would be satisfied (and thus more likely to stay) if they felt that the outcomes they received reflected the effort and other inputs that they had invested. More recently, organizational justice has been defined more broadly to include fairness perceptions related to outcomes, procedures, and interpersonal interactions, which have been shown to be related to employees’ decisions to remain with their employer (Rupp et al., 2015).

**Job Embeddedness Theory of Retention**

This theory proposes three main determinants to employee retention: fit, links and sacrifice. It was introduced by Mitchell and Colleagues while building on earlier research by Lee and Mitchell on a sustainable turnover model (Kiazad et al., 2015). It contributes to this study by providing strategies of improving employee turnover; hence increasing retention. Fit – with factors such as career goals, personal values and future plans, it can be defined as how comfortable the employee is with workplace elements. The level of skill utilization and integration in community or work environment are also factors of the Fit component. Link – is a component related to the extent of integration with community and work place. Family pressures are some of the factors under this component of Job embeddedness. Sacrifice – is the perceived cost of leaving the social and job network. This is less if employee has not formed deep links with colleagues in the work place or industry.

Each of the determinants of Job embeddedness is considered as influenced by the workplace on one hand and the community where the subject lives on the other. The three determinants have since discovery been used in various studies to test generally their level of support for popular industries where turnover was a major concern. Being a young theory, studies are still ongoing across an expanding array of specialized industries and organizations. Tian, Cordery and Gamble (2016) in an experiment of how human resources impact on job embeddedness found that linkages to community were explained by the family commitment aspects of JE. They concluded that family commitment was one way by which a culture demonstrated which kind of family arrangement was dominant: whether the nuclear or the extended family system was emphasized. It has been concluded from the study that the kind of arrangement practiced generally affected the wealth of the individuals: there is a negative correspondence between the size of the family and wealth.

**Herzberg’s motivation-hygiene theory**

Herzberg’s motivation-hygiene theory is used in this study to provide the basis upon which the significance of motivation in the workplace increases employee retention. In this theory, Herzberg argues that hygiene factors are those if fulfilled remove dissatisfaction; these are basic needs, working conditions and motivators (Alshemri, Shahwan-Akl & Maude, 2017). If these remain unsatisfied, they reduce motivation to work; employees tend to lose interest in work and attempt to find other employment opportunities. Herzberg concluded that factors which seemed to make an individual feel satisfied with their jobs were associated with the content of the job these were labeled motivators, yet factors that seemed to make individuals feel dissatisfied were associated with the job context; these he labeled hygiene factors. Herzberg argued that two entirely separate dimensions contribute to employee behavior at work. Hygiene factors and motivator hygiene factors refer to the presence or absence of job dissatisfies. When hygiene factors are valued, work is dissatisfying. These are considered maintenance factors that are necessary to avoid dissatisfaction but they do not themselves contribute to the jobs satisfaction and motivation of personnel (Mahal, 2012). That is, they only maintain employees in the job. Therefore managers should provide hygiene factors to reduce sources of worker
dissatisfaction and be sure to include motivators because they are the factors that can motivate workers and lead ultimately to job satisfaction. In line with Herzberg’s view, unsafe working conditions or a noisy work environment would cause employees to be dissatisfied with their job but their removal will not lead to a high level of motivation and satisfaction. Other examples of hygiene factors include, salary, status, security, supervision and company policy (Mahal, 2012).

On the other hand, motivators, leading to job satisfaction are associated with the nature of the work if self. They are those job-related practices such as assignment of challenging jobs, achievement, work itself, recognition, and responsibility advancement and opportunities for growth in the job. As Alshemri, Shahwan and Maude (2017) indicates, when motivators are absent, workers are neutral towards work, but when motivators are present, workers are highly motivated to excel at their work.

