

**EMPLOYEE RETENTION THROUGH WORKING ENVIRONMENT  
IN RILEY SERVICES LIMITED KENYA**

**By**

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## DECLARATION

### Declaration by Student:

I hereby certify that this research is my original work and all materials in it that is not my work has been identified and listed. I further certify that no material has previously been submitted and approved for the award of a Masters Degree by this or any other university.

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## **DEDICATION**

To the Almighty God, Your grace has been sufficient.

## ABSTRACT

The long term health and success of any organization depends on the retention of its key employees. The roles of employees of security firms go beyond guarding but they work very long hours in deplorable conditions and sometimes, the pay is not equal to the job. Such working conditions are not conducive for retention thus employees continuously move from one security firm to another in search of better terms. The situation is not made any better with the increase in number of private security firms that have continued to flood the market. This research aimed at ascertaining how employee retention can be enhanced in private security firms by improving working environment. The specific objectives were to examine how competitive pay and career development contribute to employee retention, evaluate the role of employee health and safety in employee retention, establish the relationship between work life balance and employee retention and finally to determine the gaps in the above retention strategies and how these gaps can be filled in order for private security firms to retain their staff. The study adopted the Vroom's Expectancy Theory. Survey research design was used in the study. The target population was 1,100 employees spread in Nairobi, Kisumu, Eldoret, Nakuru, Mombasa and Embu and from the target population a sample of 110 was selected using stratified random sampling and simple random sampling thus a representation of 10% of the target population. Data was analyzed quantitatively using regression analysis since the researcher intended to understand the relationship between the independent and the dependent variables. Pearson's Chi-square test was used to analyze the data in order to determine the significant differences between the expected frequencies and the observed frequencies. Quantitative data was presented using tables, pie charts and bar graphs. The findings of this study indicated that working environment had a huge impact on employee retention, since 35.8% of the respondents felt that their working environment was conducive while the other 64.2% respondents were not satisfied with their working environment. The dissatisfaction was as a result of lack of proper uniforms & equipment to protect them from the dangers associated with work, low and inconsistent payment of salaries, long working hours with no payment of overtime and irregular assignments which resulted into long treks to and from work exposing them to accidents while on the road. In conclusion, working environment plays a very important role in employee retention. Competitive pay, work life balance, employee recognition, employee health and safety and career development if managed properly by the organization result into reduced employee turnover and as such employee retention. The following recommendations were made after completion of this study. First, Security companies should ensure that the salaries being paid are above the minimum wage, considering that the cost of living has gone up. Also, the security companies need to recognize the role played by the trade unions and encourage the employees to join the unions. Secondly, promotions for higher cadre employees to be done from within the organization. Thirdly, equip all the uniformed staff with complete uniforms and equipment. Finally, security companies should be sensitive to their employees on health and safety matters and have 24hours insurance cover for them so that they are covered in cases of accidents.

## DEFINITION OF TERMS

**Assignment** – A guard/guardette's work station

**Desertion** – When an employee absents himself from duty for seven or more consecutive days without official authorization from the employer

**Guard** – A male private security officer

**Guardette** – A female private security officer

**In-charge** – The overall head of a group of guards/guardettes in a particular assignment

**Uniformed Staff** – These are employees who work in uniform and are unionizable e.g. guards, guardettes, dog handlers e.t.c.

## **LIST OF ABBREVIATIONS AND ACRONYMS**

- CIT** – Cash in Transit
- DCI** - Directorate of Criminal Investigations
- KIPPRA** - Kenya Institute for Public Policy Research and Analysis
- KNPSWU** – Kenya National Private Security Workers’ Union
- KSIA** – Kenya Security Industry Association
- PSC** – Private Security Company
- SRIC** - Security Research Information Centre
- WIBA** – Work Injury Benefits Act

## **CHAPTER ONE: INTRODUCTION**

### **1.1. Overview**

This chapter looks at the key issues that lay the foundation for the study as well as other significant factors. It contains the Background of the Study, Statement of the Problem, Objectives of the Study, Research Questions, Justification of the Study, Significance of the Study, the Scope and Limitations, as well as the Conceptual Framework. The researcher examines employee retention through working environment in private security industry in Kenya which will lay down the foundation of this study.

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

The major asset of any organization and indeed a country is its human capital. Employees are important in the running of a business and without them the business would not be successful. A major challenge faced by the employers today is retaining the hired employees in the organization. In the age of cut throat competition every organization tries its level best to give the best facilities to its employees. Satisfying the human resources is one of the toughest tasks which majority of organizations face today. Besides there are so many opportunities available for the skilled as well as talented human resources that it is becoming very difficult for the employers to satisfy and retain them. There is no single strategy or retention plan which may satisfy each and every employee. In order to have steady organizational productivity, it is essential to maintain skilled workforce. The departure of these employees could have significant effects on the implementation of an organization's strategic objectives and may eventually cause a



decline in productivity. Waweru (1984) argues that high employee turnover is an indication of low morale and dissatisfaction amongst the employees. This view is consistent with Armstrong (2001) who contends that high turnover is an indication of a problem in that organization.

Retention is a critical element of an organization's approach to talent management (Lockwood, 2006). Empirical studies such as Stovel and Bontis (2002) have shown that employees, on an average switch employers every six years. Replacing existing employees is detrimental to organizations and may have adverse effects on service delivery. It is therefore imperative for management to reduce, to the minimum, the frequency at which employees, particularly those that are crucial to its operations quit (Samuel & Chipunza, 2009).

A work environment is made up of a range of factors including company culture, management styles and human resource policies. Workplace environment greatly influences employee satisfaction which in turn directly affects employee turnover rates. Employee retention refers to the process through which employees are encouraged to remain in one organization for the maximum period. Employee turnover is a symptom of a deeper issue that has not been resolved. These deeper issues may include low employee morale, absence of a clear career path, lack of recognition, poor employee-manager relationships or many more.

Riley Services Limited was established in 1985 as a security firm offering guarding services. Over the years, its services has expanded to include manned guarding, dog patrol, courier services, Cash in Transit, alarm response services, electric fences and

CCTV cameras. As the company expands, there has also been a need to increase the number of employees to ensure effective and efficient provision of these services. Since this job is a low income earning job, there has been a very high rate of turnover. The company has been forced to continuously recruit new employees in order to fill in the vacancies left by the exiting employees. Additionally, this high rate of turnover has pushed the company to think of better ways to retain these essential income generating personnel. Even as the company struggles to streamline its systems and structures to maximize employee satisfaction, it has continued to lose its employees to its competitors.

### **1.3. Statement of the problem**

Working environment refers to the surrounding conditions under which an employee operates. It comprises of the physical, psychological and organizational conditions in which an employee works. It can also be related to factors such as work processes or procedures. Providing employees with a conducive work environment is critical to retaining employees.

Considering the nature of work private security guards are involved in and their preparedness for the job, these employees are exposed to so much danger which would cause any human to move from one employer to a better one. They are forced to work very long hours with sometimes no off duties, annual leave and payment of overtime. The private security guards are exposed to so much danger ranging from robbers who are armed with guns whereas they only have a baton to restrain any unwanted people. They are also expected to keep up with their government counterparts who are provided with fire arms by the government. The nature of training they receive is very dismal with

some not so well established firms opting not to train their staff at all. Without proper training, the employees are exposed to even more danger and they lack the basic skills required to handle dangerous situations.

This has resulted into these employees moving from one firm to another in search of better terms. Absenteeism cases have also increased with employees failing to report to work for no apparent reason thus inconveniencing the clients. In most cases, organizations focus more on filling the vacancies rather than working on strategies to best attract and retain these all important personnel who are the key to organizational productivity. The situation is not made any better by the increase in the number of private security firms that have continued to flood the market thus stiffening the competition. Salary which is assumed to be the biggest motivator has continually been paid, yet these guards continue to move from one security firm to another.

It is in view of the above, this study will aim to establish how employee retention can be enhanced through improving the working environment as well as come up with ways that will enable these private security firms to better utilize these motivators in order to achieve success.

#### **1.4. Objectives of the study**

The main purpose of this study was to establish how employee retention can be enhanced by improving the working environment in the private security industry in Kenya. The specific objectives of this study are:

- i. Examine how competitive pay and career development contribute to employee retention.
- ii. Evaluate the role of employee health and safety in employee retention.

- iii. Establish the relationship between work life balance and employee retention.
- iv. Determine the gaps in the above retention strategies and how these gaps can be filled in order for private security firms to retain their staff.

### **1.5. Research Hypothesis**

The hypothesis formulated for the study is:

***H<sub>0</sub>***: There is no significant relationship between employee retention and working environment.

### **1.6. Justification of the Study**

There are several factors that result into employee retention. Working environment however plays a very huge role in determining the length of service of an employee. The private security industry is unique on its own in respect of the laws that govern the industry. Private security guards do more than just watching over client's property. Most guards spend considerable time standing or patrolling their assigned areas as well as front office work that involves answering telephone calls. Other duties include driving and guarding armored vehicles and delivering cash and valuables to banks, automated teller machines and retail establishments. Unfortunately, these jobs are characterized by poor working conditions, low wages and rampant casualization. These jobs are important to workers who value them as a crucial source of income. However the ready pool of unemployed labour coupled with industry competition for contracts which are largely based on costs make some companies take the view that their workers can be hired and fired at will, Ritchie et al (2007).

The current security situation in the country is a clear indication that the government alone is not able to fill the security gaps and thus, the private security industry has a major role to play in enhancing security through the private security guards assigned. For

instance, the September, 2013 terrorist attack at the Westgate Mall in Nairobi as well as the April, 2015 terrorist attack at the Garissa University are an indication of how serious security matters have become.

This study was motivated by the fact that many private security firms in Kenya are currently grappling with how to retain their employees, more so the uniformed staff as they are the key revenue generating staff. This is because with an increase in turn over, service delivery is affected as there is discontinuity of work as well as inconveniences to the client. Anyone who has visited a company or a gated home in this country is familiar with being greeted at the gate by a familiar face, a guard, watching and waiting to sit out the cold night. Attached to his waist is usually a baton, which he/she would pull at you just in case you become unruly.

In Kenya, security guards often work at least for twelve (12) hours per day, with no lunch breaks hence eating while on duty (Mkutu and Sabala, 2008). As required by Employment law Cap 226 of the Laws of Kenya, guards are required to work for a total of fifty two (52) hours per week and any additional hours to be treated as overtime. This is rarely the case for the majority of the security guards, as most of them have remained casual guards irrespective of the duration of their service to the company (KIPPRA, 2004). Cap 226 requires that, after working for three consecutive months, an employee should be confirmed as a permanent employee of the company. This requirement has not been met by most of the security companies.

In view of the above, this study therefore sought to establish employee retention can be enhanced by improving the working environment with specific focus on the private

security industry considering the uniqueness of this industry. This research sought to help private security firms to come up with better ways to improve their working environment as they strive to retain their key ‘product’.

### **1.7. Significance of the Study**

The findings from this study would enable the general public to better understand the role played by private security firms in enhancing security, enable private security firms acknowledge the relationship between working environment and employee retention and come up with recommendations on how to improve these working environments. This research would also add knowledge to the academic community and stimulate further research in the area of working environment and employee retention in other sectors of the economy.

### **1.8. The Scope and Limitations of the Study**

The study was carried out at Riley Services Limited, a leading Security and Courier company in Kenya with branches in Nairobi, Kisumu, Embu, Mombasa, Nakuru and Eldoret with a population of 1,100 staff members. It aimed at providing a summary of information abstracted from published research on working environment in relation to employee retention, strategies employers could use in improving work environment and how to reduce employee turnover.

The findings from this study would enable people to better understand and appreciate the role played by private security firms in enhancing security, enable private security firms acknowledge the relationship between working environment and employee retention and

come up with recommendations on how to improve these working environments. During the study, the researcher faced following challenges:

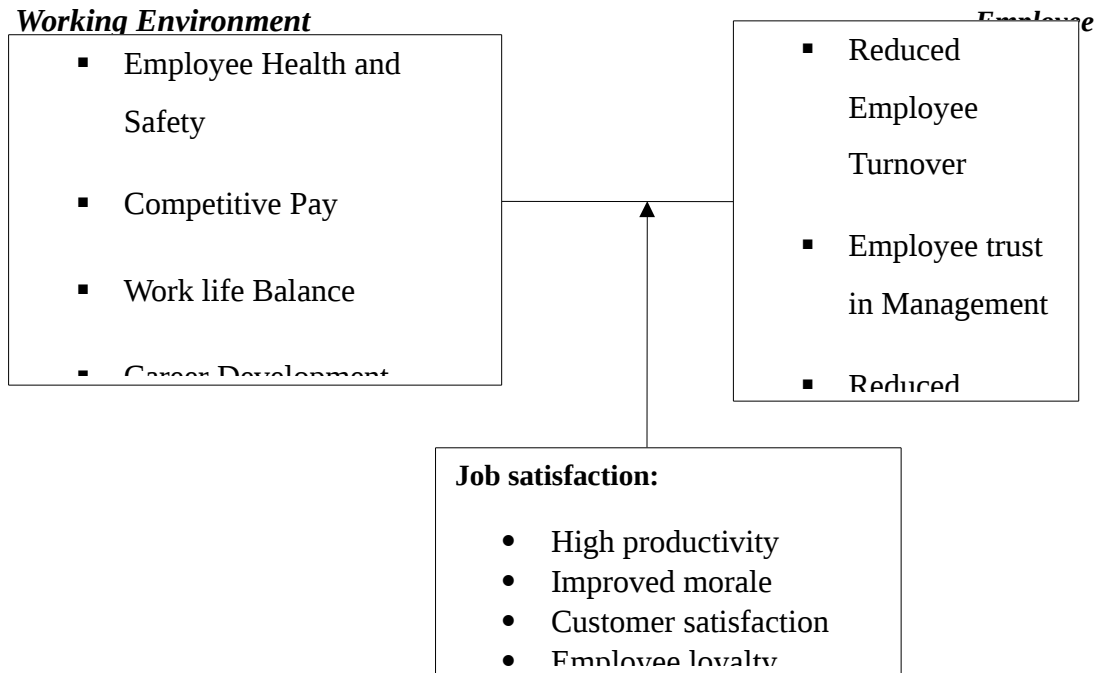
There was the fear that the researcher would not be able to reach all the areas especially the remote areas within the scope of study. In order to handle this problem, the researcher established a sample of the entire population of the employees using stratified random sampling thereby ensuring that in the sample size, employees from all the six branches were issued with questionnaires to fill.

Most of the security guards are Form four leavers while others are illiterate. Communication therefore was a challenge since the questionnaire had been designed in English. The researcher therefore did the questionnaires in simple language for easy understanding and also used enumerators in the form of In-charges and Supervisors with higher levels of education to help the respondents answer their questionnaires without trying to influence their answers.

### **1.9. Conceptual Framework**

The relationship between the independent variable (employee retention) and the dependent variable (working environment) is as represented the framework below. This study will seek to establish the relationship between the two. Employee health and safety, competitive pay, work life balance and career development are aspects of employee working environment which when effectively management results into employee job satisfaction. There is very minimal employee turnover in any company where employees are happy and satisfied and as such, there is employee retention. Employee retention is evident in an organization when the organization witnesses a reduction in turnover, there

is more trust on the management by the employees and also, reduced absenteeism cases, among others. The Conceptual Framework is as presented in the Figure below:



**Source:** Author, 2015

**Figure 1.1. Conceptual Framework**

## CHAPTER TWO: LITERATURE REVIEW



This chapter contains the various literatures that exist on the topic employee working environment and retention. It indicates the main content of the study. The chapter contains the Concept of Employee Retention, the Concept of Working Environment, the Private Security Industry in Kenya, Working Environment versus Employee Retention, Factors Affecting Employee Retention, the Importance of Employee Retention, Theoretical Framework and Research Gaps. It will basically review the written documents from books written the subject of working environment and employee retention.

## **2.1. The Concept of Employee retention**

Individuals have different needs and goals in life. People join organizations so that certain needs are satisfied in relation to efforts applied. The rewards sought are not only material but also spiritual and social (Trevor L. Amos et.al. (2008). Zineldin, (2000) has viewed employee retention as an obligation to continue to do business or exchange with a particular company on an ongoing basis. Denton, (2000) clearly stated that employees who are satisfied with their jobs are more dedicated towards their work and always put more effort to improve their organization's customer satisfaction. The most important demand on management today in any organization is keeping the most vital and dynamic human resources motivated and dedicated, Culter, (2001). It is not important to see who the organization hires but what counts is that they are kept in the company.

Employees in an organization have always been key assets as they drive the company to its performance thereby gaining competitive advantage. Their departure could have significant effects on the implementation of the organization's strategic goals and objectives and may eventually cause a decline in productivity. Apart from this, Lee-

Kelley, Blackman, & Hurst (2009), believe that the cost involved in employee turnover is huge as it includes loss of performance, replacement and training costs, loss of business opportunities, loss of customer satisfaction and loss of talent. As such, employee retention is important in the long-term growth and success of a company.

