



## HUMAN RESOURCE MANAGEMENT INITIATIVES AND EMPLOYEE RETENTION AT KENYA AIRWAYS –KENYA

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### ABSTRACT

Employee retention is the dependent variable in the study that is influenced either positively or negatively by the independent variable represented by the term human resource management initiatives whose variables are: training and development, career development strategies, job satisfaction and compensation policies. Employee retention has a relationship with human resource management initiatives; if the HRM initiatives are good the retention rates will be high while if HRM initiatives are poor there will be high employee turnover. Kenya Airways workers are vitally important for the effective functioning of airline systems and networks. The general objective of this study was to find out the influence of human resource management initiatives on employee retention at Kenya airways. The specific objectives of the study were; to assess the influence of training programs on employee retention at Kenya airways, to examine the effect of career development strategies on employee retention at Kenya Airways, to establish the effect of job satisfaction on employee retention at Kenya Airways and to determine the effect of compensation policies on employee retention at Kenya airways. The theoretical framework of the study consisted of Herzberg Two Factor Theory, Role Behavior Theory, Reinforcement Theory and Job Embeddedness Theory. This research adopted a descriptive research design which was used to explain characteristics of the subject being studied. Stratified sampling technique and simple random sampling was used to select sample size of 109 respondents from the target population of 1089 respondents in Kenya Airways. Primary data was collected by use of self-administered structured questionnaires which was distributed through the drop and pick method. The secondary data collected was used to identify gaps, formulate objectives, validate the findings and interpret the primary data collected in-order to get reliable results. The collected data was analyzed quantitatively and qualitatively. Descriptive and inferential statistics was done using Statistical Package for Social Sciences (SPSS) version 24 and specifically multiple regression models were used for answering the research questions. Set of data was described using percentage, mean standard deviation and coefficient of variation and presented using tables, charts and graphs. The hypothesis testing was done at 95% confidence level testing and hence all the null hypotheses were rejected since their significance level was less than 0.05 meaning that the alternative hypotheses were accepted. The study revealed that human resource management initiatives had a statistically significant effect on employee retention at Kenya Airways. Employee training had a statistically significant effect on employee retention at Kenya Airways. Career development had a statistically significant effect on employee retention at Kenya Airways. Job satisfaction had a statistically significant effect on employee retention at Kenya Airways. Compensation policies had a statistically significant

effect on employee retention at Kenya Airways. The study recommended that Kenya Airways management should adopt human resource management initiatives so as to boost employee retention.

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**Key Words:** Employee Retention, Training and Development, Career development, Human Resource Management Initiatives

## 1. INTRODUCTION

Retention of employees that are very productive is a great concern of human resource management professionals and managers of organizations. Retaining quality employees is a better alternative than recruiting, training and orienting a substitute worker of the same quality. The critical part is that by managing employee retention, organizations will ensure that they keep motivated and skilled workers who will be focused to ensure the overall organizational success (Capelli, 2015). Organizations are grappling with issues of retaining talented and productive employees. Organizations should be prepared to survive talent shortage and shortfall of specialized competencies needed to compete competitively against rivals. Employers should come up with effective and systematic employee retention strategies and initiatives to ensure they improve employee retention.

In an increasingly globalized economy, retention of quality employees is a global issue. Increases in cultural differences within the workforce raise critical issues for HR practitioners. Employee retention efforts have proved very difficult to implement in some parts of the world due to differing expectations for pay, work assignments, benefits and the like. If a company is global in scope or simply has a highly diverse employee population, both cultural and national differences must be taken into account at the outset of the development of any new HR-related program, including employee retention strategies (Kibui, 2015). Employee training programs will be reviewed under the following indicators; skills and technology, education and competence, development and learning. Career development strategies will be measured using; career awareness and skill training and goal setting as indicators. Job satisfaction will be measured by indicators; good salary, work-life balance and job security. Compensation policies will be measured using indicators; wages, basic salary, house allowance and commuter allowance (Kibui, 2015).

Employee retention will be measured using the following indicators; talent turnover rate, employee happiness, absenteeism and employee turnover, employee net promoter score and employee engagement surveys. HRM initiatives represent the following; variables training, career development, job satisfaction and compensation management programs and their relationship with employee retention at Kenya airways. Human resource management has various initiatives if implemented by a firm will improve employee retention (Khan, 2014). It is necessary for an organization to implement strategies that encourage, motivate productive and talented employees to continue working in a firm (Kibui, 2015). Managing employee retention is a strategic function that ensures workers are studious and stimulated to continue working fully productively to the advantage and benefit of the organization. Firms should develop sustainable human resource management initiatives to ensure there is an increase in retention of productive and specialized employees. The human resource department management department in an organization is tasked with efficient and effective implementation and management of employee retention policy. Firms should ensure they have a human resource unit that is knowledgeable on

best practices, benchmarking, worker motivation and employee withholding policies. People have a strategic role in organizations as they add value to the business and enable organizations to compete favorably against rivals and are producers and disseminators of knowledge. Organizations should consider their employee's needs to ensure that they retain best people within the organization.