Conceptual Framework

**Employee Compensation**

Employee compensation describes the cash rewards paid to employees in exchange for the services they provide. It may include base salary, wages, incentives and/or commission. Total compensation includes cash rewards as well as any other company benefits, also known as fringe benefits. A salary (or wage) is a fixed amount paid in exchange for an employee’s services. For full-time employees, salary is generally described in annual, monthly, bi-weekly or weekly amounts. For part-time employees, it is generally described as an hourly amount. To determine an appropriate salary and/or salary range that your company is willing to pay for a position the employer must establish the value of the position based on the organizational requirements (Marsdd.com)

Derchi (2015) established that degrees of coordination in decision processes affect hiring and wage setting outcomes differently. Cooperation in unions’ behaviour, for example, results in wage increases and employment education in the private sector, whereas it induces wage moderation and employment expansion. Ge (2014) found that greater union coverage and membership lead to higher relative pay and lower relative employment for less-skilled men, with similar pay effects but only weak evidence of negative employment effects for less-skilled women. Greater economy wide union coverage or Membership leads to lower employment and higher relative wages for young men and a greater responsibility to attend school for both genders.

**Employee Engagement**

Employee engagement refers to workplace undertakings which derive commitment of employees to organizational goals, values and drive to release their full potential to contribute to productivity (Shields et al., 2015). It refers to the psychological/mental presence of an employee in an organization and constitutes two
fundamental components, namely: attention and absorption. Albretch et al. (2015) captures employee engagement as the ability to capture the heads, hearts, and souls of employees to instill an intrinsic desire and passion for excellence. Existing literature generate a number of definitions to employee engagement with each definition representing a unique perspective depending on circumstance thereby leading to disjointed definitions that are easily misinterpreted. Generally, employee engagement as a distinct and unique construct comprising of cognitive, emotional and behavioral components that are associated with individual role performance (Graffigna, 2017; Mahon, Taylor and Boyatzis,(2014). Arrowsmith and Parker (2013) describe employee engagement as the affective and cognitive connection employees have for their organization that leads them to exert discretionary effort at work. Disengaged employees are those who are motivationally and emotionally detached from work, they portray less energy to work deliver and who are not enthusiastic at work (Arrowsmith and Parker, 2013; Purcell, 2014). Engaged employees often attach strong emotional commitment to their work as they find it meaningful and more fulfilling (Arrowsmith and Parker, 2013; Kaliannan and Adjovu, 2015). Hashimoto and Nassif (2014) aver that employee engagement brings about noticeable enhancements in productivity. Purcell (2014) expounds that engaged employees have deep interest in work attachment to their organization. That they drive innovation and are focused on company progress. Employees who are not engaged are withdrawn from work opting to focus on addressing their unhappiness (Markos and Sridevi, 2010; Purcell, 2014).

Employee Career Growth opportunities

According to Mone and London (2018), employees who see career opportunities in an organization are less likely to leave. It is when they feel that they have plateaued in the organization that they feel the need to look for new opportunities elsewhere. Crawshaw and Game (2015) observed that an organization’s belief in career-orientated practices and job security improved employee commitment considerably. Career opportunities gave strong prediction of employee retention compared to others forms of reward followed by opportunities for training and the employee’s relationship with his supervisor.

Lack of growth opportunities could lead to job discontent making the employees seek for better and more challenging work elsewhere. In call center work, the employees may fail to acquire the necessary skills required for advancement to other areas as the job is characterized by routinized tasks (Harry & Coetzee, 2013). But if the employees feel that there are better chances to grow or to progress within the organization then they are likely to perform better and minimize their plans to leave.

Employee Contracts

In this study we focus on two broad categories of employment contracts namely fixed term contracts. According to the European foundation for the improvement of living and working conditions report of 2007, fixed term employment contracts are contracts where the end of the employment relationship is determined by objective conditions such as reaching a specific date, completing a specific task or the occurrence of a specific event while permanent contract is also referred to as indefinite contract. It is believed that the type of employment contract affects employees’ productivity.

According to Kaufman, Beaumont and Helfgott (2016), the increased market place pressure and the introduction of new management practices such as downsizing, benchmarking and others, has had significant effect on the traditional employment relationship. The relationship has been replaced by new psychological relationship

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that has fewer implicit guarantees by employers to employee such as security and internal promotion. This has increased the need to understand how employees can be encouraged to engage in discretionary extra-role behavior under the new psychological contract. It is increasingly becoming important to focus on the role of employee trust for organizations to be able to obtain the much needed discretionary efforts of employees.