Retaining the best employees would ensure the achievement of company objectives, customer satisfaction and effective succession planning (Mello, 2007). Retaining employees would also improve investors' confidence, as they are concerned with organization's capacity to perform in such ways that would positively influence the value of their investment in the organization. In view of the negative effects that employee turnover has over the performance of organizations, there is no question that uncontrolled employee turnover could damage the stability of an organization.

Sutherland (2004), contends that companies with high quality human resource perform better and deliver higher and more consistent returns to shareholders. In order for an organization to gain and sustain competitive advantage requires that the organization retain its valuable employees. Employees are organizational assets who help in providing innovative, advantageous and creative solutions to organizational problems. They are a precious commodity that forms a significant part of an organization's value.

Employee retention is recognized as an important subject of inquiry by researchers. The Harvard Business Essentials (2002) defined retention as the converse of turnover being voluntary and involuntary. Retention activities may be defined as a sum of all those activities aimed at increasing organizational commitment of employees, giving them an overall ambitious and myriad of opportunities where they can grow by outperforming

others (Bogdanowicz & Bailey, 2002). It is a voluntary move by an organization to create an environment which engages employees for a long term (Chaminade, 2007). Literature has overwhelmingly proved the importance of retaining valuable workforce or functional workforce for the survival of an organization (Bogdanowicz & Bailey, 2002).

Empirical studies (e.g. Harris, 2000; Kinnear & Sutherland, 2000; Maertz & Griffeth, 2004; Meudell & Rodham, 1998) have explained that factors such as competitive salary, friendly working environment, healthy interpersonal relationships and job security were frequently cited by employees as key motivational variables that influenced their retention in the organizations.

Two factor theory propounded by Herzberg *et al.* (1959) is an important theory that explains what satisfies or dissatisfies employees and hence, serves as an important framework for employee retention. Herzberg *et al.* (1959) proposed a two-factor theory or the motivator-hygiene theory. According to this theory, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction.

Osteraker (1999) indicated that employee satisfaction and retention are considered the cornerstone for success of organization. Van Knippenberg (2000) suggested that employee become more loyal and stay in the organization when they identify themselves within a group and contribute to the performance as a group. Employee turnover is an index of organizational effectiveness. It can be devastating to any company as it makes it difficult to maintain steady and successful operations. Loosing a single key worker can decrease the likelihood of a project's success and can reduce investor's confidence in an organization. Turnover is argued to be a correlation between job dissatisfaction and

decreased organizational commitment. The stronger the discontentment in one's job, the more likely one is to begin a search for an alternative job. When an employee leaves the organization, it can have a variety of effects that not only impact on the organization, but also the individual employee and the society.

A combination of individual factors contributes to the individual's satisfaction with his or her current circumstances. These individual factors include personal characteristics such as age, educational qualifications, family responsibility and personality as well as individual occupational characteristics such as seniority in the organization, occupational background and skill level. The relationship between individual factors and individual satisfaction is mediated by the individual's values. Furthermore, these values also affect the way the individual views the attractiveness of the current job and alternative jobs.

Managerial concern on employee turnover has suddenly become heightened (Prefer and Sutton, 2009) (cites in Anders and Bard, 2010, pp1). This concern is further emphasized as a result of the growing cost of replacing employees or other general costs typically associated with employees like recruitment and training (Collins and Smith, 2006). Some of the specific concerns of managers and other concerned stakeholders are the negative consequences of high employee turnovers which are often reflected in product and service quality, consistency and stability of services exchanged for money with clients and customers in general (Trevor and Nyberg, 2008).

Several studies suggest that turnover decreases operating performance. While recognizing the possibility of an optimal rate of turnover, Huselid (1995) assumes that low rates of turnover are preferable to high rates. Glebbeek and Bax (2004) refer to Huselid's claim as the "conventional assumption of turnover research" (p. 279). Much of this negative effect stems from the direct costs of turnover, such as those involved with severance and the recruitment and training of new employees (Staw 1980, Darmon 1990, Hom and Griffeth 1995). It is important for managers to understand why employees leave the organization. Equally important is to identify those factors that attract employees to these organizations as well as those that keep them there. Staff turnover arises from a combination of several factors. First, various characteristics of the organization – including what they pay, working conditions, opportunities for promotion, the quality of supervision, peer group relations, among others. Furthermore, the attractiveness of a job is affected by perceptions of the current contents of a job and the future opportunities it will provide. Naturally, uncertainties about the job will translate into job insecurity. The attractiveness of alternative will be affected by the existing labour market conditions e.g. the level of unemployment, vacancy rates and perceptions of the market as well as the future outcomes that can be achieved in these jobs.

## **2.2. The Concept of Working Environment**

Employees expect a work environment, where they can utilize their abilities and satisfy their basic needs. Workspace designs have a profound impact on workers and tend to live with job as long as satisfied (Brill, Weidemann, Olsen, Keable & BOSTI, 2001). Work environment is one of the factors that affect employee's decision to stay with the

organization (Zeytinoglu & Denton, 2005). Workspace designs have a profound impact on workers and tend to live with job as long as satisfied (Brill, Weidemann, Olsen, Keable & BOSTI, 2001). An employee loves to work at a place, where he is given a proper environment to work. Many companies are providing flexible schedules and work arrangements and are experimenting with other ways to help individuals manage their work and personal life issues (Perry-smith and Blum 2000: Solomon 1999).

The focus of organizations must be on how to provide better jobs with great work environment to retain employees (Sutherland, 2004). The key to retaining employees is to create an environment employees choose to work in and will stay given the availability of other job opportunities (Winterton, 2011). Organizations can create the necessary environment by meeting the needs of current and future employees. Communication and recognition to employees are essential factors in retaining employees. Organizations must be able to communicate their past, present, and future plans to employees so they are secure with the strength and stability of the organization. Research shows that organizations that are transparent and involve their high performing employees in finding solutions will be able to retain these individuals during downturns in the economy (Ongori, 2008). A positive working environment for employees is the common goal of all good owners and managers of a company. Such an environment encompasses timely management feedback, an understanding of job priorities and goals, quality working equipment, concern about employee health and safety as well as competitive pay. Studies have shown that employees are also willing to make some wage concessions in order to work in better environments and the jobs they enjoy. Knowing how to use a positive work

environment to increase employee satisfaction and reduce turnover is a key to developing a high performance workforce.

### **2.3. The Private Security Industry in Kenya**

Human resources are the backbone of an organization (Gerhart & Milkovich 1990, Pfeffer 1998). Moreover, the continuing prosperity of a firm is likely to be enhanced by employees who hold attitudes, value and expectations that are closely aligned with the corporate vision (Borman & Motwidlo, 1993; Cable & Parsons, 2001; Feldman, 2003; Spector, 1997). It implies that hiring capable people is an attractive point of departure in the process, but building and sustaining a committed workforce is more likely to be facilitated by the employment of sophisticated human resource management infrastructure (Schuler & Jackson 1987, Beechler *et al.*, 1993).

Empirical studies (e.g. Harris, 2000; Kinnear & Sutherland, 2000; Maertz & Griffeth, 2004; Meudell & Rodham, 1998) have explained that factors such as competitive salary, friendly working environment, healthy interpersonal relationships and job security were frequently cited by employees as key motivational variables that influenced their retention in the organizations.

The current security situation in the country is a clear indication that the government alone is not able to fill the security gaps and thus, the private security industry has a major role to play in enhancing security through the private security guards assigned. For instance, the September, 2013 terrorist attack at the Westgate Mall in Nairobi as well as the April, 2015 terrorist attack at the Garissa University are an indication of how serious security matters have become. This study was motivated by the fact that many private

security firms in Kenya are currently grappling with how to retain their employees, more so the uniformed staff as they are the key revenue generating staff. This is because with an increase in turn over, service delivery is affected as there is discontinuity of work as well as inconveniences to the client. Anyone who has visited a company or a gated home in this country is familiar with being greeted at the gate by a familiar face, a guard, watching and waiting to sit out the cold night. Attached to his waist is usually a baton, which he/she would pull at you just in case you become unruly. According to the report released by the Inspector General Joseph Bonnet in January, 2016 at the Inspector General Conference at the Directorate of Criminal Investigations (DCI), a total of 70,450 crime incidents were recorded in 2015 compared to 69,746 recorded in 2014 indicating an increase in crime by 2%. The long term health and success of any company depends on the retention of its key employees.

Tackling sources of insecurity in Kenya is a major challenge for the government. According to a Kenya National Human Rights Commission report, 3,060 Kenyans lost their lives between 2010 and 2014 to various incidences of insecurity, and the formal security services' inability to adequately address security challenges has increased the demand for private security companies.

Records from the Kenya Police as well as from both Kenya Security Industry Association (KSIA) and Kenya National Private Security Workers' Union (KNPSWU) show an increasing number of death of guards in line of duty as they are the on the frontline of safeguarding property against heavily armed gangsters. The poorly armed guards have borne the brunt of all brutality visited on them by these gangsters. While the demand for these services continues going up, these private security companies however remain



unregulated in their operations from recruitment of staff, majority of who are not adequately vetted, to training and deployment and finally to supervision. Further, they remain unregulated in terms of ensuring that guards work under humane conditions like in other professions.

Kenya has experienced an increase in insecurity in recent times especially with the increased cases of terrorist attacks which has put everyone on a high alert. As a response to the increased insecurity, private security firms are growing very fast making the competition very stiff. As a result, private security firms are working around the clock to ensure that they are attracting the right people for the job and at the same time retaining them.

It is estimated that there are currently between 2,000 and 4,000 such companies operating in Kenya, which employ approximately 300,000 guards. 'The Kenya Police Service is currently outnumbered by security guards,' says Edward Christopher, Chairman of the Kenya Security Industry Association (2015). The demand for private security has also been fuelled by the current positive economic growth in Kenya, resulting in the emergence of middle-income earners who are now willing to spend money on security. Amar Taylor, of AUA Industries, says this is one of the reasons for current annual spending of between US\$50 and US\$100 million on security equipment in Kenya. The lack of oversight within private security companies, and the lucrative nature of the sector itself, has resulted in stiff competition between service providers, with some companies now offering reduced rates. This has led to resulted in some security guards being exploited, as many employees are made to work for long hours, earning wages far below the required basic minimum wage and without overtime bonuses.

In the aftermath of Westgate Mall incident, the KNPSWU recommended to the Kenyan government to fast track the Private Security Regulation Bill that has been on the cards since 2010 ( KNPSWU, 2013). After the Westgate attacks, spotlight instantly turned on the ability of guards to prevent attacks of such magnitude when they are ill-trained, equipped and poorly paid. Some private security companies lack no insurance cover as required by the Work Injury Benefits Act (WIBA) at all despite the risks they are exposed to. According to KNPSWU, most security firms offer little, if any professional training to the guards which not only expose their clients to serious security risks, but to them as well. According to the union

“most guards are clueless about their work as they just undergo casual training that primarily involves marching around for one or two weeks, without detailed training whatsoever about protecting life and property as well as public relations”.

Further, the overall working environment and conditions that include tools of work and insurance cover for the guards have also been questioned. The KNPSWU gives examples of the police who escort Cash in Transit (CIT) and are always armed and with bullet proof vests, while accompanying guards only have a baton to repulse would-be attackers. Also, private mobile response teams have no weapons while dealing with armed thugs. All these guards are dangerously exposed in case of a shootout. The union has asked the Kenyan government to provide specific private security guards with guns and bullet proof vests while on duty with priority going to guards in critical facilities such as airports, seaports, embassies, law courts, banks and major supermarkets. Those with guns are further recommended to be undercover and in plainclothes providing cover for their colleagues. In Uganda, Schedule III of the country’s regulations allows PSCs to use authorized firearms mainly automatic and single shot guns (Kirunda, 1995).

In its Code of Conduct towards delivering service, KSIA only pledges/mentions “*to exercise all reasonable diligence in the selection and assignment of personnel (KSIA). KSIA further aims in “setting standards to include personnel and equipment in guarding services, electronic alarm services and Cash-In-Transit (CIT)”*. Nowhere on the KSIA manifesto is there any clause touching on the working conditions of the guards. The Kenyan guard therefore continues to work and live in squalid conditions, sometimes walking many kilometers to and from their work station, SRIC (2012).

In Kenya, security guards often work at least for twelve (12) hours per day, with no lunch breaks hence eating while on duty (Mkutu and Sabala, 2008). As required by Employment law Cap 226 of the Laws of Kenya, guards are required to work for a total of fifty two (52) hours per week and any additional hours to be treated as overtime. This is rarely the case for the majority of the security guards, as most of them have remained casual guards irrespective of the duration of their service to the company (KIPPRA, 2004). Cap 226 requires that, after working for three consecutive months, an employee should be confirmed as a permanent employee of the company. This requirement has not been met by most of the security companies.

In Africa some private security companies secure contracts by undercutting competitors. Undercutting is usually achieved by reducing a company’s running costs. One of the main ways of cutting costs is by the underpayment of wages. In Kenya, the unregulated nature of the private security sector also allows for low wages for security guards. In a survey by KIPPRA (2004: 109), security personnel observed that majority of them are demotivated due to low pay and delays in payment. While salaries and wages of the security guards are on the whole guided by the protective security wages council guidelines, they are

rarely met. These are the agreements entered into between the trade union and a majority of firms in the industry. According to Mkutu and Sabala, (2008), most security firms actually claim as much as Kshs 20,000.00 a month for security services, but pay the guards a meager Kshs 4,000.00 (USD 57). While the Kenyan government gives minimum wage guidelines published annually, most security companies pay below the minimum requirement. According to the KNPSWU, most leading firms pay an average monthly salary of between Kshs 5,000 and 18,000. The situation is despicable in many mushrooming security firms. Some, despite securing multi-million contracts with clients, pay below the government's minimum wage.

According to Standard Media report, 2013, a number of privately owned security groups are increasingly being pushed out of business due to lack of regulations. Widespread unprofessionalism, corruption and underpayment of guards were some of the major threats in the security business.

On 18<sup>th</sup> May, 2016, the President of the Republic of Kenya signed the Private Security Regulation Bill into Law. The objective of the Act is to provide a framework for regulation of private security services industry in accordance with the values and principles set out in the Constitution. The Law calls for proper registration of all private security companies, proper training of the security personnel and proper remuneration for all private security guards. The Law will also provide for the establishment of a Private Security Regulatory Authority which would set standards, create an enforcing mechanism, improve personnel welfare and offer redress from unscrupulous players.

#### **2.4. Working Environment versus Employee Retention**

Once someone is employed by an organization, the job of the manager is to effectively utilize this human resource in order to achieve the strategic organizational objectives by working with and through these people (Trevor L. Amos et.al, 2008). Conventional wisdom says that employees leave if they are dissatisfied and that money will make them stay. People often leave jobs because of reasons that have nothing to do with the job itself. Further, people stay with jobs for non-work reasons. Organizational performance comprises of the actual outputs or results of an organization as measured against its intended output.

In 1997, Development Dimensions International conducted focus groups, customer interviews, literature reviews and surveys to determine divers of an effective work environment. It found evidence of a circular relationship between employee satisfaction and retention, and customer satisfaction loyalty and increases in employee commitment was strongly related to employee commitment and loyalty and both measures have proven relationships to retention and productivity.

Numerous studies have attempted to explain work environment in various area such as job satisfaction, organizational commitment and job involvement. Working environment can give some depressing messages about how much the organization values its employees and the standards it expects from them (Armstrong & Mrulis 2007). Well designed and organized offices and work areas make significant differences to how people feel about their work. Hay Group (2007) contends that work environment includes a friendly, well designed, safe physical space, good equipment and effective communication, which will improve productivity.

An independent study conducted by the Society of Human Resource Management demonstrated that physical work environment contributes a major factor affecting the decision of employee's whether to stay or leave an organization (Southerland, 2004). The focus of organizations must be on how to provide better jobs with great working environment to retain employees (Southerland, 2004). The key to retaining employees is to create an environment employees choose to work in and will stay given the availability of other job opportunities (Winterton, 2011).

Organizations can create the necessary environment by meeting the needs of current and future employees. Research shows that organizations that are transparent and involve their high performing employees in finding solutions will be able to retain these individuals during downturns in the economy (Ongori, 2008).

## **2.5. Factors Affecting Employee Retention**

From a managerial perspective, the attraction and retention of high-quality employees is more important today than ever before. A number of trends (*e.g.*, globalization, increase in knowledge work, accelerating rate of technological advancement) make it vital that firms acquire and retain human capital. While there are important differences across countries, analysis of the costs of turnover as well as labor shortages in critical industries across the globe have emphasized the importance of retaining key employees for organizational success (Hinkin & Tracey, 2000).

Hinkin & Tracey (2000) noted that even for jobs that do not require high level of skills, a retention strategy can positively affect the engagement, turnover and ultimately financial performance, especially, for positions that involve interaction with customers. When a

significant share of employees only stays for a limited time with a company that is a pointer towards underlying problems that need to be explored and addressed by determining the most adequate measures.