## **2. RESEARCH PROBLEM**

Forty-eight percent of employees' commitment to remain with an organization depends on HR management initiatives and job satisfaction (Kadiresan, Selamat, Selladurai, Ramendran, & Mohamed, 2015). Whittenberger, (2017) asserts that employee retention has a relationship with human resource management initiatives; if the HRM initiatives are good the retention rates will be high while if HRM initiatives are poor there will be high employee turnover. Kenya Airways workers are vitally important for the effective functioning of airline systems and networks (Olingo, 2019). However studies show that Kenya Airways is highly affected by employee turnover (Ngugi, 2016).

Empirical studies show that Kenya Airways faces a variety of human resource retention problems due to an overall lack of personnel in key areas, which is worsened by high numbers of trained personnel leaving Kenya Airways to work overseas (Wabala, 2016). Ngugi, (2016) conducted a survey on the Emirates Airlines and Kenya Airways. The survey established that pilots and engineers were being poached by Emirates Airlines and this abrupt exodus led to delays and cancellation of flights by KQ. The study by Ngugi, (2016) also established that Kenya Airways loses on average 20 pilots and engineers each year to rival airlines in the Middle East. Furthermore, those personnel who remain are inequitably satisfied with their jobs and hence waiting for an opportunity to leave the KQ organization. Wabala, (2016) conducted a survey titled, Talented KQ staff snapped up by rich Qatar Airways. Loss-making Kenya Airways lost 20 of its most experienced aeronautical engineers to Qatar Airways in March 2016. The engineers had been poached by the Qataris after one of them repaired a malfunctioning aircraft in a record two hours when it would have taken the internal engineer five hours plus travel time.

If the current trend of poaching of scarce human resources for Kenya Airways continues, then HR leaders would face employee retention challenges hence leading to loss of talented employees and a decline in the organization's quality of service, which will negatively affect profitability. Thus from the empirical studies of (Ngugi, 2016 & Wabala, 2016), it is clear that there exists a clear problem of employee retention in Kenya Airways hence creating a gap which this study sought to cure.

## **3. GENERAL OBJECTIVE**

The general objective of the study was to find out the influence of human resource management initiatives on employee retention at Kenya airways, Kenya.

### **3.1 Specific objectives**

- 1) To assess the influence of employee training programs on employee retention at Kenya airways, Kenya.
- 2) To examine the effect of career development strategies on employee retention at Kenya Airways, Kenya

- 3) To establish the effect of job satisfaction on employee retention at Kenya Airways, Kenya.
- 4) To determine the effect of compensation policies on employee retention at Kenya airways, Kenya.

### **3.2 Research Questions**

- i. What is the effect of employee training programs on employee retention at Kenya airways?
- ii. How do career development programs influence employee retention at Kenya airways?
- iii. How does job satisfaction affect employee retention at Kenya airways?
- iv. What is the effect of compensation management policies on employee retention at Kenya airways?

## **4. REVIEW OF LITERATURE**

### **4.1 Theoretical Review**

The study was guided by the Herzberg Two Factor Theory, Role Behavior Theory, Theory of Reinforcement and Job Embedded Theory.

#### **4.1.1 Herzberg Two Factor Theory**

The two-factor theory (also known as Herzberg's motivation-hygiene theory and dual-factor theory) states that there are certain factors in the workplace that cause job satisfaction while a separate set of factors cause dissatisfaction, all of which act independently of each other. It was developed by psychologist Frederick Herzberg. Herzberg (1959) identified dimensions of human resource initiatives as follows: satisfy of motivator and satisfy or hygiene. The scholar advocated that when implementing an employee retention strategy an organization should combine intrinsic and extrinsic variables to influence retention. Herzberg's theory identified two aspects; one is that certain elements are associated to a task and employee gratification. These elements are called stimulators and gratifiers which include: promotion, development, responsibility, acknowledgement, achievement and job satisfaction while the second aspect is on external factors within the organization that that can cause discontent among workers, these are sanitation elements they include: supervision, programs, compensation and associations between employees (Steers & Porter, 1991).

Feelings, attitudes and their connection with industrial mental health are related to Abraham Maslow's theory of motivation. His findings have had a considerable theoretical, as well as a practical, influence on attitudes toward administration. According to Herzberg, individuals are not content with the satisfaction of lower-order needs at work; for example, those needs associated with minimum salary levels or safe and pleasant working conditions. Rather, individuals look for the gratification of higher-level psychological needs having to do with achievement, recognition, responsibility, advancement, and the nature of the work itself.

This appears to parallel Maslow's theory of a need hierarchy. However, Herzberg added a new dimension to this theory by proposing a two-factor model of motivation, based on the notion that the presence of one set of job characteristics or incentives leads to worker satisfaction at work, while another and separate set of job characteristics leads to dissatisfaction at work. Thus, satisfaction and dissatisfaction are not on a continuum with one increasing as the other

diminishes, but are independent phenomena. This theory suggests that to improve job attitudes and productivity, administrators must recognize and attend to both sets of characteristics and not assume that an increase in satisfaction leads to decrease in dissatisfaction. Herzberg's two factor theory was relevant to the topic of study as it explained variables; employee retention, job satisfaction, compensation management, training.

#### **4.1.2 Role Behavior Theory**

Role behavior theory (Rogers, 1983) aims to guide managers in decision-making, human resource management and predict consequences in the organization by explaining and predicting the behavior of employees in the organization. The theory is aimed at improving the working environment, motivate employees, invest in resources and inculcate desirable behavior to overcome demands by compensating and promoting desirable behavior while disciplining employees for vices. The role behavior theory describes a scenario relevant to the research topic because it explains employee satisfaction, development, training and retention.

