RELATIONSHIP BETWEEN HUMAN RESOURCE MANAGEMENT PRACTICES AND EMPLOYEE RETENTION: A CASE OF WATER BOARDS IN NAIROBI COUNTY

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ABSTRACT

The goal of the study was to determine the relationship between Human Resources Management Practices and Employee Retention in Water Boards in Nairobi County. The specific objectives of the study were to: establish the relationship between recruiting practices and employee retention in the water boards and explore the relationship between compensation practices and employee retention. The study used a descriptive research design. The study targeted 103 employees comprising of human resources officers. A questionnaire was developed in this study and all the targeted respondents were issued with questionnaires. Primary data was used to obtain information on employee retention. The primary data was collected by use of self-administered questionnaires with both open and closed ended questions. Regression analysis was performed to analyze the data. The study findings indicated significant relationship between recruitment, compensation and employee retention in Water Boards in Nairobi County. This study concluded that there is a strong relationship between human resource management practices and employee retention in Water Boards in Nairobi County. It was recommended that water boards should support employees’ attachments to the compensation issues; this study guides the management to devise the effective strategies to improve the employee retention.

Keywords: Recruiting Practices, Compensation Practices, Employee Retention
INTRODUCTION

Retention of specialists is one of the best troubles looked by organizations (Appiah et al. 2013). Various organizations have encountered troubles with specialist turnover. There are unlimited reasons adding to turnover of laborers in organizations. The circumstance of turnover ought to be vanquished since it is costly on the two individuals and organizations. (Dump trucks, 2009) demonstrates that immense costs are achieved by administrators in light of turnover with respect to attracting, enrolling, keeping up and planning in developing new delegates. Managers should do their level best to get gauges which constrain laborer's turnover. Human Resource Management Practices are the approaches that are used in administering people (Armstrong, 2012). An organization can grasp a plan of HRMP that suit its operational requirements. This fixation to the human side of the business has required the use of determined change HR programs (Esther, Elegwa, and James, 2012). Organizations have moved towards Strategic Human Resource Management (SHRM) for getting vital illustrations or choices that are connected with the management of laborer retention. This reveals an organization's ability to supervise human resources simply more enough for better outcomes (Breagh, 2010). Comprehensive competitive organizations depend upon the uniqueness of their human resources and the structures for administering human resources sufficiently to get a competitive great position. Human resources are not simply the drivers and imperative regard producers of the yield of the learning business, anyway they are moreover the insightful capital or the system theory.

Human Resource Management Practices are easygoing philosophies used in regulating people (Armstrong, 2012). Narang, (2013) charts HRM sharpen as present day assurance systems, examination, getting ready, participation, trades, reinforcing, execution related pay and business security. Huselid (2007) showed eleven HRM sharpen in his examination and these join personnel decision, execution assessment, persuading power pay, work plan, dissension methods, information sharing, perspective evaluation, work management participation, enlistment attempts, delegate getting ready and progression criteria.

Retention is a stiff-necked move by an organization to make a space which interfaces with delegates to the extent that this would be possible (Chaminade, 2006). A more quick and dirty and progressing importance of the possibility of retention is to shield the loss of prepared laborers from leaving productivity and profit (Chibowa, Samuel, and Chipunza, 2010). A couple of individuals see agent retention as the delayed consequence of the use of courses of action and methodology that assistance laborers to remain with the organization in light of the plan of a work environment that tends to their issues. Delegate retention, according to Harvard Business Essentials, is the 'inverse of turnover that is the total of ponder and programmed segments between a specialist and his or her organization' Atif, et al (2011).

Water Boards were formed under The Water Services Department in the Ministry of Water and Irrigation. The Kenyan water sector underwent reforms through the Water Act No. 8 of 2002. Previously service provision had been the responsibility of a single National Water Conservation and Pipeline Corporation as well as of a few local utilities established since 1996. After the passage of the act service provision was gradually decentralized and other organization were formed. They include Water Resources Management Authority, Water Services Regulatory Board, Water Appeals Board, National Irrigation Board, Kenya Water Institute and Water Services Trust Fund among others.