**Employee Retention in Agricultural NGO’s Sector**

Retention of employees is critical to preserving skills of such employees. By so doing, a business can avoid losing customers so that they maintain high quality products that are marked by high sales. Employees who work together for a long time will enjoy a healthy working atmosphere, good relations with managers, effective succession planning and deeply embedded organizational knowledge and learning. Failing to retain key employee’s especially new graduates is costly for any business. Mendez and Stander (2011) further emphasizes that a company needs to invest in employee retention in order to be successful. Competition and the lack of availability of highly talented skilled employees make finding and retaining talented employees a major priority for organizations. Katzenbach and Smith (2015) posit that in cultivating a high-performance workforce, both assessment of employees to ensure the best match to the job and the company and assimilating them to ensure successful integration into the workplace, the culture of the organization and specific roles and responsibilities are equally important.

Katzenbach and Smith (2015) further state that recruiting people to meet the organization’s human resource needs is only half the battle in the war for talent, rather the other half is keeping these people. Organizations that keep their employee turnover rates lower gain an advantage against their competitors by reducing overall labor costs and improving productivity. Retention of key employees is important in that it fosters client’s satisfaction, increases sales, promotes working relationships, improves employee-manager relationships and enables valuable succession planning. In such a system, Institutional knowledge and learning is successfully preserved and advanced. Failing to retain key employees’ especially new graduates is costly for any business. Cloutier et al. (2015) further emphasizes that a company needs to invest in employee retention in order to be successful.

**Empirical Review**

**Employee Compensation**

Osibanjo, Adeniji, Falola, and Heirsmac (2014) on their compensation strategies’ study argued that there is a strong connection between compensation strategies and employee retention. The study was conducted in a select private institution in Nigeria on the concern that employees in university institutions were constantly on the move to other institutions. Questionnaires were used to collect data and the results’ analysis indicated that compensation packages of incentives, allowances and salary levels affected employee turnover. More than one hundred employees interviewed argued that they were moving for lack of proper compensation incentives, hence prompting the management to amend various levels of compensation to maintain their workforce.

A study done in the Telekom sector in Pakistan indicated that compensation has a positive relationship with employee retention (Haider et al., 2015). The study entailed other significant human resource practices such as training and development as well as culture. With the help of literature, the questionnaires developed evaluated the human resource practices in relation with the effort of retaining them. The sample under study consisted of 250 employees and statistical packages such as SPSS analyzed the data collected. According to the analysis, employees who were properly compensated
usually did not have the tendency to leave. The results would guide management in various organizations proper compensation practices that would help in the retention of employees.

**Employee Contracts**

Guchait, Cho and Meurs (2015) conducted a study to discover the relationship between contracts and employee retention. They used the aspects underlying psychological contracts and relational contracts such as supervisors’ support. Data was collected among employees in restaurants in India because of the high turnover realized in the hospitality industry. Some of the results concluded that organizations with supervisor support reduced the employees’ intent to leave because they impact on relational contracts. Thus they concluded that the nature of contracts influence employee retention.

A study conducted by Walker, Accadia and Costa (2016) indicated that psychological contracts are directly related to employees’ intention to leave or stay. The study was conducted in volunteer organizations in Australia. Analysis showed that paid workers had similar behavioral aspects as volunteer workers and those paid form of contracts, despite the differences in the management structures. Respondents from whom data was collected linked organizational support and psychological contracts with their intention to leave or stay. Thus conclusions made included that employers use both actual and psychological contracts as a major retention strategy.