The behavior theory supports the notion that decisions by management have effects on the organization's employees. Exiting of employees after being given better terms of service by rival airlines leads to gaps the technical departments of KQ. The employees should be well motivated and compensated for them to remain in the organization or else they will be prone to poaching by rival airlines. Role behavior theory explains and predicts behavior in an organization with the following variables; decisions by management affect employee behavior, rewards, conducive working environment, positive behavior promotion and punishments to control negative behavior.

The theory was applicable to the study topic human resource management initiatives and employee retention. Then theory explained the variables in the study by explaining compensation through rewards, career development through promotions, job satisfaction through the conducive working environment, training through management decisions to train influence employee behavior and employee retention though employee behavior therefore the role behavior theory is relevant to the study.

#### **4.1.3 Theory of Reinforcement**

Reinforcement theory of motivation was proposed by BF Skinner and his associates. It states that individual's behavior is a function of its consequences. It is based on "law of effect", i.e., individual's behavior with positive consequences tends to be repeated, but individual's behavior with negative consequences tends not to be repeated. Reinforcement theory of motivation overlooks the internal state of individual, i.e., the inner feelings and drives of individuals are ignored by Skinner. This theory focuses totally on what happens to an individual when he takes some action. Thus, according to Skinner, the external environment of the organization must be designed effectively and positively so as to motivate the employee. This theory is a strong tool for analyzing controlling mechanism for individual's behavior. However, it does not focus on the causes of individual's behavior.

The theory suggests that the learner will repeat desirable behavior that will lead to a positive outcome. The scholar suggested that training should enable an organization to attain its targets. There are human resource management initiatives that can fulfill training initiatives programs proposed by the theory. Compensation management and strategy can lead to a positive outcome

in an organization. After training employees should receive certificates and get promotions in the organization. (Skinner, 1953). The theory explains the following variables: training programs, human resource management initiatives, benefits and promotions in the organization. Compensation, career development, job satisfaction, training were independent variables while the dependent variable was employee retention. The theory was applicable to the study because it explained training, compensation by explaining benefits and career development and job satisfaction by explaining promotions.

#### **4.1.4 Job Embeddedness Theory**

Job embeddedness is the collection of forces that influence employee retention. It can be distinguished from turnover in that its emphasis is on all of the factors that keep an employee on the job, rather than the psychological process one goes through when quitting. The scholars who introduced job embeddedness described the concept as consisting of three key components (links, fit, and sacrifice), each of which are important both on and off the job. Job embeddedness is therefore conceptualized as six dimensions: links, fit, and sacrifice between the employee and organization, and links, fit and sacrifice between the employee and the community.

Lewin, (1951) Job embeddedness represents a broad constellation of influences on employee retention. Two research-related ideas that help explain the core of this construct are embedded figures and field theory (Lewin, 1951). Embedded figures, which are images used in a psychological test, are immersed in their backgrounds. The theory links human resource management initiatives to employee retention through strategies, working environment and compensation. Embedded employees are very productive and more willing to be retained in the organization.

Job embeddedness theory explains and predicts the variables; human resource management practices and employee retention therefore the theory applicable to the study topic-human resource management initiatives and employee retention at Kenya Airways. Compensation, job satisfaction, career development, training were the independent variables while the dependent variable was employee retention. The theory explained that favorable human resource management practices and initiatives increased employee retention in an organization.

## **4.2 Review of Study Variables**

### **4.2.1 Employee Training and Employee Retention**

Ahmed (2013) conducted a research on training and employee retention. The purpose was to establish the correlation between training and employee retention. The researcher developed questionnaire to be used to collect data on the study. The study used the organizational equilibrium theory (March & Simons, 1958) to predict and explain correlation between the variables. The research findings established that training has an effect on employee retention. Employees decide to continue to stay longer within an organization if they are well trained by the organization. The study investigated the following variables: training and employee retention but left gaps in career development, job satisfaction and compensation therefore necessitating the research study case of Kenya airways.

Aruna and Anitha (2015) viewed employee retention as the training and coaching employees to become competent, talented and specialized. These efforts motivate workers to continue working productively within firm. This will enable the firm to attain its objectives. The study investigated the following variables: training, coaching, and employee retention but left gaps in career development, job satisfaction and compensation programs therefore necessitating the research study case of Kenya airways.

Taylor (2014) conducted a survey that established that employees will be loyal to an employer who offers training and coaching. Training can lead employees to be more competent and specialized to be marketable for poaching by competitors who will offer attractive and better remuneration. The study investigated the following variables: training, coaching and employee retention but left gaps in career development, compensation and job satisfaction therefore necessitating the research study case of Kenya airways.

Omoikhudu (2017) conducted research study training on employee retention in the retail sector in Dublin, Republic of Ireland. The literature reviewed identified issues in retention of productive employees but supports the need for continuous employee development. Questionnaires were used to collect primary data while preceding studies and libraries were reviewed for secondary data. The findings established that employee retention is linked to training and coaching as it increases retention. The study recommended that the working environment and compensation have to be streamlined to retain competent employees. The study investigated the following variables: training, development and employee retention but left gaps in career development, job satisfaction and compensation management therefore necessitating the research study case of Kenya airways.