The traditional approach to managing people through an emphasis on administrative procedures continues to play a dominant role in Kenyan organizations. Such procedures cover recruitment and selection, wage and benefits administration,
setting up training programmes, employee relations, compliance with employment and labor legislation. These are the practices at the heart of personnel management. This tradition is even more evident in the large public corporations that are currently being privatized, as well as in the majority of small and medium-sized locally owned firms. The more progressive approaches generally referred to as human resource management (HRM) is mainly to be found in professional firms and subsidiaries of foreign multinational firms. The evolution of management practices in Kenya should be seen in the historical context which goes back to the colonial era and the onset of a capitalist mode of production. (Kamoche,2014) argues that this policy was a precursor to the subsequent stifling of indigenous entrepreneurialism and managerial initiative. In industry, the colonial government supported foreign investors while placing all manner of obstacles in the way of indigenous entrepreneurs. Capital only started to move into local hands after independence in 1963. These efforts received some impetus from the campaign of ‘Africanization’ in the 1960s and 1970s which was designed to enable local people to acquire the means of production and secure jobs. The main beneficiaries were politically powerful, already propertied elites who were content to maintain the status quo and indeed worked closely with foreign investors to institute Western styles of management. The importation and unquestioning use of foreign management practices have continued to be an important question in the management debate in Kenya. In the field of human resources, the work has much been an administrative, involving public relations and patronage. This was particularly noteworthy in the foreign multinationals which responded to the call for Africanization by hiring local people who could negotiate the state bureaucracy.

Statement of the problem

Agents are the establishment of an organization (Hong, Hao, et al 2012). In this way, the retention of agents is basic in keeping the organization on track. Generally, organization would hold their agents for a foreordained period to utilize their capacities and aptitudes to complete certain endeavors or execute endeavors. Holding the alluring laborers is valuable to an organization in expanding competitive favored outlook that can’t be substituted by various contenders. Past Research shows that organizations contribute an impressive measure on their specialists through, work examination, enlistment and decision, getting ready, change and pay package. Despite the way that, there is no standard framework for understanding the agent retention process in general, a broad assortment of factors have been found useful in interpreting specialist turnover (Appiah et al.2013) Employees are to an awesome degree vital to the organizations since their motivation to the organizations is fundamentally tricky and not easily reproduced.

Chipunza et al (2010) include that it isn’t only the private portion, anyway governments are moreover standing up to inconvenience in holding gifted agents. Private section boss surrender this reality that holding key specialists of the organization is the most troublesome piece of their movement. As a general rule when these specialists move, they move to battling organizations with the taking in and prized equations picked up from their past chiefs, therefore, making a fundamental condition for the past managers. According to Haider, et al (2015) Organizations is standing up to the trial of agent retention in light of extended contention in the market. It is critical for organizations to acquire fit delegates to get a competitive great position in the market. Regardless, holding handy specialist could without much of a stretch contrast with contracting (Yamamoto, 2011). Organizations are constantly chasing down skilled laborers and contributed vitality and money on their delegates for future return perspectives. Following the proposals of the past researchers in the water sheets there was need to finish additionally research to find the association between HRM practices and agent retention. It is on this
establishment that this research anticipated that would consider the association between recruitment, compensation and employee retention in the Water Boards in Nairobi County.

**Purpose of the Study**

The study intended to determine the relationship between Human Resources Management Practices and employee Retention in the Water Boards in Nairobi County. The specific objectives were:

- To establish the relationship between recruitment and employee retention in Water Boards in Nairobi County
- To explore the relationship between compensation and employee retention in Water Boards in Nairobi County

**LITERATURE REVIEW**

**Theoretical Review**

**Maslow’s Hierarchy of Needs Theory**

A standout amongst the most prevalent needs hypotheses is Abraham Maslow’s pecking order of requirements theory. Maslow suggested that motivation is the consequence of a man’s endeavor at satisfying five fundamental needs: physiological, wellbeing, social, regard and self-completion. As per Maslow, these requirements can make interior weights that can impact a man’s conduct. The chain of importance of necessities theory is significant to this examination as the theory is material to representative motivation (Greenberg and Baron, 2003). They additionally contend that the theory can propose how administrators can spur their worker or subordinates to end up self-completed.