**Career growth opportunities**

Deery and Jago (2015) engaged in a critical study on career growth opportunities and employee turnover. The study involved use of survey on junior auditors in public accounting firms identifying how career growth opportunities influenced their turnover intentions. It is understood that organization and employees share a social exchange relationship whereby they reciprocally benefit each other. Study identifies that providing employees with these opportunities will result in their commitment to the firm, leading to low employee intention to leave the firm. The study identifies the essence of the organizational prestige of the firm and the effectiveness of the firm’s training programs and how they enhance employees’ belief about career growth opportunities leading to high commitment and reduced turnover intentions.

Yang, Liu, & Zhang (2015), using a cross-sectional survey, explored the impact of work support and career development on the nurse turnover intention in eight hospitals in Tianjin, China. The study aimed at finding the appropriate approach in curbing high turnover. The study involved a cross-sectional survey of 526 nurses. The scales employed in this study were nurse turnover intention scale, work support scale and career growth scale. The data was analyzed using SPSS which led to the conclusion that lack of work support negatively and directly impacts nurse turnover intention. The study manifested that additional career growth opportunities increases employee retention.

**Employee engagement**

Lu, Gursoy, & Neale (2016) conducted a study on the influence of supervisors and line employees’ work-related variables such as job satisfaction and turnover intentions. The study was conducted in Washington, US in the catering industry. Data was collected from line-level employees and supervisors from twenty nine mid-to-upscale hotels which were analyzed using regression analyses. The study manifested that supervisors tend to have high work engagement and low turnover intentions compared to line-level employees. The study held that job engagement among supervisors contributed in making them dedicated to their work, which led to low turnover intentions. Also, if organizations can find ways to foster dedication among the line-level employees there would be increased job satisfaction and reduced employee turnover.
A study conducted by Alias, Noor and Hassan (2014) on the relationship between talent management practices and employee engagement indicated that employee engagement is a strong mediator of the relationship between talent management and retention. The quantitative study was conducted among employees in IT organizations in Malaysia using questionnaires as the study instruments. The data analyzed using statistical packages showed positive correlation between employee engagement and practices such as career development, rewards, and recognitions. Further, engagement was reportedly an important factor in employees making their decisions to leave or stay. The study thus concluded that employee engagement highly influences employee retention.

**METHODOLOGY**

This study utilized an explanatory method and employed quantitative approaches. Explanatory research design was employed to determine the effect of HRM strategies on employee retention in the agricultural sector NGO’s based in Nairobi City County and to establish any association between these variables. The study targeted members of Management of the Agricultural NGO’s in Nairobi City County thus, the target population of the study was one hundred and twenty eight (128) management employees.

**FINDINGS AND DISCUSSION**

**Effect of Compensation Strategies on Employee Retention**

The respondents were requested to indicate their levels of agreement on the statements relating to effect of compensation strategies on employee retention. From the study findings, majority of the respondents agreed that they receive salary as payment for their work as shown by a mean of 2.22. However majority of the respondents disagreed on the statements that the salary paid is commensurate to the work done as shown by a mean of 2.03, their salary and benefits package makes them feel fully appreciated for their work and effort as shown by a mean of 2.08, and that the salary structures used provide a system for fairness in determining remuneration as shown by a mean of 2.09. The respondents further disagree that their salary was comparable to others with similar level of skills and responsibilities as shown by a mean of 2.16. Majority of the respondents further indicated that compensation offered by their employer affect their decision to stay as an employee. Consistent to the findings, a study by Osibanjo, Adeniji, Falola, and Heirsmac (2014) also found that there was a strong connection between compensation strategies and employee retention. Similary a study done by Haider et al., (2015) indicated that compensation has a positive relationship with employee retention.

Table 1: Statements relating to effect of compensation strategies on employee retention

<table>
<thead>
<tr>
<th>Statements</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>You receive salary as payment for your work</td>
<td>3.89</td>
<td>0.280</td>
</tr>
<tr>
<td>The salary paid is commensurate to the work done</td>
<td>2.03</td>
<td>0.237</td>
</tr>
<tr>
<td>Your salary is comparable to others with similar level of skills and responsibilities</td>
<td>2.16</td>
<td>0.197</td>
</tr>
<tr>
<td>Your salary and benefits package makes you feel fully appreciated for your work and effort.</td>
<td>2.08</td>
<td>0.202</td>
</tr>
<tr>
<td>The salary structures used provide a system for fairness in determining remuneration.</td>
<td>2.09</td>
<td>0.238</td>
</tr>
</tbody>
</table>
Effect of Employee Engagement Strategies on Employee Retention