#### **4.2.2 Career Development and Employee Retention**

Kwenin (2013) organized a research on work environment and career growth on worker retention in Vodafone limited Ghana. Data was collected using questionnaires while 10% (142) respondents of the target population was tested. The findings signified that career growth and work environment had an impact employee retention as they either increase retention or reduce retention of workforce in a firm. The study investigated the following variables: work environment (job satisfaction), career growth and worker retention but left gaps in compensation management and retention therefore necessitating the research study case of Kenya airways.

Lassiter (2014) organized a research career growth programs on worker retention. Questionnaires were used to collect data from a sample of 50 trustees. The findings signified that career growth programs increase worker retention in the firm. The study investigated the following variables: career growth and worker withholding but left gaps in job satisfaction, training and compensation management therefore necessitating the research study case of Kenya airways.

Foday (2014) conducted a study on career growth on worker retention at Deloitte Kenya. The findings signified that training and growth programs increased worker retention at Deloitte leading to achievement of objectives and goals. The recommendations concluded that training and growth programs make an organization attractive and the best choice of employment to

workers. The study investigated the following variables: career growth and employee retention but left gaps in compensation management, job satisfaction and training therefore necessitating the research study case of Kenya airways.

Kimunge (2014) conducted a research on Kenya Vision 2030 Delivery Secretariat. The findings signified that training, development, compensation and work-life balance affect worker retention positively. The study investigated the following variables: compensation, work-life balance (job satisfaction), training, career growth (career development) and employee retention but left gaps because the case study is different from the study therefore necessitating the research study case of Kenya airways.

Sangaran and Jeetesh (2015) organized research on employee gratification and worker retention in the hotel industry in Kuala Lumpa. Primary data was collected from 150 testers using questionnaires. The discovery signified that worker performance affects employee retention positively. Factors of satisfaction that influence employee retention are compensation and career development. The study recommended that factors of job satisfaction should be met as they directly influence worker withholding and movement. The study investigated the following variables: employee gratification and worker withholding but left gaps in career development, compensation programs and training therefore necessitate the research study case of Kenya airways.

Sitati, were, Gichuhi and Waititu (2016) conducted a study on career growth and employee retention in hotels in Kenya. The purpose was to investigate the effect of career growth practices on employee retention. Human capital theory was used to correlate variables while questionnaires were used to collect data it a descriptive design. The findings signified that career growth increases employee retention in hotels in Kuala Lumpa. The study investigated the following variables: career growth and worker withholding but left gaps in compensation management, job satisfaction and training therefore are necessitating the research study case of Kenya airways.

Wane (2016) organized an exploration on career growth programs and worker retention in global NGO'S in Kenya. The exploration utilized social exchange theory and motivation-hygiene theory. Questionnaires were used in data collection while descriptive survey was adopted. The findings signified career growth programs increase worker withholding. The study investigates the following variables: career growth and worker retention but left gaps in job satisfaction, training and compensation management therefore necessitating the research study case of Kenya airways.

#### **4.2.3 Job Satisfaction and Employee Retention**

Job satisfaction and employee retention is an academic notion which has been thoroughly explored by authors and intellectuals. The current study investigated correlation linking job satisfaction and employee retention. Biason (2014) conducted a research survey on job satisfaction on employee retention. The findings signified that job satisfaction improves employee retention. Employee contentment is important to an organization as it influences employee retention. Employers should ensure improvements are done on work environment, rewards, recognition, and remuneration this will increase job satisfaction and improve employee retention. The study explored the following variables: job satisfaction and employee retention

but left gaps in compensation management, training and career development therefore necessitating the research study case of Kenya airways.

Shami, Ali and Rehman (2015) conducted a research study on Job Satisfaction on employee Turnover in Pakistan Paint Industry. The purpose of the research was to identify the factors that affect job gratification and turnover and examine the effects of demographic and environmental factor on job satisfaction and turnover. Policies were identified to affect job gratification and turnover. The research explored the following variables: job satisfaction, employee turnover, organizational policy strategy, compensation, benefits, supervisor support and employee retention but left gaps in career development and training therefore necessitating the research study case of Kenya airways.

Dalluay, Jalagat, Zadjali and Abdullah (2017) organized a research on Job Satisfaction on Employee Turnover in Oman Air. The purpose of the study was to investigate the effect of job satisfaction on employee turnover. Questionnaires were developed to compile data while descriptive research was used for the survey. The findings signified factors that affect job satisfaction they include: compensation, development, environment and competencies they affect employee gratification. The study investigated the following variables: job gratification and employee turnover but left gaps in career development, training, compensation and employee retention therefore necessitating the research study case of Kenya airways.

Al-Battat & Som (2013) organized an exploration on employee satisfaction on employee turnover in the Malaysian hospitality industry. The findings signified that employee gratification positively affects employee turnover. Organizations should ensure there is job satisfaction among its employees to ensure improved retention. The study investigated the following variables: employee satisfaction (job satisfaction), and employee turnover but left gaps in career development, training, compensation policies and worker retention therefore necessitating the research study case of Kenya airways.