The thought suggests the double part of the theory initially to organizations and second to representatives on the premise that both the organization and the workers must settle on the execution of their organization, and that when representatives put in their best in the administration of the organization, the way of life and human asset management practice ought to likewise guarantee that the workers' level of necessities are reflected in the qualities the organization holds with high regard (Greenberg and Baron, 2003). The worker maintenance system of the organization ought to mirror the way that representatives' physiological and security needs are principal in this way, when such needs turned out to be socially engaged, turnover will be enhanced colossally in that organization (Maslow, 1954). This contention suggests a turned around impact that if the need isn't socially centered around, the maintenance standard won't be met. As workers long for social needs, it is the part of organizational culture to make the qualities and standards that human asset practice will center around when making arrangements for the smooth running of the organization, with representative relationship being one of the key territories that human asset management rehearse must reinforce (Story, 1992). Culture and human asset management practice should enable representatives to achieve their confidence and self-completion needs. At the point when workers find that their organization thinks such a great amount about their formative status, representatives will offer their best to the administration of the organization for longer period.

**Two-Factor Theory of Motivation**

The two variables theory of motivation (Herzberg, 1968) otherwise called Herzberg’s motivation-cleanliness and double factor theory has viewpoint system of components causing work fulfillment and disappointment at the work put. Most major angle is the manner by which these variables are practically connected by HRM practices to impact states of mind towards organization with the end goal that delight of larger amount mental necessities (Sajjad, Ghazanfar, and Ramzan, 2013) impacts on representative maintenance. Preparing
causes a lasting change in conduct and ought to be planned properly so that it can operationalize natural, outward, profession advancement and representative relations for the double preferred standpoint of the organization and workers (Leibowitz and Schlossberg, 2014). To build up the coveted learning, aptitudes and capacities of the workers, to perform well at work, requires viable preparing programs that may likewise impact worker motivation and duty (Meyer and Smith, 2010). Genuine helpers are, work fulfillment, accomplishments, acknowledgment, testing errands, appointment of intensity and specialist through obligation, opportunity and control amid execution of undertakings and obligations. Management can culminate Herzberg’s contention by empowering a working condition that expands inborn and vocational advancement factors through preparing, mentorship, scholastic and expert sponsorships to upgrade abilities and in the long run enhance profitability and maintenance. Cleanliness factors in the water sheets may incorporate incidental advantages, aggressive pay rates, professional stability, connections, reasonable treatment, access to data, common relationship and enhanced working conditions. These will encourage trusts and responsibilities that are basic in management of organization's undertakings (Aryee, 2012). Their nonattendance causes disappointment and in this way organizations must bundle cleanliness and motivation components to expand extraneous and maintenance approaches (Rahman and Nas, 2013) to augment representative execution and maintenance. As per (Appiah et al., 2013) the covered up and noticeable expenses of turnover in organizations measured up to some degree $11 billion yearly, other than the low-level representative confidence for the ones who pick some way or the other, to stay with the organization. Subsequently distinguishing manners by which workers are persuaded and recognizing the connection between motivational variables and turnover aim is imperative for an organization to be fruitful in its activities.

In the perspective of Halepota (2005) motivation is vital for organizations to work effectively. Without motivation representatives won’t accomplish the organizational destinations and the organization’s execution would be less proficient. Mabonga (2010) states that the achievement or disappointment of any organization enormously relies upon the kind of HR it have. At the point when individuals are not inspired their turnover expectation is basic. It is critical that organizations give careful consideration to their specialists with a specific end goal to achieve ideal effectiveness and representative maintenance at the work environment.

**Empirical Review**

**Recruitment Practices**

Recruitment form a major part of an organization’s overall resourcing and selection, which identifies and secures people needed for an organization to survive and succeed in the short to medium-term (Bratton & Gold, 2012). The basic purpose of recruitment is to create a pool of suitably qualified candidates to enable the selection of the best candidates for the organization, by attracting and retaining more and more employees to apply in the organization whereas the basic purpose of selection process is to choose the right candidate to fill the various positions in the organization (Gamage, 2014). Available evidence indicates that there is a positive and significant relationship between recruitment and selection and employee retention and on the performance of an enterprise (Gamage, 2014).

Other studies such as Syed and Jama (2012) have equally shown that implementing an effective recruitment and selection process is positively related to employee retention and organizational performance. Cameron and Pierce, (2004) in their study on recruitment and selection, argued that an appropriate and up to date recruitment and
The selection process is a part and parcel of a good HRM practice. Recruitment and selection for larger organizations have proved to be a core human resource planning activity and as such, they are a vital part of an organization’s overall strategic plan. The role of recruitment and selection is to put in order preparations for potential long-term employment requirements, as well as deal with day-to-day employment vacancies, all as part of a human resource strategy (Syed and Jama, 2012). It is an important objective of all businesses to ensure that the people who are employed through the recruitment and selection process are the right people for the job. In addition, it is crucial to take the people who show the keen interest in the job responsibilities that are attached to. Otherwise, they will be dissatisfied later and leave the job as they will not like it.