Fitz-enz (1990) recognized that only one factor is not responsible in management of employee's retention, but there is several factors influenced in employee's retention which need to manage congruently i.e. Compensation & Rewards, Job Security, Career Development, Supervisor Support Culture, Work Environment and Organization Justice. Accordingly organization utilizes extensive range of human resource management factors influence in employee commitment and retention (Stein, 2000; Beck, 2001; Clarke, 2001; Parker and Wright, 2001). This study also have objective to find out the factors which is more influence in employees retention, for this purpose these factors are categorized into organizational factor i.e. supervisor support, organizational justice, organization image and work environment and Human resource factors i.e. employee value match, training & development, remuneration & reward, job security and employees promotion aspect.

Human resources are the backbone of an organization (Gerhart & Milkovich 1990, Pfeffer 1998). Moreover, the continuing prosperity of a firm is likely to be enhanced by employees who hold attitudes, value and expectations that are closely aligned with the corporate vision (Borman & Motwidlo, 1993; Cable & Parsons, 2001; Feldman, 2003; Spector, 1997). It implies that hiring capable people is an attractive point of departure in the process, but building and sustaining a committed workforce is more likely to be facilitated by the employment of sophisticated HRM infrastructure (Schuler & Jackson 1987, Beechler *et al.*, 1993).

Arguably, HRM policies and practices can be strategically designed and installed to promote desirable employee outcomes, which include the enhancement of the in-role and extra-role behaviors of employees. Yet, despite such costly investments, corporations are continually searching for techniques to improve and cement the linkage between employees and their organizations. With proper implementation, these techniques often facilitate a more committed workforce. Since turnover warrants heavy replacements and training expenses, organizations are now recognizing employee retention as an important issue that merits strategic attention (Glen, 2006).

Retention activities may be defined as a sum of all those activities aimed at increasing organizational commitment of employees, giving them an overall ambitious and myriad of opportunities where they can grow by outperforming others (Bogdanowicz & Bailey, 2002). Given the development of new managerial approaches to retention, labor market dynamism, and evolution in research methodology and technology, it is not surprising that turnover continues to be a vibrant field of research despite more than 1500 academic studies addressing the topic.

According to Olowu and Adamolekun (2005), it is becoming more essential to secure and manage competent human resource as the most valuable resource of any organization, because of the need for effective and efficient delivery of goods and services by organizations, whether in public or private sector. Therefore, for an organization to realize its goals, appropriate strategies for employee recruitment and retention are sine-qua-non for enhanced performance.



While remuneration and other types of benefits continue to be an important factor in the retention equation, it is important to note that the current Human Resource literature treats them as only one potential area for retention, and not always in and of themselves, sufficient to ensure strong employee commitment. Over the past 10 or 15 years, the business literature dealing with employee participation, workplace wellness, work-life balance and other topics has mushroomed, indicating a strong interest in and recognition of how other aspects of working life influence people's decisions to stay with or leave a company (Hom & Griffeth, 1995).

Fitz-enz (1990) recognized that employee retention is not influenced by a single factor, but there are hosts of factors which are responsible for retaining employees in an organization. Management need to pay attention to factors such as compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice etc. According to Osteraker (1999), the employee satisfaction and retention are the key factors for the success of an organization. The Retention factor can be divided into three broad dimensions, i.e., social, mental and physical. The mental dimension of retention consist of work characteristics, employees always prefer flexible work tasks where they can use their knowledge and see the results of their efforts which, in turn, helps in retaining the valuable resources. The social dimension consists of the contacts that the employees have with other people, both internal and external.

### **2.5.1. Training and Development**

According to Gomez et al, (1995), training provides specialized technique and skills to employee and also helps to rectify deficiencies in employee performance, while

development provide the skills and abilities to employee which will need the organization in future. Development of skill consists of improving interpersonal communication, technological knowledge, problem solving and basic literacy etc. Garg & Rastogi (2006) explain that in today's competitive environment feedback is essential for organizations to give and receive from employees and the more knowledge the employee learn the more he or she will perform and meet the global challenges of the market place.

Messmer (2000) found that one of the important factors in employee retention is investment on employee training and career development. Organization always invests in the form of training and development on those workers from whom they expect to return and give output on its investment. Tomlinson (2002) forwarded the view that organizations can keep the leading edge in this competitive world by having their employees well trained in the latest technologies. Garg & Rastogi (2006), explained that in today's competitive environment feedback is very essential for organizations from employees and the more knowledge the employee learn, the more he or she will perform and meet the global challenges of the market place. Handy (2008) has mentioned that proper innovation, and assimilation of new knowledge is essential for survival in any work environment. Thus knowledge is the most expensive asset of any firm.

A recent study by Duxbury and Higgins, quoted in Beauregard and Fitzgerald (2000), found that over 40 per cent of small business employees are dissatisfied with the amount of training they receive. The study also found a strong correlation between the dissatisfaction and frustrations surrounding the lack of opportunities to develop skills, and both an employee's intention to leave as well as the incidence of absenteeism. Similarly, a 1999 Gallup poll named the lack of opportunities to learn and grow as one of

the top three reasons for employee dissatisfaction (B.C. Business, 2001), and other studies have offered similar conclusions (BHRC, 2002). Furthermore, the evidence seems to confirm that the link between training and retention is even stronger for more highly skilled workers (Kaiser and Hawk, 2001; Paré et al, 2000).

Meyer et al (2003) suggest that employee learning which encompasses training and development but is also related to socialization within the workplace contributes to retention by (i) building employee commitment through a show of support, (ii) providing employees with the means to deal with stress related to job demands and change, (iii) serving as an incentive to stay, and (iv) creating a culture of caring. Thus, training and development are seen as ways of building employee commitment in that they allow employees to “see a future” where they work, and provide them with the support necessary to face the on-going challenges related to their work.

Many employers will of course voice the familiar concern that there is a risk that once trained; workers may be tempted to leave the company for other opportunities. This is no doubt a valid concern amongst many employers, particularly those in the brewery industry where even semi-skilled workers often operate in a high-demand labour market. As such, companies are only willing to provide training at the minimum level or to provide more extensive training on proprietary equipment and processes. The picture may be somewhat different for more highly-skilled segments of the workforce, where employers appear to be more willing to make greater investments.

There is a good fit between training and a number of other retention-related practices, such as career development and planning, skill-based pay, and others. Taken together

such practices can usefully complement one another. Training can be a particularly strong retention tool when it is combined with measures designed to allow people to develop and progress within a company (Butteriss, 1999; Meyer et al, 2003). It is important for employers to put in place effective internal promotion programs that will allow even their unskilled and semi-skilled workforce to move towards positions of greater responsibility and remuneration within the company.

According to Frazis et al, (1998), firms that offer more benefits as compared to others and train their workers by adopting innovative job practices. Storey and Sisson (1993), recommend that training is sign of organization commitment to employees. Training also reflects organization strategy that is based on value adding rather than cost lowering. Leading firms of the industry recognize that comprehensive range of training, skill and career development is the key factor of attraction and retention the form of flexible, sophisticated and technological employees that firms strategy to succeed in the computerized economy (Bassi and Van Buren, 1999; Accenture, 2001). It is concluded from the literature review that employee turnover ratio are inversely related with training: higher the rate of turnover, if lower the volume of training.

This statement is based on the opinion that longer the worker stay in organization acquired higher amount of training. Frazis et al. (1998), found that employee working in organization have lower turnover rate normally spent 59 percent time on formal training from total training period, as compared to organization spent 18 percent and have high turnover rate. According to the workers opinion, training likely to increase productivity if it consists of skills related to the organization. Organizations that have greater productivity will also likely to increase employee's wages beyond their expectation thus

help in employee retention. In short training help to lower turnover rate and considered as important factor in employee retention (Wetland, 2003).

Organization has the incentive to make investment in form of training & development only on those workers, from whom organization expect to return and give output on its investment (Messmer, 2000). According to Clark (2001), organizations are intensification development for talented employees, through proficiency analysis, input on employee interests, need development and multisource appraisal of capabilities and formulate plans for action. Wetland (2003) suggest that firms and individual made investment on human capital in the form of training. Training enhances the skills of employees.

Organization desire to strengthen their bond with employees must spend on the development of employees (Hall & Moss, 1998; Woodruffe, 1999; Steel et al., 2002; Hsu, Jiang, Klein & Tang, 2003). It creates promotion opportunities within organization and provides training opportunities and skill development to improve their employee's employability on the external and / or external labour market (Butler & Waldrop, 2001). Career development is vital for both the employees and employer (Hall, 2002). Career development is mutual benefited process because it gives imperative outcomes to employer and employees (Hall, 1996; Kyriakidou and Ozbilgin, 2004). To gain and maintain competitive advantage organizations required talented & productive employees and these employees need career development to enhance and cultivate their competencies (Prince, 2005).

According to Noe (1999), employees have perception to acquire new knowledge & skills which they apply on the job and also share with other employees. Research studies found

that organization often delay employee training program to determine that workers personal value good matches with organization culture or otherwise, therefore to peter out the employee turnover intention (Lauri, Benson & Cheney, 1996)

### **2.5.2. Career Advancement Opportunities**

Employees the greatest organizational asset wants to know what kind of future do they have in the company. Thus it should be made sure that the supervisor's team leads meet the employees and discuss their professional goals. As a part of this exercise they should also make sure that they help the employees achieve those goals by providing them with the necessary inputs and the required training and development needs. Most organizations hire the best talent but are not able to retain them-that's because they go in for traditional methods of hierarchy development paths. But as a matter of fact what they should be doing is that identify and develop latent, potent and hidden skill sets among their workforce, build upon them so both organizational and employee efficiency.

They should invest heavily on building effective competency frameworks with transferable skill sets that would unleash that hidden potential and take the organizations to never been dreamt of places. If companies want to retain more and more employees they need to focus on learning abilities and facilities of the employees. They showed that this can be done by letting people do more and more what they want to do and simultaneously provide such growth opportunities as well as appreciating the employees side by side. They also were able to prove that age, HIpo (high potential) employees and great leadership attributes have positive correlation to the intention of the employee to stay with the company (Kyndt, Dochy, & Baert, 2010).

The different strategic ways suggested by the author for retaining top talent in the organization is by helping high potential employees have cross functional job for job and work related satisfaction, involvement in decision making, encouraging their ideas and helping them implement them, help in career development moves, skill building through effective and relevant training(Hay, 2001). Access to training, adjusting training practices as per older employees requirements and an age awareness training program is required for better older employee retention (Marjorie Armstrong-Stassen and Andrew Templer, 2004).

The recent trend of high employee turnover is due to the various reasons such as employees not being happy with the kind of work they do, lack of investments in training and development, lack of career growth and development opportunities, unfair and misleading performance appraisals, etc. Strategic ways for retaining top talent in the organization is by helping high potential employees have cross functional job for job and work related satisfaction, involvement in decision making, encouraging their ideas and helping them implement them, help in career development moves, skill building through effective and relevant training (Hay 2001).

The reasons for low turnover which employees have mentioned are work experience, career development, independence, etc. All these motives of employees help organizations to align HR practices accordingly and help them with employee retention (Brigitte Kroon and Charissa Freese 2013). Also employees must be able to see a clear career path in the organization, only then they will stay for long (Gaurav Bagga 2013).

Retention practices give more importance to factors affecting to cause employee turnover (career opportunities and financial rewards) than on those believed to affect employee retention (social atmosphere, job content, work-life balance). Career opportunities have the strongest impact on employee commitment while the impact of financial rewards is less. Ways recommended for reducing employee attrition are career development, considered to be one of the most important factors. Providing great career development opportunities makes the employees to stay in the company for long and at the same time enhances their loyalty to the firm. Also creating a positive social work environment and adding content to the jobs and tasks to be done by the employees enhances employee satisfaction and commitment (Meganck, 2007).

Ongori and Agolla (2009), contend that lack of personal growth in organizations result in career plateau which in turn leads to increased employee intention to quit. According to Lee (2003), plateau employees are likely to have higher labour turnover because they want to advance their careers elsewhere in the environment. Studies show that employees who have attained plateau have a high degree of intention to quit reducing opportunity in the present organization (Yamamoto, 2006).

Career advancement opportunities is one of the most important variables as employees are more conscious about their career so they prefer a job where they can get more opportunities to develop their skills. A company that wants to strengthen its bond with its employees must invest in the development of their employees (Hall & Moss, 1998; Hsu, Jiang, Klein & Tang, 2003; Steel et al., 2002; Woodruffe, 1999). Career development is a system which is organized, formalized and it's a planned effort of achieving a balance



between the individual career needs and the organization's workforce requirements (Leibowitz et al, 1986).

Pergamit and Veum (1989) in their study found a close and positive correlation between promotions and job satisfaction and which in turn helps in retaining employees. Research by Meyer et al, (2003) has shown internal career development of employees is often the best predictor of an employee's effective commitment. Prince (2005) argued that talented employees are required for maintaining a competitive advantage and employees want career growth opportunities to develop and rise in their career ladder. Such plans include advancement plans, internal promotion and accurate career previews at the time of hiring. Eyster, et al. (2008) state that job flexibility along with lucrative career and life options, is a critical incentive for all employees.

### **2.5.3. Career Development**

Woodruff (1999), believes that an organization that wants to strengthen its relationship with its employees must invest in their development of its employees. He further argues that organizations will do a better job in retaining its employees by spending resources on training and development. It is challenge for today HR Managers to identify the organization developmental strategies which entuses the employee commitment to the organization vision and values to motivate the employees and help the organization to gain and sustain the competitive advantage (Graddick, 1988). Greller (2006) states that people always work for a reason and the cause should be provided by work, organization, co-workers or from within. Findings show that when employees want to advance in their careers, a motivational factor, it does not matter how old one is, a lot of stay in the organization as a way to advance.

Taylor (1997) points out that in order to retain employees, organizations must offer career advancement opportunities, failing which they may find it difficult to retain qualified employees. Saporta and Fajourn (2003) too support this view. Casper and Buffardi (2004) stated that the availability of organizational work–life benefits, supportive supervisor and a favorable organizational climate play a pivotal role in attracting and retaining human resources.

It is important to recognize the commitment of individuals to an organization, as well as the organization's need to create an environment in which one would be willing to stay (Harris, 2000). It is often believed that an organization is only as good as its people (Templer & Cawsey, 1999). Organizations failing to retain high performers will be left with an understaffed, less qualified workforce that ultimately hinders their ability to remain competitive (Rappaport *et al.*, 2003). Therefore, worldwide, retention of skilled employees has been of serious concern for organizations in the face of ever increasing high rate of employee turnover (Samuel & Chipunza, 2009). Globally, managers admit that one of the most difficult aspects of their jobs is the retention of key employees in their organizations (Litheko, 2008).

Career development involves creating opportunities for promotion within an organization and providing opportunity for training and skill development that allows employees to improve their employability on the internal and the external labour market (Meyer & Smith, 2003). Woodruff (1999), believes that an organization that wants to strengthen its relationship with its employees must invest in the development of its employees. He further argues that organizations will do a better retention job by spending more resources on training and development of employees. Employees who benefit from their

organizations through training and educational facilities tend to be more committed and loyal to that organization. Moreover, educated and trained employees help in increased production and thus sustaining a competitive position for their organizations.

Ongori & Agolla (2009), contend that lack of personal growth in organizations results in career plateau which in turn leads to increased employee intention to quit. Many employees find themselves in jobs that offer them limited mobility opportunities in terms of upward movement in the organization. Career plateau is thus seen as a major contributing factor to employees to quit in organizations. Human Resource professionals thus have a greater responsibility of managing career plateau and hence minimize employee turnover. According to Lee (2003), plateau employees are likely to have higher labour turnover because they want to advance their careers elsewhere in the environment. Studies have shown that employees who have attained plateau have a high degree of intention to quit due to reduced opportunity in the present organization (Yamamoto, 2006).

#### **2.5.4. Employee Personal Value Match with the Job**

The concept of employee value match with job means jobs matching with employees in term of skill, knowledge, qualifications, ability and other characteristics of employees which match and suitable for the job (Lofquist and Dawis, 1969; Edward, 1999).

Employee retention thus far suggests that workers stay with a company for reasons other than just good pay, benefits and other sundry perks. With respect to retention, the literature suggests that “intrinsic” rewards are just as important as material rewards. This means that workers value their jobs not only when they are well compensated, but often

because doing the job is in itself a rewarding experience. In other words, it is fulfilling, challenging, interesting, and stimulating.

According to Amar (2004), the sociological driver, value system centered on the self and family, in the past work was seen as a live hood, but now employees see it as a place of belonging. The psychological driver, in the past the focus was more on money, but now the prime positive reinforce is self. The generational driver, a new generation is entering more and more at the workplace, it consist of 70 million people and are referred to as generation Y. the knowledge work driver, science and technology have been two important variables and are expected to continue in the future. To gain competitive advantage organizations have to innovate and mangers have to search for employees with useful knowledge who are motivated to use it for the benefit of the organization. The cultural driver, have been brought up due globalization in the world. The cultural differences have a special emphasis in order to understand how to retain the talented workers. Person value match with job is considered in the perspective of employee selection and based on the beliefs of employee value congruent with organization, or person and organization goals (Reilly et al., 1991; Kristof, 1996; Netemeyer et al., 1997).