Motlou (2016) conducted a research on employee gratification on employee retention at Longman. The study signified revealed that job satisfaction has an effect on employee retention. The recommendations of the researcher were that longing should ensure employees are contented. The study investigated the following variables: employee gratification and worker retention but left gaps in compensation management, training and career growth therefore necessitating the research study case of Kenya airways.

#### **4.2.4 Compensation Management and Employee Retention**

Chiekezia, Emejulu and Nwanneka (2017) conducted a research study on compensation management on worker withholding in commercial banks in Anambra state, Nigeria. Questionnaires were used to collect data from 60 respondents and used a descriptive research survey. The findings signified that organizational environment had a positive impact on worker withholding while salary had a slight effect on retention. The study investigated the following variables: compensation management and employee retention but left gaps in employee gratification, training and career growth therefore necessitating the research study case of Kenya airways.

Falola (2014) conducted a survey that revealed that organizations for organizations to increase employee satisfaction and retention organizations should implement other rewards for the employee to increase retention. The study investigated the following variables: employee contentment, compensation programs and worker withholding but left gaps in career growth and training therefore necessitating the research study case of Kenya airways. Maslow (2015) conducted a survey whereby the findings revealed that compensation management should be implemented effectively to increase employee retention. Compensation should be both cash and non-cash rewards, allowances and commissions for target attainment. Maslow advanced the hierarchy of needs to protect and defend the rights of workers in an organization. The study investigated the following variables: compensation and employee retention but left gaps in career development, training and job satisfaction therefore necessitating the research study case of Kenya airways.

Terera (2014) conducted a research study on impact of reward on employee satisfaction and retention in the health sector nursing in South Africa. The research targeted 180 respondents through questionnaires and observation. The findings revealed that employee rewards improved worker withholding and employee gratification. The study investigated the following variables: rewards (compensation), employee and worker withholding but left gaps in career growth and training therefore necessitate the research study case of Kenya airways.

Lauri, Morgan, Dave and Michael (2014) organized an exploration linking salary and employee satisfaction in University of Michigan, United State of America (USA). The research used online survey on 79 respondents. The findings signified that there is no impact of salary employee gratification. The study investigated the following variables: salary (compensation) and job satisfaction but left gaps in career development, training and employee retention therefore necessitating the research study case of Kenya airways.

Allen and Bryant (2013) conducted a research study on compensation, benefits and employee turnover human resource strategies for retaining top talent. Data was collected using questionnaires. The findings signified that employee turnover is expensive while compensation and benefits should be managed carefully to increase withholding of skillful workers. The study investigated the following variables: compensation, benefits and employee retention but left gaps in career growth, training and employee gratification therefore necessitating the research study case of Kenya airways.

Mwakidim and Obwogi (2015) conducted a research study on salary and work environment and worker withholding in Hotel industry in Mombasa. The discovery signified that salary has little effect on retention. The recommendation to organizations to improve work environment and compensation. The study investigated the following variables: salary (compensation), work environment (job satisfaction) and worker withholding but left gaps in career development and training therefore necessitating the research study case of Kenya airways.