Compensation Practices

Numerous looks into have demonstrated that representative position and length of business were generally what decided wages in many organizations. There are quantities of research clarified with prove demonstrating that remuneration fulfillment has an essential influence in representative maintenance. Gruman and Saks (2011) utilized the Commitment and Necessary Effort (CANE) model of motivation to discover how accommodation workers are persuaded. They found that nonfinancial pay or the nature of the workplace had an essential impact on worker turnover expectations. Organizations are in peril of making an inadmissible workplace if there is no any remuneration arranging. Atif et al (2011) found that if workers are happy with how the organization works and imparts its remuneration strategies, they stayed focused on the organization. Besides, an organization’s reward framework can influence the execution of the representative and their craving to stay utilized. There are additionally quantities of analysts who have shown that there is a lot of between singular contrast in understanding the criticalness of money related prizes for representative maintenance (Pfeffer, 2008; Woodruffe, 2009).

Conceptual Framework

![Conceptual Framework](image)

Source: Author 2018

METHODOLOGY

This study used a descriptive research design. Descriptive design delineates a correct profile of individuals, events, or record of the properties, for example directs, ends, limits, feelings, and learning of a particular individual, situation or social occasion (Kothari, 2014). The population of interest in this study was HR Directors, HR Managers, Senior HR officers, HR officers and HR Assistants working in the Water boards in Nairobi County. The population in the Water Boards in Nairobi County was 103. The investigation utilized primary data. Primary data was gathered by utilization of a survey. The examiners were first altered at that point coded to encourage measurable investigation. Factual Package for Social Science adaptation 22 (SPSS) was utilized to examine the Data.

FINDINGS

Recruitment Practices

The study sought to find out how internal recruitment had immensely contributed to employee retention in water boards in Nairobi County. The findings were as follows:
Table 1: Recruitment practices on employee retention in water boards in Nairobi County

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal recruitment has immensely contributed to employee retention</td>
<td>4.12</td>
<td>0.723</td>
</tr>
<tr>
<td>Posting job vacancies on notice boards has motivated staff and minimized employees' intent to leave.</td>
<td>3.91</td>
<td>0.963</td>
</tr>
<tr>
<td>Recruitment externally has created professionalism and lowered employee turnover</td>
<td>3.46</td>
<td>0.922</td>
</tr>
<tr>
<td>Recruitment externally contributes to employee dissatisfaction and many have expressed an intention to leave.</td>
<td>4.03</td>
<td>0.868</td>
</tr>
<tr>
<td>Induction programs for employees are used to ensure employee retention</td>
<td>3.78</td>
<td>0.936</td>
</tr>
</tbody>
</table>

Overall Mean 3.86

The results revealed that the respondents agreed that internal recruitment has immensely contributed to worker retention as indicated by a mean of four.12. The respondents also agreed that posting process vacancies on notice boards had inspired personnel and minimized personnel intention to leave as indicated by means of a median of three.91. Further the outcomes found out that the respondents agreed that external recruitment contributes to employee dissatisfaction with intention to depart with an average of four.03. On whether Induction applications for personnel are used to ensure worker retention respondents agreed with an average of 3.78. The respondents have been neutral to the question, recruitment externally has created professionalism and diminished worker turnover as indicated with a mean of three.46. The overall suggest of 3.86 indicated that most respondents have been in settlement that recruitment inspired employee retention in water boards. This is in step with perspectives expressed with the aid of Breaugh (2010), who indicated that recruiting ready people became vital to the company's prosperity.

Compensation Practices

The study sought to find out if employees are contented with the pay given and hope to stay in the water boards longer. The findings are as presented in table 2.