According to Brown (1969), Kidron, (1978), Steers, (1997), organizational fit concept identifies confluent goals and recognized the employee and organization value as an important aspect of affective commitment. Research explained that organization fit as employee cooperation and willingness to ward organization and proposed that requisite disposition to work together (Barnard, 1938). According to Cable and Judge (1997), employee selection process should also consider improving congruent between employee values and corporate culture.

Lockwood, 2006) speaks generally about the retention benefits of “high-involvement” work environments. Mobley, Griffeth, Hand, & Meglino, (1979) list “allowing employees freedom to control their work” as a major ‘best practice’ in retention, while Aquino, Griffeth, Allen, Hom, (1997) report that “the highest turnover rates are those in which the corporate culture is one of domination, autocracy and inflexibility.” They also report on a survey of 3,000 American employees, quoted in the May 2000 issue of *Bottom Line Business’s* May 2000, which listed the reasons why employees stay in their current job, and the evidence seems to suggest that the intrinsic rewards of a challenging job, including good relations with co-workers, meaningful work, team-based activity, and a degree of autonomy often guide workers’ decisions to stay with their employer.

### **2.5.5. Compensation**

Trevor et al. (1997) has proved that rise in pay has a negative impact on turnover. Davies, Taylor, & Savery (2001) forwarded the view that compensation to top workers is given by every organization but very few organizations uses it strategically. They said that “Salary and benefits policies are not being used strategically, within the organization to improve morale, reduce turnover, and achieve targets within an establishment”. Gardner et al., (2004) were of the view that pay is considered as a motivator as well as employee retention technique. Milkovich and Newman (2004) have clearly stated that among all types of reward, monetary pay is considered one of the most important and significant factor in retention. In a research by Moncraz, Zhao and Kay (2009) it was concluded that although compensation was not one of the top factors influencing non-management turnover but compensation can act as a critical factor in reducing managerial turnover and increasing commitment

Literature considers that compensation one of the largest factors for the retention of employees. Compensation plays significant role in attracting and retaining good employees specially those employees whose gives outstanding performance or unique skill which is indispensable to the organization because company invest more amounts on their training and orientation. According to Lawler (1990) company adopt the strategy of low wages if the work is simple and requires little training and companies compete in high labor markets adopt the high wages strategy. Some researchers argue that on the company side competitive compensation package is the only strong commitment and also build strong commitment on the workers side.

However, the contribution of compensation towards retention, help in retention of employee irrespective of their skill and contribution to the company and it likely affect both turnovers desirable and undesirable. The total amount of compensation offered by other companies also affects the turnover. Organization offered high compensation package is compared to others a large numbers of candidates applying for induction and have lower turnover rate. Moreover high compensation package organizations also create culture of excellence (Lawler 1990).

The use of financial inducements has been recognized as extremely important in retaining employees and it has been considered an important reward to motivate the behavior of employees (Brewer, 1996; Koh & Neo, 2000; Taylor & Vest, 1992). A number of studies suggest that higher wages reduce quit propensity positively and are related to decisions to continue (Gritz & Theobald, 1996; Theobald, 1990). Paré and Tremblay (2000) opine that employees will willingly remain in organizations where work is stimulating and challenging, chances for advancement are high and if they feel reasonably well paid.

Lockwood, (2006) argues that low wage strategies may be appropriate if work is simple and repetitive and requires little training. These distinctions are very general in nature and do not necessarily provide a clear rule of application to actual companies. Companies in highly competitive local labour markets may well find that they need to pay highly competitive rates against some industry or geographic benchmark in each of their job classifications, even for semi-skilled or unskilled positions. In addition, some commentators hold that competitive compensation packages can signal strong commitment on the part of the company, and can therefore build a strong reciprocal commitment on the part of workers. However, to the extent that it contributes to retention, competitive compensation is also likely to affect both desirable and undesirable turnover: it will help to retain workers, irrespective of the quality of their contribution to the company.

While there is general agreement about the importance of competitive compensation for employee retention, there is also a growing consensus that competitive, or even generous compensation will not single-handedly guarantee that a company will be able to keep its most valuable employees. Lockwood, (2006) maintained that, the key issue in retention is the amount of total compensation relative to levels offered by other organizations. “Organizations that have high levels of compensation,” he wrote, “have lower turnover rates and larger numbers of individuals applying to work for them.” Furthermore, he argued, high wage workplaces may create a “culture of excellence.”

It is worth remembering that building “affective commitment” (Muchinsky, (1977) involves much more than paying well, and that retention based on the principle of “compensation-based commitment” is of course sensitive to changes in compensation

within the company. Employers that base their retention on compensation-based commitment will always be vulnerable to the possibility that their competitors will be able to offer better wages and thus lure away their employees.

Similarly, Staw, (1980) argues that “money gets employees in the door, but it doesn’t keep them there.” Aquino, Griffeth, Allen, Hom, (1997) classify money as a “satisfier,” meaning that it is a necessary but insufficient factor in employee retention, while Collins, (2007).agree that money is not the primary motivator for employees. In fact, many companies have done a very good job of retaining their employees without any pay-based retention incentives (Collins, (2007). Workers in the cities where industrial establishments are concentrated may be more likely to move to the competitor even for very modest wage differentials. Companies situated in more isolated areas know that their workers are less likely to move for small increments in compensation. The message is that companies that wish to develop a successful retention plan that includes compensation and benefits must always understand their own unique characteristics and circumstances.

Whatever their circumstances, companies that successfully incorporate compensation and benefits into their retention efforts have a clear understanding of their business objectives and use compensation as a tool for influencing organizational and employee behavior, for example, pay systems and practices can have a major impact on employee retention by motivating membership-oriented behavior (commitment). Pay systems may also affect knowledge sharing and transfer if sharing, teamwork, suggestions, etc. are rewarded or recognized (Collins, (2007).



According to Branham (2005) compensation can also drive commitment-oriented behavior by:

- Sending employees a strong message about what results are valued.
- Recognize and reinforce important contributions so that employees feel valued.
- Provide a sense of “emotional ownership” and increased commitment that comes from giving employees “a piece of the action.”
- Maintain or cut fixed payroll costs and allocate variable pay to the employees they most want to attract and keep.

According to Smith (2001) money bring the workers in the organization but not necessary to keep them. According to Ashby and Pell money satisfies the employee but it is not sufficient to retain the employee means it is insufficient factor. Money is not considered as primary retention factor (Brannick, 1999). Many organization implement very good employees retention strategy without offering high compensation or pay based retention strategy (Pfeffer, 1998). In such circumstances a wide number of factors are seems for successful retention of employees. The existence of other retention factors cannot be ignored.

From literatures study relived that it is much important to separate normal and standard compensation i.e. salaries, wages and benefits etc. and what are normally referred to as compensation on performance based or performance pay. Company have objective to retain their valuable employee performance pay is considered important factor for it (Harris and Brannick, 1999). Compensation is considered the most important factor for attracting and retaining the talent (Willis, 2000). A fair wages are the foundation element of the implied and contractual bond between employers and employees, the underlying supposition being that monetary can persuade behavior (Parker and Wright, 2001).

Organizations often offer high pay packages i.e. stock options, special pay, retention pay, gain share pay, performance base pay and bonus etc. for attraction and retention of talented employees of the market.

Williams and Dreher (1992), wages is the key factor influence in the employee attraction and retention, and play important role in the recruitment process. Highhouse et al, (1999) recommend that only pay is not sufficient to retain the employees. He argues that low pay package will drive workers out the organization but it is not necessary that high pay package bring and keep the workers in the organization. Ultimately, the workers stay in the organization due to others factors i.e. work environment, co-workers behavior and supervisor support etc. which compel the employee to retain in the organization.

Finally, it is important to distinguish between what might be called normal or standard compensation like wages, salaries, benefits, etc. and what is commonly referred to as performance-based compensation, that is, specific forms of compensation that are paid for workers or groups of workers who attain certain objectives vital to a company's business strategy. Performance-based compensation or 'pay for performance' is becoming an increasingly popular form of compensation, particularly since its various forms are closely tailored to very specific company objectives, including employee retention (Collins, 2007, 1999).

### **2.5.6. Rewards**

Agarwal (1998) gave an explanation to the term reward as something that the organization offers to the employees in response of the work as well as performance and

something which is desired by the employees. According to Walker (2001), recognition from bosses, team members, coworkers and customer enhance loyalty. "Watson Wyatt" a global consulting firm, conducted a survey in USA, in the year 2002 among 12750 employees at all levels of job and in all major industry sectors to know about their attitudes toward their workplace and their employers. It was found in the survey that recognition is important for workers and they want to listen that their work followed recognized and appreciated. Silbert (2005) forwarded the view that reward is important because it has an enduring impression on employees which, in turn, gives the employees an impression that they are valued in the organization. It is clear that reward and recognition as part of a more comprehensive effort at keeping workers or adopting good workplace practices can contribute to increased retention. The category "Reward and Recognition" is in some ways a catch-all phrase as it includes a diverse range of formal and informal, financial and non-financial, incentives given to individual employees, groups of employees or to an entire staff. They come in all shapes and sizes: small employee of the month awards (for example, gift certificates, recognition plaques), company-sponsored sports teams, company parties, prizes, clothing, etc. They are often incorporated into a company's overall Human Resource policy, but are just as often awarded "as the need arises" and at the discretion of middle-level managers or team supervisors.

The literature meaning of word "reward" as it is something the offer by the organization to the workers in response of their performance and contributions which are expected by the workers (Agarwal, 1998). The amount of pay, benefits, or equivalents employee received in return for service which employee render to organization. A reward can be

intrinsic or extrinsic; it can be in form of cash i.e. bonuses etc or reward can be in form of recognition / certificate such as commendation certificate or worker of the month etc. In business environment rewards are offered in several forms e.g. recognition, cash bonuses, awards, free trips and free merchandise etc. However reward is the thing which offers by the organization in any form in response of employee's contribution, to become employees motivated for doing well with positive behavior in future. Rewards are very important because it has enduring impression on employees and support the perception of employee's that they are valued (Silbert, 2005). In general, and for the purposes of this study, "Reward and Recognition" covers all of those incentives that are not captured under the other categories of retention measures described in this report, and we may tentatively make the observation that while they are not generally seen to be the decisive elements in ensuring good retention, they often do much to sustain a workplace culture that is aware of the contributions of its members, while at the same time helping to reinforce positive behavior.

Organizations that are more committed to their workers typically made more investment as compared to similar organization in progressive Human Resource practices i.e. education, training & development and compensation package (Arthur, 1994; Huselid, 1995). These organizations also adopt deserving practices on rewards distribution and distribute the rewards more generously and equitably. According to Walker (2001), compensation offer recognition, but non-monetary forms of recognition are also not ignored and important. Recognition from bosses, team members, coworkers and customer enhance loyalty. Employee participation in decision making and influence in actions are also important (Davies, 2001; Gold, 2001).

To function properly, rewards must be well justified, everyone must have a fair chance at getting one, and that reward must be something that the recipient employee values. Everyone who keeps the company productive deserves a fair share of awards, interesting new assignments, honours or other motivational treats that the company hand out. Morale will plummet if employees see the employer as arbitrary, unfair or playing favorites (Staw, 1980).

Hunter, & Hunter, (1984) offer the general principle that “What get rewarded gets done,” and they emphasize that the principle must be connected to the organization’s core culture. (Staw, 1980) suggest that recognition and rewards are strongly tied to the ‘culture’ of a particular workplace, they support that culture, and they are consistent with that culture whether or not that culture is something consciously managed or iterated by the company. Rewards must, in other words, ‘fit in’ with people’s perception of their employer and their workplace. In workplaces where labour-management relations are strained or where workers are distrustful of management’s intentions, people will often react with skepticism when rewards are suddenly introduced.

Hom, & Griffeth, (1995) cautions that used incorrectly, rewards, recognition, praise, and bonuses can be manipulative and controlling and amount to little more than a bribe for behavior. In many instances, these behaviorist techniques create an effect opposite from that intended. It is true that rewards can undermine intrinsic motivation. It is unfortunate to see companies wipe out initiative and turn their employees into Pavlov’s dog sitting ready for the next bone thrown their way.

### **2.5.7. Supervisor Support**

By having support, employees are less likely to leave an organization and be more engaged by having good relationship and open communication with the supervisor (Greenhaus, 1987). According to Eisenberger and associates (1990), an employee's view of the organization is strongly influenced by their relationship with their supervisor. If the supervisor focuses towards the employee's progress, other than the formal evaluation process; this improves the employee's retention and commitment towards the organization. (Freyermuth, 2007).

The leadership style consider affective factor in employee retention. The relationship between supervisor and worker play pivotal role in employee turnover intention. The organization "human face" is supervisors. Leaders are the human face of the firm. Eisenberger and associates (1990), suggested that a employees view regarding organization is strongly concerned to their relationship with supervisor. If supervisor support, open communication and have good relationship with employees, the employees turnover intention are likely less and more engaged with organization (Greenhaus,1994).

Retention would be far from complete if the importance of communications is not addressed. Open, responsive, two-way communications would appear to be vital to good employee retention. "The fastest way to transform a top-performing staff into a group of disgruntled, discouraged job-seeking workers," according to Harris and Aquino, Griffeth, Allen, Hom, 1997), "is to shut them out of the loop of corporate information." Conversely, they say, the feeling that one is in the loop reinforces the employee's connection to the organization. Most, if not all, of the other types of practices described in our review of the Human Resource literature fundamentally depend on a sound approach to communicating with employees.

Leaders interact as a bond to perform application between expectations and stated goals. By harmonizing the rivaling demands supervisor support and manage the inside/outside work environment. If the relationship among workers and supervisor is exceeding/strong the worker will never seek to any other new employment opportunity but stay in the organization and vice versa. Employees leave the leaders not jobs so leader support is also essential in this regard. (Ontario, 2004)

The role of an effective supervisor in arresting attrition rates has been highlighted by others too (e.g. Amey, 2002; Creamer & Winston, 2002; Schneider, 2002). Good quality supervision contributes to employee satisfaction (Keashly & Jagatic, 2000) and helps in enhancing an employees' well-being at work (Peterson *et al.*, 2003), thereby resulting in retention (Bauer *et al*, 2006). When top leaders share information and expect other managers to share it with employees, employees tend to feel more included and their trust is reinforced, resulting in smaller dips in productivity during crises. Additionally, informed employees are sometimes able to provide solutions to otherwise unresolved problems. Information sharing includes: strategic directions, the organization's and industry's future, emerging trends that could affect career possibilities, and other cultural political realities affecting the organization. These types of information help to support employee career development and advancement.

Employees who are valued and they feel esteemed will take active part in the organization goals, show productive behavior, workplace and increased job involvements, which decrease absenteeism and turnover intention rates. The effective leadership style can be revealed by formal and informal acknowledgment. In organization employees responds to admire, support and encouragement, no matter the environment is profession

or personal (Silbert, 2005). To ensure accurate performance appraisal management leader must discuss the progress with employees outside the time of formal evaluation process. They assist workers to find the right place in the firm, not only move in the hierarchy next position (Freyermuth, 2007).

According to Silbert (2005), well skilled and talented workers may easily find good job, position and workplace elsewhere however the effective way for retention these talented employees is to enhance friendly and close working environment and to promote leader support. Freyermuth (2007), recommended that organization must groom leader to support the employees and to well build the work environment where workers want to stay. Providing opportunities test their abilities and providing level of performance can enhance employees' capabilities and want to stay in the organization.

Eisenberger and associates (1990) suggested that employee's perception regarding an organization is strongly influenced by their relationship with the supervisor. McNeese-Smith (1995) mentioned in his study on Leadership behavior of hospital directors found that there is significantly positive relation between productivity, work satisfaction and organizational commitment of staff. Brunetto and Farr-Wharton (2002) were of the view that supervision of the immediate manager increases the level of job satisfaction in the public sector employees. Chung-Hsiung Fang, Sue-Ting Chang, Guan-Li Chen (2009) has found that leadership style can affect organizational commitment and work satisfaction positively and work satisfaction can affect organizational commitment and work performance positively.



Indeed, the more companies want to devolve decision-making, promote innovation and creative problem-solving, and address problems in the workplace before they become bigger problems, the more innovative and responsive they have to be in the ways in which they communicate with employees. And as the Kaye and Jordan-Evans (1999) quotation suggests, innovative communications involve processes that allow employees to communicate with employers, rather than just the other way around.

### **2.5.8. Work Environment**

A numbers of studies have conduct to explain the work environment with different aspects such as job satisfaction (Iaffaldano & Muchinsky, 1985) and employee retention (Martin 1979), employee turnover, organizational commitment and job involvement (Sjoberg & Sverke 2000). Work environment is considered one of the most important factors in employee's retention (Zeytinoglu & Denton, 2005). According to Hytter (2008) work environment is generally discussed as industrial perspective, focus on aspect i.e. noise, toxic substances exposure and heavy lifts etc.

The interesting part of work environment is; work environment characteristics in services sector is differ from production sector, because services sector directly deal with consumers/clients (Normann 1986). The interactions depends on the kind of job or/and kind of business, it may be more or may be less. The interaction between employees and client/consumer move from physical to Psychological dimension. Psychological work environment consist of work load, decision, support, stressors, latitude and decision etc. It is much important to know and recognize the emerging needs of employees and provide good work environment as required to keep the employees committed with organization.