### 4.3 Conceptual Framework

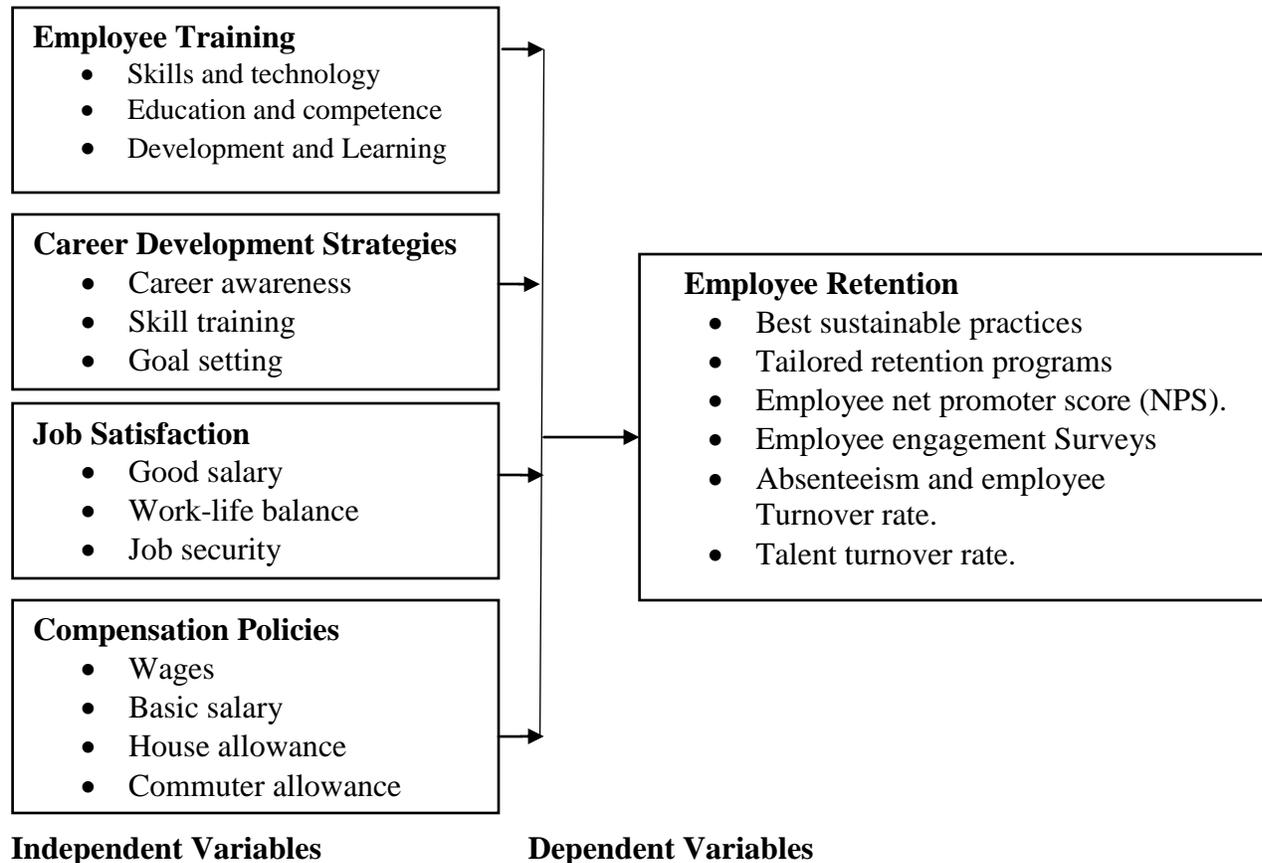


Figure 1 Conceptual Framework (Author 2019)

## 5. RESEARCH METHODOLOGY

This study chose descriptive research design which was used to explain characteristics of the subject being studied. The researcher used this approach since it involves data collection, measurement, classification, analysis, comparison and interpretation to provide report summary such as measures of central tendency and correlation between variables. The study targeted 1,089 employees of Kenya airways particularly 489 pilots, 600 technicians and aeronautical engineers. The total sample size for the study was obtained by adopting a ten percent (10%) sample size from the target population of 1,089 targeted respondents. The sample size was 109. Primary data was collected by use of self-administered structured questionnaires which were distributed through the drop and pick method. Secondary data was obtained from scholarly writings by reviewing publications such as journals, articles and theses as well as text books. The secondary data obtained was used to help in cross validation of the collected primary data.

## 6. DATA ANALYSIS AND RESULTS

### 6.1 Correlation Results

Pearson Bivariate correlation coefficient was used to compute the correlation between the dependent variable (employee retention) and the independent variables (employee training, career development, job satisfaction and compensation policies). According to Sekaran, (2015),

this relationship is assumed to be linear and the correlation coefficient ranges from -1.0 (perfect negative correlation) to +1.0 (perfect positive relationship). The correlation coefficient was calculated to determine the strength of the relationship between dependent and independent variables (Kothari and Gang, 2014).

In trying to show the relationship between the study variables and their findings, the study used the Karl Pearson's coefficient of correlation (r). This is as shown in Table 4.13 below. According to the findings, it was clear that there was a correlation between the independent variables, employee training, career development, job satisfaction and compensation policies and the dependent variable employee retention. The analysis indicates the coefficient of correlation, r equal to 0.720, 0.613, 0.343 and 0.443 for employee training, career development, job satisfaction and compensation policies respectively. This indicates positive relationship between the independent variables namely employee training, career development, job satisfaction and compensation policies and the dependent variable employee retention.

**Table 1 Pearson Correlation**

		<b>ER</b>	<b>ET</b>	<b>CD</b>	<b>JS</b>	<b>CP</b>
Employee Retention	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	95				
Employee Training	Pearson Correlation	<b>.720**</b>	1			
	Sig. (2-tailed)	.000				
	N	95	95			
Career Development	Pearson Correlation	<b>.613**</b>	<b>.642**</b>	1		
	Sig. (2-tailed)	.000	.000			
	N	95	95	95		
Job Satisfaction	Pearson Correlation	<b>.343**</b>	.109	<b>.268**</b>	1	
	Sig. (2-tailed)	.001	.294	.009		
	N	95	95	95	95	
Compensation Policies	Pearson Correlation	<b>.443**</b>	.046	-.219*	.032	1
	Sig. (2-tailed)	.007	.659	.033	.759	
	N	95	95	95	95	95
<b>KEY:ER=Employee Retention, ET=Employee Training, CD=Career Development, JS=Job Satisfaction, CP=Compensation Policies</b> <b>**</b> . Correlation is significant at the 0.01 level (2-tailed). <b>*</b> . Correlation is significant at the 0.05 level (2-tailed).						

## 6.2 Coefficient of Determination (R<sup>2</sup>)

To assess the research model, a confirmatory factor analysis was conducted. The four factors were then subjected to linear regression analysis in order to measure the success of the model and predict causal relationship between independent variables (employee training, career development, job satisfaction and compensation policies), and the dependent variable (employee retention).

**Table 2 Coefficient of Determination (R<sup>2</sup>)**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.797 <sup>a</sup>	.636	.619	1.86158
a. Dependent variable: Employee Retention				
b. predictors: (Constant), Compensation Policies, Job Satisfaction, Career Development, Employee Training				

The model explains 63.6% of the variance (Adjusted R Square = 0.619) on employee retention. Clearly, there are factors other than the four proposed in this model which can be used to predict employee retention. However, this is still a good model as Cooper and Schinder, (2013) pointed out that as much as lower value R square 0.10-0.20 is acceptable in social science research. This means that 63.6% of the relationship is explained by the identified four factors namely employee training, career development, job satisfaction and compensation policies. The rest 36.4% is explained by other factors in employee retention not studied in this research. In summary the four factors studied namely employee training, career development, job satisfaction and compensation policies determines 63.6% of the relationship while the rest 36.4% is explained or determined by other factors.