Table 2: Compensation practices on employee retention

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am content with the pay given and hope to stay in the organization longer</td>
<td>3.48</td>
<td>1.325</td>
</tr>
<tr>
<td>An increase in employee pay will minimize the number of employees leaving the organization</td>
<td>4.24</td>
<td>0.732</td>
</tr>
<tr>
<td>The promotion structures are clear and this minimizes employee dissatisfaction</td>
<td>4.02</td>
<td>0.874</td>
</tr>
<tr>
<td>Complaints linked to employee pay have contributed to employees leaving the organizations</td>
<td>3.96</td>
<td>0.903</td>
</tr>
<tr>
<td>The bonuses given motivate employees to stay longer in this organization</td>
<td>4.11</td>
<td>0.823</td>
</tr>
</tbody>
</table>

Overall mean 3.962
The effects indicated that the respondents have been impartial to whether they were contented with the pay and wish to live longer within the enterprise as shown. On whether or not an boom in pay would lessen worker turnover, the findings found out that respondents agreed with an average of 4.24. On whether or not bonuses given motivate employees to stay longer in company, effects indicated that respondents agreed. On whether or not merchandising systems were clean and this minimizes worker dissatisfaction, respondents agreed with imply of 4.02. On whether complaints linked to employee pay had contributed to personnel leaving the businesses that respondent. The overall suggest of 3.962 indicated that maximum respondents agreed that repayment practices encouraged worker retention. This was constant with the look at findings of Ng'ethe, Iravo, and Namusonge(2012) that indicated that advertising strategies results in extended employee retention.

Employee Retention

The study sought to establish views of employees on employee retention. The response was as follows:

Table 3: Employee Retention

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I intend to change from my present employer to a different employer within a period of three years</td>
<td>3.33</td>
<td>1.305</td>
</tr>
<tr>
<td>I am satisfied and well appreciated for the work I do am planning to stay longer.</td>
<td>3.42</td>
<td>1.027</td>
</tr>
<tr>
<td>If I wanted to do another job or function, I would look first at the possibilities within this organization.</td>
<td>3.3</td>
<td>1.096</td>
</tr>
<tr>
<td>If I had my way, I will definitely be working for this employer for the next five years.</td>
<td>3.29</td>
<td>1.084</td>
</tr>
<tr>
<td>I love working for this organization and am committed to it</td>
<td>3.53</td>
<td>1.058</td>
</tr>
<tr>
<td>Overall</td>
<td>3.34</td>
<td></td>
</tr>
</tbody>
</table>

The outcomes indicated that majority agreed that they cherished working within the enterprise and were committed with suggest of 3.53. Respondents were neutral when requested whether they were happy and nicely appreciated for the work they do and so were making plans to live longer within the agency with a median of 3.42. Respondents have been neutral approximately searching for new task possibilities in their enterprise in case they wanted task trade with a mean of 3. Finally respondents agreed that in the event that they had their manner, they could paintings for their organization for the next 5 years with a median of 3.29. The average imply of 3.34 indicated that most respondents were impartial on staying inside the employer.

CONCLUSION AND RECOMMENDATIONS

From the findings of this study recruitment and compensation practices of employees are imperative HR practices which is probably regularly ignored in an surroundings this is unplanned and extraordinarily disturbing. Yet, a dismiss for those practices has showed to have a terrible impact on worker retention. Investing effort and time into those human beneficial resource manage practices has bountiful benefits for the worker and the organization, if companies want to achieve achievement and characteristic effective employees with advanced worker retention.

Recruitment and compensation practices are crucial in retention of employees and if not carried out inside the accredited way, a horrific effect on employee retention can be specifically evident.
Employees are the single most important contributor to organization success. Short- and long-term goals, corporate objectives or business strategy, attracting and keeping talented employees must be a perpetual priority. A strategic approach to recruitment and retention is critical to: Align human resource activities with business goals and objectives. Position the organization for long-term competitive advantage. Effectively compete for talent in a tight labor market. Keep top performers and motivate all employees to grow and excel. Develop an effective succession plan for your company.

Compensation can have a direct impact on employee retention. While employers may use employee incentives and monetary rewards to retain employees, there are ways to complement compensation that have a much greater impact. Based on the type of compensation, along with the terms and conditions of an employee compensation package, an employer can boost employee retention.

Recommendations of the study

The study recommended that water boards should beautify on its personnel non-public inclinations, Managers education and undertaking rotations to increase abilities and enhance worker retention. The agency ought to align worker’s overall performance control machine to meet up with the commercial enterprise requirements; and manage ought to recognize what elements contribute to difficulties in enchantment and retention of employees just so attempt have to be made to maintain numerous retention elements in balance if you need to make certain continuity of its operations and productiveness.

Areas for further research

This study was limited to the two human resource management practices namely: recruitment and compensation. Hence, future research should examine the influence of other human resource management practices on employee retention in all water boards in Kenya.

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