According to Ramlall, (2003), people are strive to work and to stay in those corporation that provide good and positive work environment, where employee feel that they are valued and making difference. Proficient employees of such organizations are dragging together to push the organization forward. Research found that physical & work environment play pivotal role in employee's decision whether to leave the job or stay and consider as a major factor in employee retention. Light has been identified is a casual factor of job performance, sometime noise disturb the working environments and create a hitch in office which is harmful to employees psychological & physical welfare, encouragement and at times productivity. The most plentiful audio grievances are, short of speech isolation, such as eavesdrop people discussion and receiving the same feeling as well. It is beneficial for office environment as well as for health to reduce apprehension and stress.

According to Miller, Erickson & Yust (2001), employees get benefited by work environment that provide sense of belonging. Wells & Thelen (2002) have stated in their study that organizations which have generous human resource policies, have a very good chance to satisfy and retain employees by providing them an appropriate level of privacy and sound control on work environment which enhances the motivation levels to commit with the organization for the long term. Ramlall (2003) stressed the need for recognizing the individual needs of an employee in an organization as it will encourage commitment and provide a suitable work environment.

In today's competitive world, high-performing employees are looking for more than compensation packages and benefits. More specifically, what the employees nowadays are looking for is interesting work, employer flexibility, feeling valued and having

training and advancement opportunities which finally, become the major factors influencing their decision to change jobs (Cunningham, 2002). Nagaraj (1999) noted that organizations are trying many innovative ways to attract employees to workplace, be it multi-cuisine spread provided at the office, or a multi-gym right at the office premises, or a small crèche where female employees could safely leave their young ones while they work. The key to preventing employee turnover is to have a positive work environment where employees are recognized and rewarded for good performance, where there is good communication, and where everyone shares in the excitement of being part of a successful organization (Cunningham, 2002).

Aryee *et al.* (1998) found a significant positive correlation between satisfaction with work flexibility and organizational commitment and thereby good rate of retention. Mano-Negrin and Kirschenbaum (2000) indicated that turnover is affected by organizational size. They suggest that organizational size impacts turnover primarily through wage rates but also through career progression paths. Developed internal organizational labor markets produce lower departure rates since promotion opportunities have a strong negative influence on departures for career-related reasons. Martin (2003) looked at the effect of unions on labor turnover and found clear evidence that unionism is associated with lower turnover. He suggested that lower turnover is a result of the ability of unions to secure better working conditions; thus increasing the attractiveness for workers of staying in their current job. New professionals' intentions to change jobs have been attributed to their level of job satisfaction (Bender, 1980; Klenke-Hamel & Mathieu, 1990; Lorden, 1998). There is a growing body of evidence that workplace safety, health and wellness initiatives can make a fundamental contribution to business performance as

well as the improved health and well-being of individual employees. An examination of the Human Resource literature tended to support this argument although most authors did not delve into this area in any considerable amount of detail. Healthy workplace practices take on a variety of forms, including those directed at the physical work environment (safety, ergonomics, etc.); health practices (supporting healthy lifestyles, fitness, diet, etc.); and social environment and personal resources (organizational culture, a sense of control over one's work, work-family balance, etc.).

Many "healthy workplace" researchers have become increasingly convinced that organizations must also become more attuned to the negative consequences of workplace stress and other psycho-social factors. Lowe's (2003) analysis of data from a survey of some 2,500 workers indicated that many workers link psycho-social factors, including interpersonal relationships, relations with supervisors and the availability of other forms of support to perception of how healthy a workplace may be. A survey of 16 CEOs also suggests that business leaders are also becoming increasingly aware of the importance of reducing stress in the workplace (Report on Business, 2004).

Thus, to the extent that emotional and mental wellness is important to good retention and other indicators of business performance, companies might be well-advised to turn their attention to factors in the workplace that cause stress in the workplace. Potential remedies to poor workplace health may, in fact, come from a number of the other retention areas described in this report, for example, vacation benefits, flexible time, a good work-life balance, effective and open communications, job enrichment, etc. Workplace health and wellness initiatives were seen to reduce health and safety costs, facilitate good labour

management relations, and improve profitability and customer satisfaction. They were also viewed as key factors affecting employee recruitment and retention.

### **2.5.9. Family Support and Flex Time Work Culture**

Research indicates that the existence of family support (such as alternative schedules, supervisor support, co-worker support, flex time, work-family culture and family benefits etc) within the organization helps a lot in the retention of talented employee (Gaan, 2008). Research also recognizes that organization whose support their employee in integrating between family responsibilities and work reduce the employee intention regarding leave the job (Allen, 2001).

According to Wirth (2006), it is the women in the market place that have to stand behind all the changes that they want to be made, and this highly has to retain them, because otherwise no changes will be made. A turnover trend in developing countries is that women are leaving larger corporation for smaller companies because they want more flexibility and recognition. Rosenthal (1995) adds that self-confidence is a general problem facing women when working. Studies have been done to investigate if women and men perceive their performance differently, results show that men are more ego and women are more modest with their own performance.

Pasewark and Viator (2006) places flexible work arrangement as a very important part of work family support that plays pivotal rule in the retention of employees. Thompson and Prottas (2005) examined the relationship between employee turnover intention and organization support such as supervisor support, flex time work family culture and co-worker support and they conclude that organization support reduced the employee

turnover intention. Yanadoria and Katob (2010) investigated the family support effects at workplace and concluded the statistical importance of relationship between work family support and employee retention, the recent research recognize that existence of family support within the organization reduce the turnover intention and help the retention of talented employees in the organization.

Researchers have identified other important reasons of employee retention too. Work-life balance and reduced work-family conflict increase one's chances of employee retention (Anderson *et al.*, 2002; Shaffer *et al.*, 2001). Research has suggested that organizational work-life benefits and a supportive work climate are linked positively to employee well-being and retention (Allen, 2001; Behson, 2005; Casper & Buffardi, 2004). Work-life quality was found to be a significant predictor of job satisfaction, commitment and longer stays (Rhoades & Eisenberger, 2002; Dixon & Sagas, 2007). Aryee *et al.* (1998) found a positive correlation between satisfaction with work flexibility and intentions to stay.

Work-life balance programs cover a variety of interventions, and include such practices as dependent care leave, childcare subsidies, eldercare programs, counseling and referral, and flexible working hours (Muchinsky, 1977). As the list suggests, the concept of "work-life balance" recognizes that employees have important family and extraprofessional obligations that compete with their professional commitments; benefits that may be grouped under this concept therefore allow people to strike a more meaningful and potentially less stressful balance between obligations at the workplace and obligations at home.

(Lockwood, 2006) note that the 1990s saw an intensification of work-life conflicts for many workers. "Jobs," they note, "have become more stressful and less satisfying, and employees generally exhibit less commitment to their employers and higher absence rates from work." They add that high levels of "role overload" and "work to family interference" play a significant role in frustrating recruitment and retention in Canadian companies.

Whether or not we are in the midst of a cultural shift, many employers have begun to respond to such demands by implementing "work-life balance" initiatives in their workplace, and have done so out of a conviction that providing such benefits can substantially enhance productivity, revenues, and employee retention and commitment (Withers, 2001). In a survey of 300 small businesses in Canada, the Centre for Families, Work and Well-Being (2000) asked "what are the work-life strategies that make small companies successful in concurrently meeting their business objectives and being a good place for employees to work?"

Such arrangements hardly require a detailed explanation. It is worth noting, however, that some of these practices particularly those related to 'time off' and flexibility for addressing particular needs need not be a part of some formal benefits programs. The key to success in this area appears to be, first and foremost, a good channel of communications and a workplace culture in which employees feel comfortable in asking for time off to deal with pressing family matters, and employers are willing to recognize that granting time off in such a manner ultimately may contribute to greater employee commitment and productivity in the long run. Duxbury and Higgins (2001) argue, in this vein, that employers can help to create more supportive work environments by (i)

working with employees to identify and implement the types of support they say they need, and better inform them about policies that may currently be available to them, and (ii) encouraging employees to use the supports that are readily available and ensure that employees who could make use of such assistance do not feel that their career prospects would be jeopardized by doing so (Duxbury and Higgins, 2001).

Employee retention is essential to have a competitive advantage in today's date. Providing emotional support and work life balance to employees helps organizations in low turnover (Osman M. Karatepe 2013). The role of work life balance has a direct relation in employee's decision to stay or leave the organization. Job attitudes such as job satisfaction and commitment, personal reasons such as positive and negative feelings, the role of work life balance in employee attrition and, finally, the strategies provided to lessen high turnover rates. The recommendations mentioned include the need for norms on working hours, role models at the workplace, flexi work hours and arrangements, effective talent acquisition and training practices. It has been observed that stress and its various components like emotional exhaustion and job burnout are the major causes of high employee turnover. Ways and methods suggested to improve employee retention and commitment in the hospitality sector include better recruitment and training & development practices to improve employee satisfaction with work and also have work life balance (Deery 2008).

#### **2.5.10. Job Satisfaction**

Hoppock (1935) was of the view that job satisfaction is any combination of psychological, physiological and environmental circumstances, which cause a person



truthfully, satisfied with his/her job. Locke (1976) defined job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience." Feldman and Arnold (1983) have defined job satisfaction as, "Job satisfaction will be defined as the amount of overall positive affect (or feelings) that individuals have towards their jobs".

Davis *et al.*, (1985) stated that job satisfaction is a combination of positive and negative feelings that workers have towards their work. When a worker joins a business organization, he brings with him the needs, desires and experiences which he expects from his job. Job satisfaction represents the extent to which expectations matches with the real awards. Job satisfaction is closely linked to that individual's behavior in the work place. Researchers such as Ashford *et al.*, (1989); Davy *et al.*, (1991) found in their studies that insecurity among employees leads job dissatisfaction. Rain, Lane & Steiner (1991) states that job satisfaction is correlated to life satisfaction which means that people who are satisfied with life will tend to be satisfied with the job and people who satisfied with job will tend to satisfied with their life.

Lane *et al.*, (2010) and Vidal *at al.*, (2007) in their researches/studies found that job satisfaction is a complex phenomenon which is influenced by factors like salary, working environment, autonomy, communication and organizational commitment. According to Reichheld (1996) there are three criteria that have impact upon how hard employees are working. They work hard when: they have job pride, when they find their jobs interesting and meaningful, and when they are recognized for their work and benefit from the work they have accomplished. A relevant research by Spector (1997) and Hirschfeld (2000) indicate that the different aspects of job satisfaction could be split according to

Herzberg's two dimensions. The intrinsic satisfaction refers to job tasks and job content such as variety, autonomy, skill utilization, self-fulfillment and self-growth. Murray (1999) has clearly stated that job satisfaction has direct effect on level of absenteeism, commitment, performance and productivity.

Furthermore, job satisfaction not only improves the retention of employees but also reduces the cost of hiring new employees. Sokoya (2000) in his investigation on job satisfaction level among the public sector managers found that income or compensation is the most valuable determinant of job satisfaction. In a study by Al-Aameri, (2000) it was found that satisfied employees tend to be more productive, creative, and committed to their employers, and recent studies have shown a direct correlation between staff satisfaction and patient satisfaction in health care organizations.

## **2.6. Importance of Employee Retention**

Human resources are the life-blood of any organization. Even though most of the organizations are now a days, found to be technology driven, yet human resources are required to run the technology. They are the most vital and dynamic resources of any organization. With all round development in each and every area of the economy, there is stiff competition in the market. With this development and competition, there are lots and lots of avenues and opportunities available in the hands of the human resources. The biggest challenge that organizations are facing today is not only managing these resources but also retaining them. Securing and retaining skilled employees plays an important role for any organization, because employees' knowledge and skills are central to companies' ability to be economically competitive.

When a business loses employees, it loses skills, experience and “corporate memory”. The magnitude and nature of these losses is a critical management issue, affecting productivity, profitability, and product and service quality. For employees, high turnover can negatively affect employment relationships, morale and workplace safety (Muchinsky & Morrow, 1980). The cost of replacing workers can be high, the problems associated with finding and training new employees can be considerable, and the specific workplace-acquired skills and knowledge people walk away with can take years to replace. The problem of turnover can be addressed through a variety of pro-active retention strategies: workplace policies and practices which increase employee commitment and loyalty. Knowledge transfer initiatives on the other hand, ensure that the knowledge and expertise of a company’s employees its 'corporate memory' are systematically and effectively shared among employees. They can offset the negative impact of turnover, but can also work pro-actively to reduce turnover by providing learning and skills development opportunities to employees - factors known to reduce turnover.

Unnecessary employee turnover costs an organization needless expense (Buck & Watson, 2002). Replacements and training expenses have a direct impact on organizational costs, productivity and performance, and as such, an increasing number of organizations are now recognizing employee retention as a key strategic issue (Glen, 2006). The main purpose of employee retention is to prevent the loss of competent employees from the organization as this could have adverse effect on productivity and service delivery (Samuel & Chipunza, 2009).

When an employee leaves the organization, the company suffers a lot of losses which include corporate memory loss, loss of skills and experience and such issues are critical management issues as they affect productivity, profitability, and the overall quality of the products and services that the organization is offering. The cost of replacing these employees is also high and in most cases, it can take years to replace a highly qualified employee. When an individual resigns, it is highly likely that he will join your competitor and this means that he leaves with company secrets that he would most likely share with your competitor.

Individuals also need time to adjust with each other and so by replacing the leaver, it would take time for them to adjust to the systems and procedures of the company. The management should therefore be able to differentiate between a valuable employee and one who does not contribute much to the organization. Sincere efforts must then be made to ensure these valuable employees are retained and that they do not seek for change elsewhere.

Hinkin & Tracey (2000) noted that even for jobs that do not require high level of skills, an employee retention strategy can positively affect the engagement, turnover and ultimately financial performance, especially, for positions that involve interaction with customers. When a significant share of employees only stays for a limited time with a company, that is a pointer towards underlying problems that need to be explored and addressed by determining the most adequate measures. In response, managers have implemented HR policies and practices to actively reduce avoidable and undesirable turnover (Fulmer *et al.*, 2003; Hom *et al.*, 2008; Kacmar *et al.*, 2006; Michaels *et al.*, 2001).

Mak and Sockel (2001) noted that retaining a healthy team of committed and productive employees is necessary to maintain corporate strategic advantage. Hence, organizations must design appropriate strategies to retain their quality employees. These strategies may range from lucrative compensation packages to involving employees in every sphere of the functioning of the organization (Mak & Sockel, 2001).

## **2.7. Theoretical Framework**

Two factor theory propounded by Herzberg *et al.* (1959) is an important theory that explains what satisfies or dissatisfies employees and hence, serves as an important framework for employee retention. Herzberg *et al.* (1959) proposed a two-factor theory or the motivator-hygiene theory. According to this theory, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. Herzberg *et al.* (1959) classified these job factors into two categories:

### **2.7.1. Hygiene Factors**

Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent or if these factors are non-existent at workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. Hygiene factors are also called dissatisfiers as they are required to avoid dissatisfaction. These factors describe the job environment scenario. The hygiene factors symbolize the physiological needs which the individuals want and expect to be fulfilled. Pay or salary is the first and foremost hygiene factor. Pay structure

should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain. The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks and vacation. The employees should be offered health care plans, benefits for the family members and employee help programs. The physical working conditions should be safe, clean and hygienic. The work equipments should be updated and well-maintained. The employees' status within the organization should be familiar and retained. The relationship of the employee with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present. The organization must provide job security to the employees.

### **2.7.2. Motivator Factors**

According to Herzberg *et al.* (1959), the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolize the psychological needs that are perceived as an additional benefit.

Motivational factors include recognition, *i.e.*, the employees should be praised and recognized for their accomplishments by the managers. Also, the employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job. There must be growth and advancement opportunities in an organization to motivate the employees to perform well. The employees must hold themselves responsible for the

work. The managers should give them ownership of the work. They should minimize control but retain accountability. The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated.

This study adopted the Expectancy Theory of motivation by Vroom (1964) as it puts forth the premise that employees will put forth an amount of work and commitment equal to what they expect to receive in return. Employees hold the tendency to act in a certain way depending on the expectation that the act will be followed by a given outcome and on the degree to which the person desires that outcome. This theory was later developed by Lawler, 1994 & McKenna, 2000.

Vroom's theory is based on three aspects i.e. expectancy, instrumentality and valence. Expectancy represents an individual's belief that a particular degree of effort will be followed by particular level of performance. Instrumentality represents a person's belief that a particular outcome is contingent on accomplishing a specific level of performance. Valence represents our personal preferences in that most employees have a positive valence for receiving additional money and a negative valence towards stress or being made redundant.

Porter and Lawler (1968) developed an expectancy model of motivation that extended Vroom's work. The model attempted to link effort with performance and job satisfaction. Effort is viewed as a result of the perceived value of a reward and the perceived probability of the effort leading to a reward. It assists managers in understanding the cognitive thought processes of an individual at work and the way these influence individual behavior. By doing this, the manager is able influence performance through

the cognitive thought process of the individual (Porter & Lawler 1968; Lawler, 1994; Mullins, 1999). The effort exerted by an individual is dependent upon motivation (Porter & Lawler, 1968).