## 6.3 Analysis of Variance (ANOVA)

The study used ANOVA to establish the significance of the regression model. In testing the significance level, the statistical significance was considered significant if the p-value was less or equal to 0.05. The significance of the regression model is as per Table 4.15 below with P-value of 0.000 which is less than 0.05. This indicates that the regression model is statistically significant in predicting factors of employee retention. Basing the confidence level at 95% the analysis indicates high reliability of the results obtained. The overall Anova results indicates that the model was significant at  $F = 39.249$ ,  $p = 0.000$ .

**Table 3 ANOVA**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	544.065	4	136.016	39.249	.000 <sup>b</sup>
	Residual	311.893	90	3.465		
	Total	855.958	94			
a. Dependent Variable: Employee Retention						
b. Predictors: (Constant), Compensation Policies, Job Satisfaction, Career Development, Employee Training						

## 6.4 Multiple Regression

**Table 4 Multiple Regression**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.919	7.705		2.196	.031
	Employee Training	.378	.140	.182	2.706	.008
	Career Development	.829	.247	.223	3.352	.001
	Job Satisfaction	.270	.095	.258	2.835	.006
	Compensation Policies	.387	.064	.521	6.054	.000

a. Dependent Variable: Employee Retention

The regression equation was:

$$Y = 16.919 + 0.378X_1 + 0.829X_2 + 0.270X_3 + 0.387X_4$$

Where;

Y = the dependent variable (Employee Retention)

X<sub>1</sub> = Employee Training

X<sub>2</sub> = Career Development

X<sub>3</sub> = Job Satisfaction

X<sub>4</sub> = Compensation Policies

The regression equation above has established that taking all factors into account (employee retention as a result of employee training, career development, job satisfaction and compensation policies) constant at zero employee retention was 16.919. The findings presented also shows that taking all other independent variables at zero, a unit increase in employee training will lead to a 0.378 increase in the scores of employee retention and this is consistent with Omoikhudu (2017) who conducted a research study training and development on employee retention in the retail sector in Dublin, Republic of Ireland. The literature reviewed identified issues in retention of productive employees but supports the need for continuous employee development. Questionnaires were used to collect primary data while preceding studies and libraries were reviewed for secondary data. The findings established that employee retention is linked to training and coaching as it increases retention. The study recommended that the working environment and compensation have to be streamlined to retain competent employees.

The study has also established that a unit increase in career development will lead to a 0.829 increase in employee retention and this is consistent with Foday (2014) who conducted a study on career growth and worker retention at Deloitte Kenya. The findings signified that training and growth programs increased worker retention at Deloitte leading to achievement of objectives and goals. The recommendations concluded that training and growth programs make an organization attractive and the best choice of employment to workers.

The study has also established that a unit increase in job satisfaction will lead to a 0.270 increase in the scores of employee retention and this is consistent with Motlou (2016) who

conducted a research on employee gratification and employee retention at Longman. The study signified revealed that job satisfaction has an effect on employee retention. The recommendations of the researcher were that longing should ensure employees are contented.

Finally the study has also established that a unit increase in compensation policies will lead to a 0.387 increase in the scores of employee retention and this is consistent with Chiekezia, Emejulu and Nwanneka (2017) who conducted a research study on compensation management and worker withholding in commercial banks in Anambra state, Nigeria. Questionnaires were used to collect data from 60 respondents and used a descriptive research survey. The findings signified that organizational environment had a positive impact on worker withholding while salary had a slight effect on retention.

This therefore implies that employee training, career development, job satisfaction and compensation policies have a positive relationship with compensation policies contributing most to the dependent variable employee retention. From the table above we can see that the predictor variables of employee retention as a result of employee training, career development, job satisfaction and compensation policies got variable coefficients statistically significant since their p-values are less than the common alpha level of 0.05.

## **7. CONCLUSIONS AND RECOMMENDATIONS**

From the findings of this study a number of conclusion were made as per objectives of the study as follows;

From the research findings, the study concluded that employee training had an effect on employee retention at Kenya Airways. The study results concluded that 18.2% of the respondents indicated that skills and technology, education and competence and development and learning were key determinants of employee training and thus helping attract and retain employees in Kenya Airways. From the findings on correlation and regression analysis, it was concluded that there was a significant and positive association between measures of employee training (skills and technology, education and competence and development and learning) and employee retention as shown by the significance level of the p-value in multiple regression which was 0.008 and hence less than 0.05. Thus from the study results, it was generally concluded that the employee training indicators were found to be statistically significant in explaining the human resource management initiatives and employee retention at Kenya airways.