The study sought to find out the extent to which employee engagement strategies affect employee retention. The respondents were requested to state their level of agreement with the statements relating to the effect of employee engagement strategies on employee retention. From the findings, majority of the respondents disagreed on the statements that their job makes good use of their skills and abilities as shown by a mean of 2.08, their job gave them fulfillment and satisfaction as shown by a mean of 2.14 and that they were provided with all the necessary resources and apparatus they needed to do their work correctly as shown by a mean of 2.22. The respondents also disagreed on the statements that there was sharing of knowledge and information, across the whole organization and no one felt left out as shown by a mean of 2.27. The respondents finally disagreed on the statement that opportunities to participate in decision making regarding welfare issues were provided as shown by a mean of 2.28. Consistently Purcell (2014) found that engaged employees had deep interest in work attachment to their organization and hence retain in an organization.

Table 2: Statements on effect of employee engagement strategies on employee retention

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is sharing of knowledge and information, across the whole organization. No one feels left out.</td>
<td>2.27</td>
<td>0.298</td>
</tr>
<tr>
<td>Opportunities to participate in decision making regarding welfare issues are provided.</td>
<td>2.28</td>
<td>0.269</td>
</tr>
<tr>
<td>My Job gives me fulfillment and satisfaction</td>
<td>2.14</td>
<td>0.272</td>
</tr>
<tr>
<td>I am provided with all the necessary resources and apparatus I need to do my work correctly</td>
<td>2.22</td>
<td>0.258</td>
</tr>
<tr>
<td>My job makes good use of my skills and abilities</td>
<td>2.08</td>
<td>0.238</td>
</tr>
</tbody>
</table>

Influence of Career Growth Opportunities on Employee Retention

The study sought to find out the respondents level of agreement with statements relating to the influence of career growth opportunities on employee retention. From the study findings, majority of the respondents disagreed on the statements that; seminars and workshops are used regularly to increase the staff competencies as shown by a mean of 2.00, job shadowing was used to required skills to grow into a particular career path as shown by a mean of 2.08 and that job rotations are used regularly to encourage multi skilling of staff as shown by a mean of 2.19. The respondents further disagreed on the statements that job shadowing was commonly used to allow staff acquire exposure into the different career options as shown by a mean of 2.25 and that every employee undergoes relevant
training to prepare them for upward mobility as shown by a mean of 2.29. The findings of the study were consistent to Yang, Liu, & Zhang (2015), who found that that lack of work support negatively and directly impacts nurse turnover intention. The study also found that career growth opportunities increased employee retention.

Table 3: Statements regarding career growth opportunities

<table>
<thead>
<tr>
<th>Statement</th>
<th>mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Every employee undergoes relevant training to prepare them for upward mobility</td>
<td>2.29</td>
<td>0.273</td>
</tr>
<tr>
<td>Job rotations are used regularly to encourage multi skilling of staff</td>
<td>2.19</td>
<td>0.282</td>
</tr>
<tr>
<td>Job shadowing is commonly used to allow staff acquire exposure into the different career options</td>
<td>2.25</td>
<td>0.260</td>
</tr>
<tr>
<td>Job shadowing is used to required skills to grow into a particular career path</td>
<td>2.08</td>
<td>0.238</td>
</tr>
<tr>
<td>Seminars and workshops are used regularly to increase the staff competencies</td>
<td>2.00</td>
<td>0.258</td>
</tr>
</tbody>
</table>

On what could be done differently in order to increase their opportunities for career growth within the organization, the respondents indicated there was need for the provision of professional training, coaching and mentoring, cross-departmental training, develop soft skills such as emotional intelligence and provision of flexible learning options.