The Expectancy Theory in particular to this case will look at the employee's expectations which include a proper working environment provided Riley Services Limited versus the effort they put while performing their duties during a twelve hour shift that would result into them staying in the company.

## **2.8. Research Gaps**

Vroom's Expectancy Theory puts forth the premise that an employee will put forth an amount of work and commitment equal to what they expect to receive in return. Employees hold the tendency to act in a certain way depending on the expectation that the act will be followed by a given outcome and on the degree to which the person desires that outcome. Private security guards' effort in this case is the amount of time they invest in their jobs which go hand in hand with the employer's ability to provide them with a safe and conducive working environment aimed at retaining them. An employee's motivation to remain in the company is guided by the return they expect. The degree to which the employee desires the outcome of the effort they put in at work as stated in Vroom's theory is the research gap this study is going to establish. The theory does not indicate how to measure the degree to which the employee desires the outcome of the effort put in.



## **CHAPTER THREE: METHODOLOGY**

### **3.1. Overview**

This chapter explains how the study was conducted. It shows the arrangement of condition for collection and analysis of data in a manner that aimed to combine relevance to the research purpose with economy in procedures. It focused on the methodology involved in data collection, analysis and presentation. The chapter contains the Research Design, Target Population, Sample Design, Data Collection Instruments, Validation of the Data Collection Tools, Data Analysis and Presentation and the Ethical Issues.

### **3.2. Research Design**

The study used the Descriptive Survey approach in order to achieve its objectives. According to Polit and Hungler (1999), a survey is used to obtain information concerned

with the prevalence, the distribution, and/or the interrelationships between variables within these groups from groups of people. This design intended to portray an accurate profile of persons, events or situations. It further sought to establish factors associated with certain occurrences, outcomes, conditions or types of behavior. It helped to collect data from members of a population in order to determine the status of that population with respect to one or more variables. The choice of this design was based on the fact that it is versatile and very suitable for generalization. The researcher used structured questionnaires to collect data which was later analyzed in order to detect patterns of association and this is the reason why the use of survey research was appropriate for this case (Bryman, Alan & Bell, Emma, 2007). Survey research was aimed at providing accurate and factual information from the participants in this study in order to enable the researcher in analyzing working environment and employee retention in private security firms in Kenya. The questionnaires were issued out to both the uniformed and non uniformed staff. Quantitative research was used to analyze the data collected which was in form of numerals. Pearson's Chi-square test was used to analyze the data in order to determine the significant differences between the expected frequencies and the observed frequencies. Since the study sought to ascertain the relationship between working environment and employee retention, the study found it appropriate to use this method in testing if such relationship exists.

### **3.3. Target Population**

The study targeted 1,100 staff members from all the six branches of Riley Services Limited in Nairobi, Kisumu, Mombasa, Eldoret, Nakuru and Embu. The researcher used

stratified random sampling to obtain the sample size. The table below represents the target population.

**Table 3.1. Target Population**

<b>Categories</b>	<b>Target Population</b>	<b>Percentage</b>
Senior Managers	6	0.5%
Supervisors	12	1.1%
In-charges	25	2.3%
Guards	749	68.1%
Guardettes	308	28%
<b>Total</b>	<b>1,100</b>	<b>100%</b>

**Source:** Author, 2015

### **3.4. Sample Design**

Stratified random sampling was used in order to obtain the sample size. This was convenient as the organization structure had already categorized these employees in that order thus making it easier for the researcher to obtain the strata. A sample size of 110 employees was obtained from the population using simple random sampling from the strata that had already been created by the company. 110 employees represented 10% of the total population which according to Mugenda and Mugenda makes up a sample size. Each employee had a distinctive work number which easily identified the employee's gender, their branch, as well as their category i.e. whether he/she is an ordinary guard, a supervisor, guardette, and supervisor or from the senior management. The table below is a representation of the sample size extracted from the total population.

**Table 3.2. Sample Size**

<b>Categories</b>	<b>Target Population</b>	<b>Sample Size</b>	<b>Percentage</b>
Senior Management	6	2	1.8%
Supervisors	12	6	5.5%
In-charges	25	10	9.1%
Guards	749	65	59.1%
Guardettes	308	27	24.5%
<b>Total</b>	<b>1,100</b>	<b>110</b>	<b>100%</b>

**Source:** Author, 2015

The research was conducted in all the six branches of the company as indicated in table 3.3. below and as such, it was important to have the sample classified by branch in order to establish the number of people who would be represented per branch. Riley Services Limited has branches in six branches in Kenya and for this reason the researcher saw the need to have all the branches represented in the sample.

**Table 3.3. Sample size by Branch**

<b>Branch</b>	<b>Target Population</b>	<b>Sample Size</b>
Nairobi	540	54
Kisumu	232	23
Mombasa	201	20
Nakuru	63	7
Eldoret	43	4
Embu	21	2
<b>TOTAL</b>	<b>1,100</b>	<b>110</b>

**Source:** Author, 2015

In order to better understand the dynamics of this security firm, it was important to classify the sample size by category and branch. Category in this case is an indication of the job level of the sample i.e. whether they are part of the management or the uniformed staff. This gave the researcher a clear indication of how many people would participate in the research per branch and employee job group as shown in table 3.4. below. Considering that the security company's core business is the manned guards and guardettes, they made up the majority of the sample from each branch.

**Table 3.4. Sample size by Category & Branch**

<b>Category</b>	<b>Nairobi</b>	<b>Mombasa</b>	<b>Kisumu</b>	<b>Nakuru</b>	<b>Eldoret</b>	<b>Embu</b>	<b>TOTAL</b>
Senior Management	1	0	1	0	0	0	2
Supervisors	1	1	1	1	1	1	6
In-charges	3	2	3	1	1	0	10
Guards	37	14	10	2	1	1	65
Guardettes	12	6	5	3	1	0	27
<b>TOTAL</b>	<b>54</b>	<b>23</b>	<b>20</b>	<b>7</b>	<b>4</b>	<b>2</b>	<b>110</b>

**Source:** Author, 2015

### **3.5. Data Collection Instrument**

The researcher used questionnaires as primary data collection instruments. This is as a result of the fact that the respondents would feel free to share information about intimate and relevant matters concerning the subject under review. For the purpose of this study, primary data comprised of responses obtained through questionnaires administered to target respondents under study. Secondary data was selected as a source of data collection for this research to enable information to be obtained for literature review for the study.

The sources of secondary data for this research consisted mainly of information from published text books, employee retention and working environment journals, and other human resource publications. The questionnaires contained a series of structured questions which were related to the research work and directed to respondents with the aim of gaining first-hand information. The questionnaire consisted of both open ended and close-ended questions thus, in some cases, respondents were to choose the option that best reflected their opinions. Secondary data was also collected from academic journals and papers that featured articles on working environment and employee retention and a number of research works that had been published on the subject in the electronic media. The advantages associated with this method among other sources of data collection are that secondary data is readily available and is usually quite inexpensive, collecting secondary data and analyzing it saves time and effort and that secondary data is unobtrusive. It is easily available and the researcher can get it without much struggle. For the purpose of this study, primary data comprised of responses obtained through questionnaires administered to target respondents under study. In order for the researcher to gain a deeper understanding of the relationship between working environment and employee retention, the researcher administered the questionnaire to the respondents in their various assignments through their Branch Managers, Supervisors and In-charges. Once the responses were received, the questionnaires were checked for completeness, accuracy and uniformity. The researcher settled on the use of questionnaires as they were cost effective and easy to administer. The questionnaire afforded respondents much flexibility and privacy in answering the questions without any undue influence. The questionnaire was in simple and unambiguous language and as such, did not pose any

problem as regards interpretation. The respondents were also able to complete the questionnaires at their convenience and the respondent's responses were not influenced by the researcher.

### **3.6. Validation of the Data Collection Tools**

Validity concerns the soundness of inferences based on whether the scores measure what they are supposed to measure but also not measure what they are not supposed to measure (Thompson, 2003; Kline, 2005). It is concerned with the integrity of the conclusions that are generated from a piece of research. This study sought to ascertain how employee retention is being affected in the private security industry by poor working environment. The instrument used to collect data for this study was questionnaires. Before the actual questionnaires were submitted, the researcher issued out dummy questionnaires to a smaller group of six (6) uniformed staff in a smaller security firm in order to establish whether the instrument would actually pay off. The employees spent 10 – 15minutes to complete this exercise. The study demonstrated external validity by testing the hypothesis developed elsewhere to check for replication in Riley Services Limited situation. Confirmatory Factor Analysis was employed to establish whether the variables discerned in another private security firm applied in Riley Services Limited context.

Reliability measures whether the results of the study are repeatable i.e. the degree to which responses are consistent across the items within a single measure. This research used the following steps to establish reliability: Drawing from literature those items that have been tested for reliability by other research and adopt them as well as use of

Exploratory Factor Analysis to identify redundant items that weaken reliability and excluding them from construction of scales.

### **3.7. Data Analysis and Presentation**

The researcher upon receipt of the questionnaires from the respondents ensured that all the accurately filled questionnaires were selected and analyzed. Data was analyzed quantitatively using Pearson's Chi Square test and regression analysis since the researcher intended to understand the relationship between working environment and employee retention. By use of regression analysis, the researcher sought to understand how the typical value of the dependent variable changed when any one of the independent variables was varied. Pearson's Chi-square test was used to analyze the data in order to determine any significant differences between the expected frequencies and the observed frequencies. Thereafter, it was summarized and presented in the form of frequencies, percentages and bar graphs. Quantitative data was presented using simple bar charts, pie charts and bar graphs.

### **3.8. Ethical Issues**

The researcher upheld ethical standards in the course of the study. The researcher ensured that all the information given by the respondents would be treated with the highest level of confidentiality. The researcher obtained authorization from Moi University before beginning the research process. The management of Riley Services Limited and the heads of departments of the organization were also contacted formally before administering the questionnaires. The researcher also sought a research permit from the National Commission for Science, Technology and Innovation (NACOSTI), a government



institution tasked with issuing such permits. The questionnaire issued out did not provide individual names of respondents since that would provide the anonymity and privacy that was required. The researcher also assured the respondents that the information they provided would be treated with utmost confidentiality. While issuing the questionnaires, the researcher guided the respondents appropriately without trying to influence their responses. The questions were simple and clear and this was necessary so as to avoid misinterpretations as a result of ambiguity.

## **CHAPTER FOUR: DATA ANALYSIS, DISCUSSION, PRESENTATION & INTERPRETATION**

### **4.1. Introduction**

This chapter focused on data analysis, interpretation and presentation of the research findings in the forms of frequencies, percentages, pie and bar graphs. It entailed analyzing working environment and employee retention and discussing the findings in relation to the theory indicated in the literature review and the analyzing the results of the hypothesis testing. The researcher issued out 110 questionnaires and only 106 respondents were analyzed since the remaining four could not be analyzed as a result of being insufficient. Tables, charts and descriptive explanations have been employed to illustrate data collected from the field to make the research findings more meaningful. The response rate was at 96%. The results of the analysis of the background information were presented as in the table below. The researcher categorized the respondents in the form of gender as it was important to establish the gender composition of the employees in the security company. They were also categorized by age, the job type (Job Category), marital status and their roles in the company. The length of service in the company was a major characteristic of the respondents as the whole research was based on employee retention.

## 4.2. Analysis of the Background Information

**Table 4.1. Background information of the respondents (*N*=106)**

<b>Respondent Characteristics</b>	<b>No.(n)</b>	<b>Percentage (%) †</b>
<b>Gender</b>		
Male	91	85.8
Female	15	14.2
<b>Age categories in years</b>		
	Median=26; IQR=21-30	
<21 years	11	10.4
21-30 years	46	43.4
31-40 years	26	24.5
41-50 years	13	12.3
>51 years	10	9.4
<b>Job category</b>		
Senior management	4	3.8
In-charge	8	7.5
Supervisor	10	9.4
Guards	74	69.8
Guardettes	10	9.4
<b>Marital status</b>		
Married	46	43.4
Never married/single	50	47.2
Separated or widowed	10	9.4
<b>Length of services</b>		
	Median=2; IQR=1-4	
<1 years	36	34.0
1-4 years	31	29.2
4-9 years	26	24.5

10 and above years	13	12.3
<b>Roles</b>		
Guard manning	68/106	64.2
Escorting cash on transit	5/106	4.7
Back up response	12/106	11.3
Dog patrol	10/106	9.4
Supervision	6/106	5.7
Human resource	2/106	1.9
Operation management	3/106	2.8

**Abbreviations:** n- Number of respondents per category; † Column percentages

**Source:** Author, 2015

The above table represents the background of the employees the researcher collected data from. The respondents were between the age of 18 – 55 years (55 years being the legal retirement for security guards). Their roles were however varied putting into account that besides manned guarding, Riley Services Limited provided dog patrol and cash in transit.

The majority of the respondents, (91) were male while the rest of the 15 were female. This is because the private security industry is composed majorly of the male gender as compared to the females as clients prefer to have guards in their premises. The guardettes on the other hand were majorly requested for in public areas /premises such as malls where the client was required by law to ensure that everyone accessing the premises need to be searched and for that reason, ladies could only be searched by the guardettes. Over 70% of the respondents were manned guards/guardettes and that's because as a security company, the manned guards/guardettes are the income generating staff and thus comprise the majority of the workforce, they are the 'product/service' that the security firms offer their clients.

Over 65% of the respondents were between 21 to 40 years and were single. This was because the majority of those who were looking for security jobs were young men and

women from high school looking to begin their careers. Also some of them were individuals from other security firms who had applied for jobs in the company expecting better terms than they had from their previous employers. The respondents stated that the majority of the employees were majorly looking to upgrade their standards of living with others looking to pursue further studies with the income.

The longest serving employees in this company were 12.3% of the total respondents while the majority, i.e. 34% was those who had been in the company for less than one year which is an indication of high employee turnover. The respondents argued that the company had adopted a twelve months contract policy where employees were required to renew their employment contracts on a yearly basis making them have nothing to look forward to in terms of payment of service gratuity and thus wanting to keep searching for greener pastures. There was no form of loyalty from them to the company as they lacked any form of long term gain from the company even if they worked for a longer period of time. The company had further categorized some employees as permanent employees and those are those who had stayed in the company for over ten years. They consist of a very small percentage of the company employees and they were entitled to service gratuity whenever they chose to retire from the company.

Manned guarding being the major service offered by Riley Services Limited meant supported the 60% of the response rate whose role was manned guarding. The company also offered alarm response to compliment the manned guarding as well as dog patrol which was done by the dog handlers. The company however had not established enough to effectively run Cash in Transit (CIT) with only 5% of the roles being CIT.

### 4.2.1. Working Environment

The following is the responses of the respondents to how conducive their working environment was.

**Table 4.2. Working Environment**

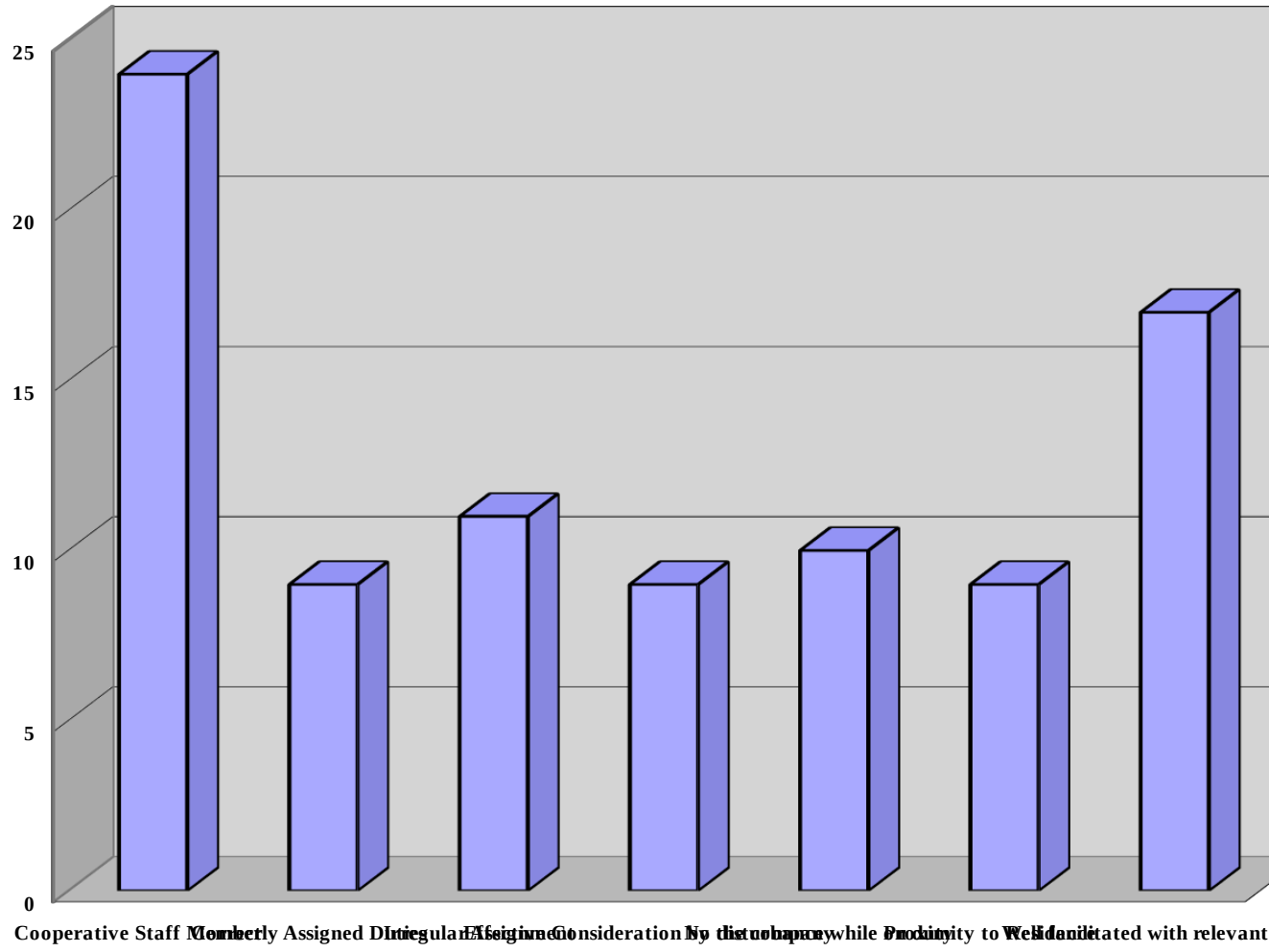
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	38	35.8	35.8	35.8
	No	68	64.2	64.2	100.0
	Total	106	100.0	100.0	

**Source: Author, 2015**

From Table 4.2. only 35.8% of the respondents felt that their working environment was conducive while the other 64.2% respondents were not happy. The satisfied respondents said that the office was very responsive to their welfare matters and that they felt that socially, their work environment was good. They further stated that the office staff was very cooperative and whenever they reported any work related problems to the office, they were always assisted. Some said that they had been provided with the complete equipment and uniforms to enable them to perform their duties.