From the research findings, the study concluded that career development had an effect on employee retention at Kenya Airways. The study results concluded that 22.3% of the respondents indicated that career awareness, skill training and goal setting were key determinants of career development and thus helping attract and retain employees in Kenya Airways. From the findings on correlation and regression analysis, it was concluded that there was a significant and positive association between measures of career development (career awareness, skill training and goal setting) and employee retention as shown by the significance level of the p-value in multiple regression which was 0.001 and hence less than 0.05. Thus from the study results, it was generally concluded that the career development indicators were found to be statistically significant in explaining the human resource management initiatives and employee retention at Kenya airways.

From the research findings, the study concluded that job satisfaction had an effect on employee retention at Kenya Airways. The study results concluded that 25.8 % of the respondents indicated that good salary, career growth, work-life-balance and job security were key determinants of job satisfaction and thus helping attract and retain employees in Kenya Airways. From the findings on correlation and regression analysis, it was concluded that there was a significant and positive association between measures of job satisfaction (good salary, career growth, and work-life-balance and job security) and employee retention as shown by the significance level of the p-value in multiple regression which was 0.006 and hence less than 0.05. Thus from the study results, it was generally concluded that the job satisfaction indicators were found to be statistically significant in explaining the human resource management initiatives and employee retention at Kenya airways.

From the research findings, the study concluded that compensation policies had an effect on employee retention at Kenya Airways. The study results concluded that 52.1 % of the respondents indicated that wages, basic salary, house allowance and commuter allowance were key determinants of compensation policies and thus helping attract and retain employees in Kenya Airways. From the findings on correlation and regression analysis, it was concluded that there was a significant and positive association between measures of compensation policies (wages, basic salary, house allowance and commuter allowance) and employee retention as shown by the significance level of the p-value in multiple regression which was 0.000 and hence less than 0.05. Thus from the study results, it was generally concluded that the compensation policies indicators were found to be statistically significant in explaining the human resource management initiatives and employee retention at Kenya airways.

## **7.2 Recommendations**

The study recommends the following:

From the research findings, the study concluded that employee training had an effect on employee retention at Kenya Airways. The study results concluded that 18.2% of the respondents indicated that skills and technology, education and competence and development and learning were key determinants of employee training and thus helping attract and retain employees in Kenya Airways. From the findings on correlation and regression analysis, it was concluded that there was a significant and positive association between measures of employee training (skills and technology, education and competence and development and learning) and employee retention as shown by the significance level of the p-value in multiple regression which was 0.008 and hence less than 0.05. Thus from the study results, it was generally concluded that the employee training indicators were found to be statistically significant in explaining the human resource management initiatives and employee retention at Kenya airways. The recommendation is that Kenya Airways should enhance employee training programs geared towards achieving skills and technology, education and competence and development and learning for its staff. This will attract and retain employees within Kenya Airways.

From the research findings, the study concluded that career development had an effect on employee retention at Kenya Airways. The study results concluded that 22.3% of the respondents indicated that career awareness, skill training and goal setting were key determinants of career development and thus helping attract and retain employees in Kenya

Airways. From the findings on correlation and regression analysis, it was concluded that there was a significant and positive association between measures of career development (career awareness, skill training and goal setting) and employee retention as shown by the significance level of the p-value in multiple regression which was 0.001 and hence less than 0.05. Thus from the study results, it was generally concluded that the career development indicators were found to be statistically significant in explaining the human resource management initiatives and employee retention at Kenya Airways. The recommendation is that Kenya Airways should enhance career development strategies which should comprise of career awareness, skill training and goal setting for its staff. This will attract and retain employees within Kenya Airways thus eliminating staff turnover and recruitment costs.

From the research findings, the study concluded that job satisfaction had an effect on employee retention at Kenya Airways. The study results concluded that 25.8 % of the respondents indicated that good salary, career growth, work-life-balance and job security were key determinants of job satisfaction and thus helping attract and retain employees in Kenya Airways. From the findings on correlation and regression analysis, it was concluded that there was a significant and positive association between measures of job satisfaction (good salary, career growth, and work-life-balance and job security) and employee retention as shown by the significance level of the p-value in multiple regression which was 0.006 and hence less than 0.05. Thus from the study results, it was generally concluded that the job satisfaction indicators were found to be statistically significant in explaining the human resource management initiatives and employee retention at Kenya Airways. The recommendation is that Kenya Airways should come up with attractive salary packages for its staff, clear path of career growth for its employees, a work-life-balance schedule and job security to its employees in order to enhance job satisfaction to its work-force. This will attract and retain employees within Kenya Airways hence increasing staff morale, productivity and output.

From the research findings, the study concluded that compensation policies had an effect on employee retention at Kenya Airways. The study results concluded that 52.1 % of the respondents indicated that wages, basic salary, house allowance and commuter allowance were key determinants of compensation policies and thus helping attract and retain employees in Kenya Airways. From the findings on correlation and regression analysis, it was concluded that there was a significant and positive association between measures of compensation policies (wages, basic salary, house allowance and commuter allowance) and employee retention as shown by the significance level of the p-value in multiple regression which was 0.000 and hence less than 0.05. Thus from the study results, it was generally concluded that the compensation policies indicators were found to be statistically significant in explaining the human resource management initiatives and employee retention at Kenya Airways. The recommendation is that Kenya Airways should come up with attractive compensation policies such as reasonable wages, enhanced basic salaries, house allowance and commuter allowance geared towards employee satisfaction and improvement of standards of living. This will attract and retain employees within Kenya Airways hence increasing staff morale, productivity and output.

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