Effect of Employee Contracts on Employee Retention

The study sought to find out the respondents level of agreement with statements relating to the influence of career growth opportunities on employee retention. From the study findings majority of the respondents disagreed with the statements that their employment contracts made them feel secure in their job as shown by a mean of 2.00, that the contracts in the organization were flexible to keep the organization responsive against any fluctuations in demand as shown by a mean of 2.11, that their contract was clear on their duties and responsibilities as shown by a mean of 2.14, that their contract type was comparable to others in the same job area as shown by a mean of 2.21 and that their contract was clear on their compensation, benefits and other incentives they could receive for good performance as shown by a mean of 2.24. Similar findings were obtained by Guchait, Cho and Meurs (2015) who found that concluded that the nature of contracts influence employee retention.

Table 4: Statements relating to the influence of career growth opportunities

<table>
<thead>
<tr>
<th>Statement</th>
<th>mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>My employment contracts makes me feel secure in my job</td>
<td>2.00</td>
<td>0.203</td>
</tr>
<tr>
<td>My contract is clear on my duties and responsibilities</td>
<td>2.14</td>
<td>0.261</td>
</tr>
<tr>
<td>My contract is clear on my compensation, benefits and other incentives I should receive for good performance</td>
<td>2.24</td>
<td>0.265</td>
</tr>
<tr>
<td>My contract type is comparable to others in the same job area</td>
<td>2.21</td>
<td>0.286</td>
</tr>
<tr>
<td>The contracts in the organization are flexible to keep the organization responsive against any fluctuations in demand</td>
<td>2.11</td>
<td>0.256</td>
</tr>
</tbody>
</table>

The respondents were requested to make suggestions on what could be done differently from a contracts perspective in order to encourage them to stay longer with the employer. Most of the respondents listed vacations and sick leaves as an important aspect, which indicated the increasing prevalence of flexible schedules for people to attend to other domains in their life,
especially home and social life. Other respondents argued that employers should increase permanent contracts as opposed to temporary contracts, and that they should also describe employee behaviour at the end of the contract, to help them brace up themselves and keep them going. Although lowly rated, longer durations of contracts and health benefits were arguably other ways that could encourage employees to stay longer.

**Employee Retention**

The study requested the respondents to state their level of agreement on the statement relating to employee retention in the organization. From the study findings, majority for the respondents agreed on the statements that lack growth opportunities is a reason for employee turnover in the organization as shown by a mean of 4.21. The respondents however disagreed on the statements that there is an active and updated employee retention policy in the organization as shown by a mean of 1.98, exit interviews are carried out on an exiting staff member as shown by a mean of 2.00, work-life imbalance is a reason contributing to retention in the organization as shown by a mean of 2.08 and that there is coaching and feedback on jobs done in the organization.

**Table 5: Statement relating to employee retention in the organization**

<table>
<thead>
<tr>
<th>Statement</th>
<th>mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is an active and updated Employee Retention policy in the organization</td>
<td>1.98</td>
<td>0.238</td>
</tr>
<tr>
<td>Exit interviews are carried out on an exiting staff member</td>
<td>2.00</td>
<td>0.273</td>
</tr>
<tr>
<td>There is coaching and feedback on jobs done in the organization</td>
<td>2.13</td>
<td>0.283</td>
</tr>
<tr>
<td>Work-life imbalance is a reason contributing to retention in the organization</td>
<td>2.08</td>
<td>0.238</td>
</tr>
<tr>
<td>Lack growth opportunities is a reason for employee turnover in the organization</td>
<td>4.21</td>
<td>0.273</td>
</tr>
</tbody>
</table>

**Regression analysis**

**Table 6: Regression analysis Model summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.786a</td>
<td>.618</td>
<td>.586</td>
<td>.3317</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), employee compensation, employee contracts, career growth opportunities, employee engagement.