The unsatisfied respondents on the other hand who made up the largest percentage cited issues of lack of proper and complete equipment and uniforms required in performing their job i.e. uniform, boots, baton and whistle. They further argued that the assignments where they had been assigned duties were very far from their residences and so they spent a lot of time and money commuting to their places of work. The guarding job was a twelve hour shift job from 6.00am to 6.00pm and vice versa meaning that they needed to leave their places of work really early in order to be at their assignments on time.

Leaving their places of work so late in the evening was also unsafe for them as most of the lived in very insecure neighborhoods. The assignments were also irregular since most of them were being moved from one client’s premises to another. This has been broken down further in the figure below:



**Figure 4.1 Reason for status of work environment**  
Source: Author, 2015

**4.2.2. Summary of Accidents in the past 12months**

The nature of security work exposes the employees to a lot of risks in form of accidents which occurred on a regular basis. The manned guards are the first entry into any premise

and for this reason, they are more susceptible to security risks. They are not as armed as the security personnel provided by the government as instead of a gun, they only have a baton and a whistle. The dog handlers risk being attacked by the service dogs as these dogs while the employees working in cash in transit risk being attacked by armed robbers whose aim is to steal the cash that is being transported to the bank.

Accidents vary from minor ones like slipping and falling to major ones like being bitten by the dogs they were handling to being hit by motor vehicles while proceeding to and from work or even being shot at by armed robbers. Some of these accidents result into serious consequences like incapacitation and sometimes death. Below is a table indicating a summary of accidents that were recorded within the company in a period of twelve months and the action taken by the company as a result.

**Table 4.3. Summary of Accidents**

Type of Accident	Respondents affected		No of Cases reported to the insurance	No of respondents compensated from the accident
	No	%age		
Slipped & fell while on duty	7	11	3	3
Hit by a gate while opening/closing	9	14	6	2
Bitten by company dog while handling	4	6	4	2
Attacked by armed robbers	19	29	11	7
Hit by motor vehicle while reporting to/from work	26	40	0	0
<b>TOTAL</b>	<b>65</b>	<b>100</b>	<b>24</b>	<b>14</b>

**Source:** Author, 2015



From the above summary, total of 65 accidents were recorded in the company in a period of just twelve months. Some of the accidents were minor while the majority was major. Out of the 65 accidents, only 24 of them had been reported to the insurance company. Out of the 24 reported cases 14 of them had been compensated by the Insurance Company to the complainants. 19 out of the 65 accidents recorded were those of attacks by armed robbers, a show of just how dangerous the security job is. It was also evident that the company was not reporting to the insurance company any accidents involving employees while they were outside their work premises. This was shown by the statistics indicating that none of the employees that had been hit by motor vehicles while reporting to and from work even though it made up 40% of the total accidents recorded.

The company only had the minimum insurance requirement of WIBA which took care of accidents happening while in line of duty. However, up to 40% of the employees were getting injured outside their work stations which in turn affected their work. This is because they were either reporting to work on foot or cycling to work and because of lack of clear traffic regulations for cyclists, they were ending up in accidents. It was also very important to note that some of these accidents were so serious that they resulted into the death. The respondents further argued that the compensation process was so slow that some of the employees did not feel the need to report their accidents to the management as they were afraid of not being compensated. The management however argued that the employees were not meeting their side of the bargain by failing to provide the employer with the required documents to aid the compensation for example, police abstracts, medical receipts, etc.

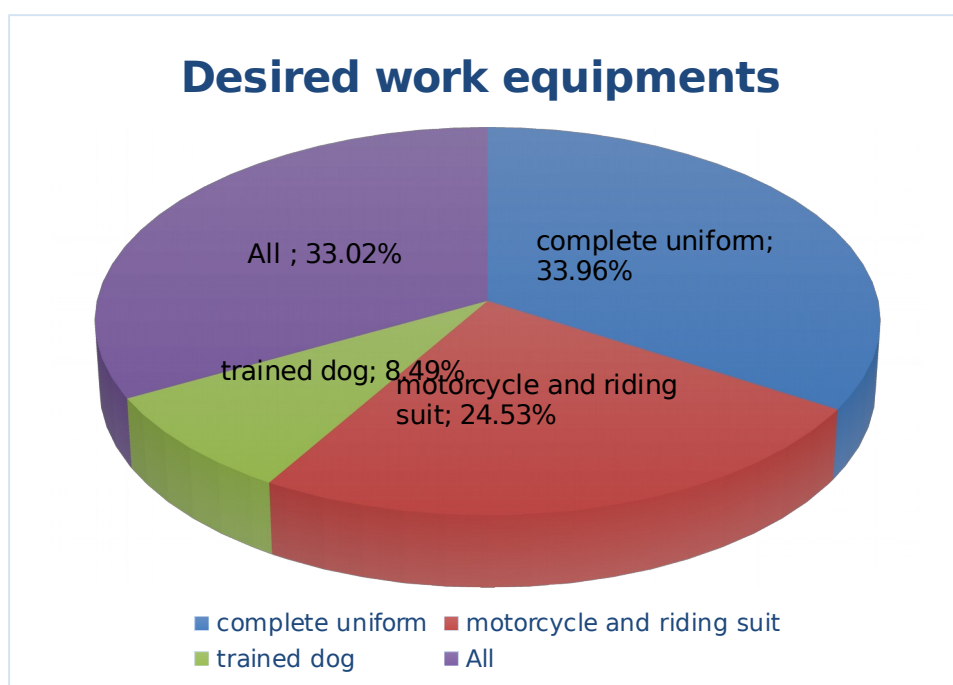
The law requires that an employer takes up insurance for all its employees as per the Work Injury Benefits Act. The employee is required to report to their employer an accident as soon as it happens in order for the matter to be reported to the insurance, providing all the necessary handwritten statement describing the incident, medical, police and other related documents. The employer is in return required to report the same to the insurance company as soon as possible and follow up the process with the Ministry of Labour and the Insurance Company until the compensation is done.

#### **4.2.3. Desired Working Equipment**

From the Figure below, 35 out of the 106 respondents agreed that they had been provided with all the necessary equipment to enable them to perform their duties effectively while 36 of them said they had full company uniform. This was an indication that the company had not done well in as far as provision of working equipment and uniforms were concerned. From the response rates, the unsatisfied lot from each category was less than 50%, an indication of dissatisfaction.

The respondents' argument was that they only received one pair of uniform and as such maintaining cleanliness was an issue. Also, as far as handing over and supervision was concerned, the unsatisfied lot said that there were times when the supervisors failed to show up in the assignments or they would only supervisor for one round during the day or night as opposed to the required minimum of two rounds. From all the indicators given, only 35% of the respondents were satisfied with all of them, a not so good response showing that the company needed to do more in as far as provision of work equipment were concerned.

As a private security personnel, the employer is required to fully kit the employee with the following items; a trouser, shirt, sweater, raincoat, baton, whistle, boots and a belt. The baton is required for restraining any unruly people while the whistle is used in emergency cases in order to warn people of danger. This complete kitting is a great motivator to an employee as it enables them to feel safe while at work. A dog handler requires a dog that is actually a weapon that he can unleash anytime he is threatened. For the cash in transit employees, they are protected by the armed police men who sit in the armored vehicle and in the chase car. However, their job is still very risky as they transport very large sums of money from the client's premises to the bank.



**Figure 4.2. Desired work equipment**

Source: Author, 2015

#### 4.2.4. Working Arrangement/Shift System

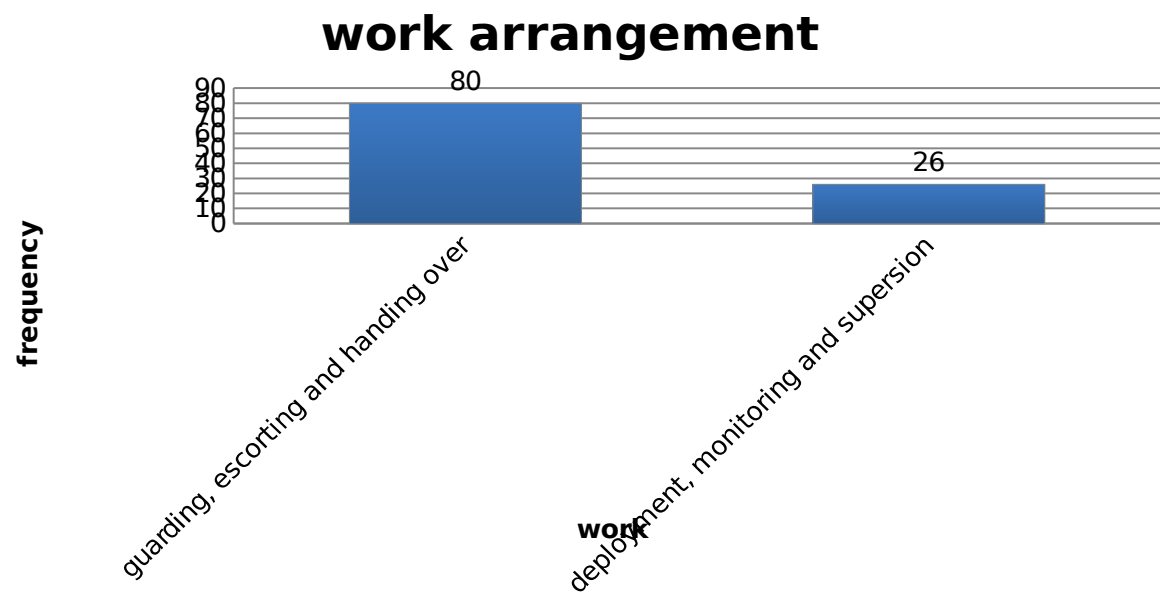
76% of the respondents as indicated in the figure below were satisfied with their current working arrangement of a twelve hour shift from 6.00am-6.00pm and vice versa. They

further indicated that they were satisfied with their guarding, cash in transit duties as well as handing over and taking over. However, 24% were not satisfied with the working arrangements because of the process of deployment as well as supervision.

They argued that even though they were working for more than the minimum lawful hours, they were not receiving overtime payment for the extra hours. They further indicated that some of them lacked regular relievers and as such, they would sometime work extra hours way above the twelve hours that they had signed up for. The normal working hours as per the Employment Act 2007 are eight (8) hours and anything above that is considered overtime.

The lack of relievers also resulted into them not proceeding on leave on time and sometimes not at all. The supervisors were also not completing the minimum two supervision rounds per shift and at times, they would not visit all the assignments as was needed. This therefore meant that the guards were not signing in and out the checklists and as such sometimes failing to receive money for days worked.

From our initial analysis of background information (Table 4.1), the majority of the staff was between 21-30years. Most of these people are just from high school seeking a career path and while they do so, they settle for jobs such as guarding. These employees also take up short courses in different colleges. The long working hours at times interfere with these arrangements coupled with the low salaries which barely enable them to register for serious academic courses.



**Figure 4.3. Working Arrangements**  
 Source: Author, 2015

**4.2.5. Work Life Balance**

**Table 4.4. Work life balance**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	53	50.0	50.0	50.0
Valid No	53	50.0	50.0	100.0
Total	106	100.0	100.0	
<b>Explain</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid friendly work schedule with enough time to rest and run extra errands'	53	50.0	50.0	50.0
Valid longer working hours	18	17.0	17.0	67.0
Valid no regular reliever	35	33.0	33.0	100.0
Total	106	100.0	100.0	

**Source:** Author, 2015

When asked about whether their working schedule allowed them to perform other duties apart from work, there was a tie in the response with 50% saying yes and the other 50% disagreeing. Those in agreement argued that the working schedule was friendly with enough rest time and time to run personal errands. That every year they were provided with one month paid leave which gave them reasonable time to visit their rural areas and undertake life projects. They also had one rest day every week which allowed them to rest as well and clean their uniforms and work equipment.

However, the disagreeing lot argued that the working hours were very long and sometimes, they lacked relievers resulting into them working more than the schedules 12hours. They further stated that some of them were part time students in different colleges and therefore, the working arrangements did not give them enough time to study as well as work. They added that argued that since most of them were living in slum areas, their safety was at stake considering that they were expected to report to work by 6.00am/pm depending on the shift that they were working. Most of them were walking to and from work and this therefore exposed them to being randomly attacked by robbers or those cycling bicycles being hit by motor vehicles.

#### 4.2.6. Salaries

**Table 4.5. Analysis of Salaries**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	43	40.6	40.6	40.6
No	63	59.4	59.4	100.0
Total	106	100.0	100.0	
<b>Why</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not equal to the work	46	43.4	43.4	43.4

Does not match what other security firms are paying above the minimum wage but not equal to work	17	16.0	16.0	59.4
Total	106	100.0	100.0	100.0

**Source:** Author, 2015

Salary was a very contentious matter considering that it was one of the major factors resulting into increased turnover. 16% of the respondents indicated that it did not match what other security firms in the same category were paying their staff. 40.6% agreed that their salaries were above the minimum wage even though it wasn't equal to the work they were performing. Overall, 59.4% of the respondents were dissatisfied with their current remunerations while 40.6% indicated that they were satisfied.

They were further dissatisfied with their salaries because it did not include overtime payment for the extra hours worked during the twelve hour shift. They said that their salaries were getting paid late and as such, they constantly ran into trouble with their landlords because of delayed rent payment. Those who were happy with their current salaries argued that it was higher than what other security firms were paying even though it wasn't the same as what other security firms of the same level was paying.

According to the Regulation of the Wages Order 2015, a day guard is entitled to a minimum monthly basic salary of Kshs. 10, 954.70 while a night guard is entitled to Kshs. 12,221.10, both with an additional 15% house allowance.

#### **4.2.7. Current Strategies for Employee Retention**

**Table 4.6. Analysis of strategies being used by the company to retain employees**

<b>Current Strategies applied</b>		
<b>Strategy</b>	<b>Satisfied</b>	<b>Not Satisfied</b>
Conducive work environment	77 (72.6)	29 (27.4)
Work life balance	18 (17)	88 (83.)
Competitive pay	26 (24.5)	80 (75.5)
Employee recognition	57 (53.8)	49 (46.2)
Career development	54 (50.9)	52 (49.1)
Health and safety	47 (44.3)	59 (55.7)

**Source:** Author, 2015

From the analysis above, the respondent's views on the strategies that the company was using to retain its employees. The majority of the staff members i.e. 77 respondents approved of the current working conditions with only 29 respondents recording dissatisfaction. 83% of the respondents said they were not satisfied with the work life balance arrangement. The working arrangements were not enabling them to perform other duties apart from work. That would probably be the reason why most of the respondents were single/never married.

76% of the respondents felt that their current salaries were not competitive enough in regards to what other security firms on the same level were paying. 57% felt that the company recognized their efforts while there was an almost close tie between the people who agreed that there was career growth in their kind of job and those that did not.

As far as health and safety was concerned, 55.7% of the respondents were dissatisfied with the health and safety arrangements made by the company. Ongori & Agolla (2009) asserts that lack of personal growth in organization results in career plateau which leads to increased employee intentions to leave. Prince (2005) advises that organizations should



support employees to make long-term commitment to them through increased training and development programs.