**Table 7: ANOVA Analysis**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>34.164</td>
<td>4</td>
<td>8.541</td>
<td>12.9802</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>67.116</td>
<td>102</td>
<td>0.658</td>
<td></td>
</tr>
</tbody>
</table>
From the regression findings the predicted value of employee retention holding employee compensation, employee contracts, career growth opportunities and employee engagement to a constant zero would be 3.121. Employee compensation had a significance effect on employee retention in the agricultural based NGO’s as indicated by $\beta_1 = 0.772$, $p = 0.012 < 0.05$. This implied that a unit increase employee compensation would lead to an increase in employee retention in the agricultural based NGO’s by 0.772 units.

Employee contracts had a significance effect on employee retention in the agricultural based NGO’s as indicated by $\beta_1 = 0.723$, $p = 0.014 < 0.05$. This implies that a unit increase in employee contracts would lead to an increase in employee retention in the agricultural based NGO’s by 0.723 units.

Career growth opportunities had a significance effect on employee retention in the agricultural based NGO’s as indicated by $\beta_1 = 0.692$, $p = 0.015 < 0.05$. This implies that a unit increase in career growth opportunities would lead to an increase in employee retention in the agricultural based NGO’s by 0.692 units.

Employee engagement had a significance effect on employee retention in the agricultural based NGO’s as indicated by $\beta_1 = 0.755$, $p = 0.003 < 0.05$. This implied that a unit increase in employee engagement would lead to an increase in employee retention in the agricultural based NGO’s by 0.755 units. At 5% level of significance and 95% level of confidence, all the variables were significant ($p<0.05$). Overall employee compensation was the most significant.

### Table 8: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>3.121</td>
<td>0.691</td>
<td>4.517</td>
<td>0.013</td>
</tr>
<tr>
<td>Employee compensation</td>
<td>0.772</td>
<td>0.167</td>
<td>4.623</td>
<td>0.012</td>
</tr>
<tr>
<td>Employee contracts</td>
<td>0.723</td>
<td>0.168</td>
<td>4.304</td>
<td>0.014</td>
</tr>
<tr>
<td>Career growth opportunities</td>
<td>0.692</td>
<td>0.172</td>
<td>4.023</td>
<td>0.015</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>0.755</td>
<td>0.195</td>
<td>3.872</td>
<td>0.003</td>
</tr>
</tbody>
</table>

$Y = 3.121 + 0.772X_1 + 0.723X_2 + 0.692X_3 + 0.755X_4 + \varepsilon$

**CONCLUSION RECOMMENDATIONS**

**Conclusions of the Study**

The study concluded that compensation offered to the employees affect their decision to retain in the organization. The salary paid is not commensurate to the work and does not make the employees feel fully appreciated for their work and effort. The salary structures used fail to provide a system for fairness in determining remuneration as well.
The study concluded that the job neither makes good use of the employees' skills and abilities nor does it give employees fulfillment and satisfaction. The employees are not provided with all the necessary resources and apparatus they need to do their work correctly. There is lack of knowledge and information sharing, across the whole organization.

Seminars and workshops are not used regularly to increase the staff competencies in the organization. Job shadowing is not used to required skills to grow into a particular career path neither is it commonly used to allow staff to acquire exposure into the different career options. Job rotations are not used regularly to encourage multi skilling of staff.

The study concluded that employment contracts do not make employees to feel secure in their job. The contracts in the organization are inflexible to keep the organization responsive against any fluctuations in demand. They are also not clear on employees’ duties and responsibilities.

**Recommendations**

The study recommended that the employers should provide good salaries to avoid subjecting employees to financial constraints while giving them remuneration that does not correspond to their duties.

The employers should look for the right leaders who would value the contribution of employees and actively emphasize their improvement. The organization should come up with realistic engagement goals to capture the attention of all employees.

There is need for the provision of professional training, coaching and mentoring, in order to increase the opportunities for career growth within the organization.

The organization should increase permanent contracts as opposed to temporary contracts and also describe employee behaviour at the end of the contract. The organization should also make use of flexible contracts to keep the organization responsive against any fluctuations in demand.

**Areas for further Research**

The study aimed examining the effect of HRM strategies on employee retention in the agricultural sector NGO’s based in Nairobi City County. Further studies should be done to HRM strategies on employee retention in the profit making organizations.

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