#### 4.2.8. Reasons for Leaving Current Employer

This table is an indication of the reasons why these employees would leave their current employer given an opportunity. It can be noted that 78 of the respondents said that they would leave their current employer because of low salary. The issue of salary was very thorny as the respondents argued that they were not receiving overtime payment even though they were working more than eight hours a day. Further to that, the salary they were receiving was not commensurate to the work being done, considering the danger and risk involved in their jobs. In addition to that, the salary was not being paid on time and as such, there wasn't any consistent date that they were told to expect their salaries in the bank. This therefore inconvenienced them a lot in terms of planning with the money. Only 34% would leave because of poor working conditions followed by 49.1% who would leave due to unfriendly working hours.

**Table 4.7. Analysis of why the respondents would leave their current employer**

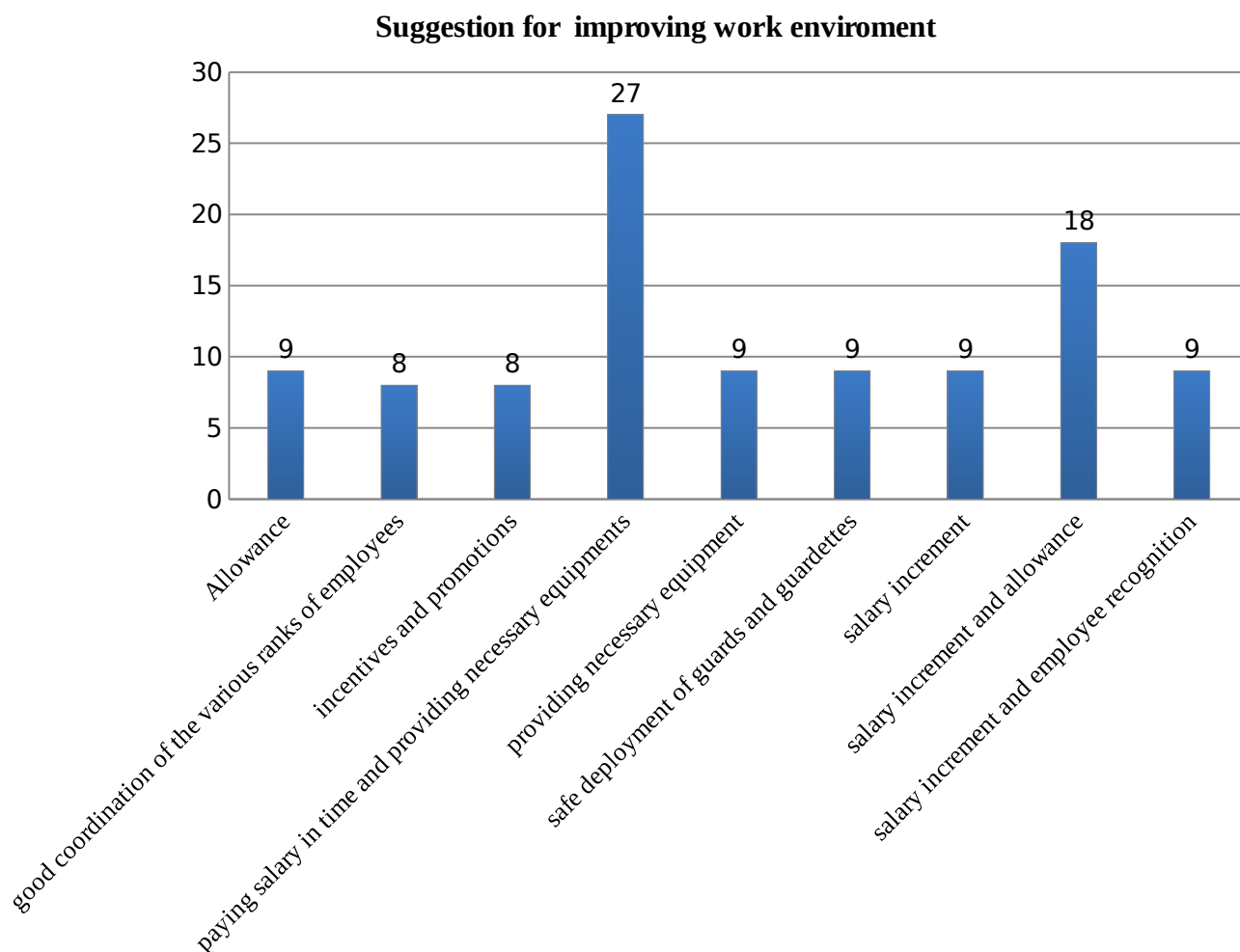
Reasons for leaving current employer		
Reason	Status	
	Yes	No
Low salary	78 (73.6)	28 (26.4)
Poor working conditions	36 (34)	70 (66)
Unfriendly working hours	52 (49.1)	54 (50.9)
Little career growth	56 (52.8)	50 (47.2)
Lack of employee recognition	62 (58.5)	44 (41.5)

**Source:** Author, 2015

#### 4.2.9. Improving Work Environment

The figure above indicates the respondents' suggestions regarding improving the working environment. The majority of them (26%) said the paying salaries on time and providing the necessary working equipment was the best way to have a better working environment. This would in turn reduce the inconveniences employees faced when salaries were delayed, giving them a peace of mind as well as ensuring that they were well protected while on duty when they have the necessary equipment required in performing their duties. This group was followed by those (18%) who advocated for an increase of their current salaries and allowances.

The respondents suggested that the management pay them the overtime worked since they were working a twelve hour shift without overtime even though the working hours by law was at eight hours a day. The rest of the respondents ranging between 8% - 9% suggested an increase in their allowance, incentives and promotions, great coordination of the various ranks of employees and proper deployment of the security guards to their various assignments.



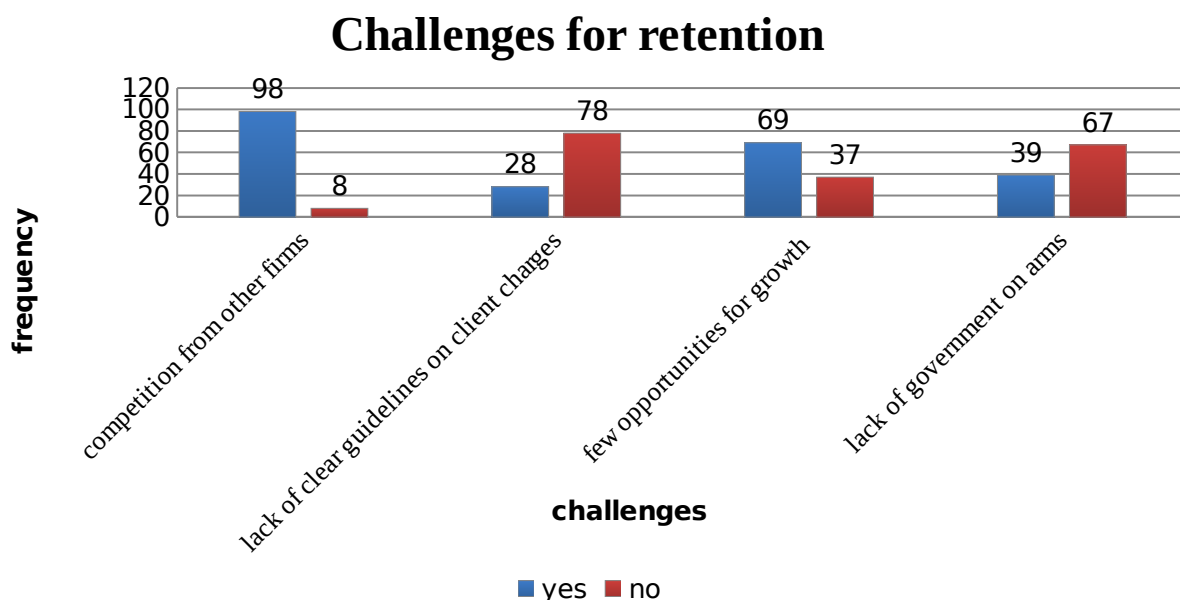
**Figure 4.4. Strategies on how to improve the working environment**  
**Source:** Author, 2015

#### 4.2.10. Challenges in Staff Retention

Regarding the challenges the company was facing in regards to employee retention, 98 of the respondents said it was competition from other security firms. Because of the rising number of security firms, competition had become very tight leading to employees moving from one security firm to another in search of the employer with the best offer. 78 respondents attributed staff retention to lack of clear guidelines on client charges. This

has left some security firms charging amounts that are not able to sustain the company well enough to pay employees the minimum wage.

69 respondents alluded that few opportunities for growth was one of the biggest challenges. Apart from the In-charge and Supervisor positions, guards felt that there were limited career growth opportunities since these positions did not require too many people. The other 67 pointed out that the government's reluctance in arming private security guards was a challenge considering the dangers the private security guards are exposed to in the process of performing duties. This is in addition to the fact that they perform almost the same jobs as that of the armed security personnel.



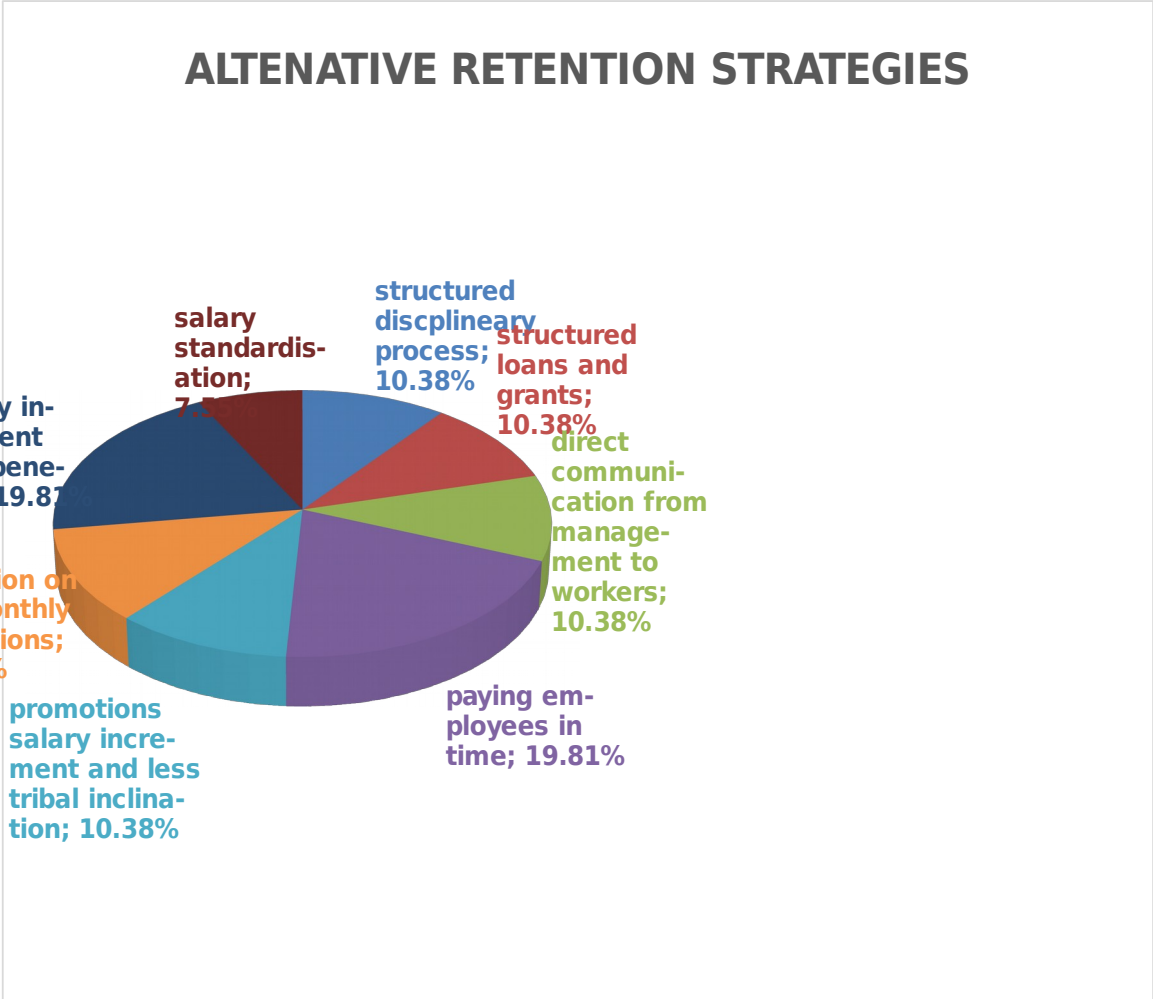
**Figure 4.5. Analysis of Challenges in Retention**

Source: Author, 2015

### 4.3. Strategies for Employee Retention

From the responses regarding other alternative strategies to retain the employees, 20% of the respondents suggested salary increment as well as payment of employees on time. The least percentage of the respondents (8%) suggested salary standardization. This is because, according to the respondents, different salaries were being paid to different employees due to a range of reasons such as; their length of services in the company, their duties and responsibilities and as such, standardizing salaries would not be ideal. They however recommended that employee on the same level be paid the same salary in order to reduce discontent arising out of these differences.

Other strategies for employee retention suggested by the respondents were structured disciplinary procedures (11%), structured loans to the employees by the employer (10%), direct communication by the management with the employees (10%), promotions and salary increment less inclined to an employee's tribe as well as reduction in deductions from employee's salaries.



**Figure 4.6. Analysis of strategies for employee retention**

Source: Author, 2015

**4.4. Inferential Statistics**

The above presentations indicate how the results were described. Data was further subjected to statistical analysis to test the correlation levels of the various parameters of the study to find out any significant relationship among them. Observations were made regarding the linear relationships that existed among the variables of the study. The data interpretation using correlation and regression was explained as below.

**4.4.1. Pearson Correlation Analysis**

Table 4.8. Analysis of Pearson Correlation

Pearson Correlation							
	Employee Retention	Conducive Environment	Work Life Balance	Competitive Pay	Employee Recognition	Career Development	Health & Safety
<b>Employee Retention</b> Pearson Correlation p value	1						
<b>Conducive environment</b> Pearson Correlation p value	-.053 .588	1					
<b>Work life balance</b> Pearson Correlation p value	.036 .716	.052 .596	1				
<b>Competitive pay</b> Pearson Correlation p value	.154 .115	-.044 .657	.268** .006	1			

<b>Employee recognition</b>							
Pearson Correlation	.072	.237*	.167	.221*	1		
p value	.461	<b>.014</b>	.086	<b>.023</b>			
<b>Career development</b>							
Pearson Correlation	-.073	-.010	-.009	.384**	.453**	1	
p value	.456	.922	.931	<b>.000</b>	<b>.000</b>		
<b>Health &amp; Safety</b>							
Pearson Correlation	.036	.207*	.203*	.330**	.142	.078	1
p value	.713	<b>.033</b>	<b>.037</b>	<b>.001</b>	.147	.426	
*. Correlation is significant at the 0.05 level (2-tailed).							
**. Correlation is significant at the 0.01 level (2-tailed).							

**Source:** Author, 2015

All the factors were positively correlated with retention except conducive environment and career development which were negatively correlated. The Pearson Correlation for retention with conducive environment, work life balance, competitive pay, employee recognition, career development, health and safety were -0.053, 0.036, 0.154, 0.072, -0.073 and 0.036 respectively (p value > 0.05). There was contrasting p (value) for retention or turnover against all the factors of the study. However, it is very clear from the p-values computed that there is a very high level of significance between the factors under study and employee retention.



The Null hypothesis sought to test whether there is no relationship between employee retention and working environment. The aspects of working environment being tested were work life balance, competitive pay, employee recognition career development and health & safety. The p-values are contrasting as indicated above. However, most of the p-values are lower than 0.05 which is a measure of how weak the evidence against the null hypothesis is. From that analysis, it is safe to say that there is a relationship between employee retention and working environment. There is a statistical significance between the observed and the expected data.

#### 4.4.1.1. Work Life Balance and Job Satisfaction

Tables 4.9. Determining Work-life Balance & Job Satisfaction: Chi-square

	Employee status		Chi square		
	Retention	Turnover	$\chi^2$	df	p value
Work life balance N=106*					
satisfied (n=18)	8 (44.4)	10 (55.6)	1.35	1	0.713
not satisfied (n=88)	35 (39.8)	53 (60.2)			

Abbreviations: n, total number of respondents; \*row percentages;  $\chi^2$ ; chi square, df= degree of freedom and p value,

fisher exact applied.

**Source:** Author, 2015

From the Chi-Square analysis above, the p-value of 0.713 is an indication that work life balance and job satisfaction are interdependent. Only a few employees indicated satisfaction with the work life balance arrangements and because of high rate of dissatisfaction, turnover rate was great. The shift arrangement was found to be inconveniencing to some of the employees who wanted to pursue further studies as they could not register for evening classes that began at 5.00pm. Also, lack of regular

relievers meant that some of the employees could not proceed on the required one rest day per week, resulting into extreme exhaustion.

**Table 5.0. Determining Work-life Balance & Job Satisfaction**

<b>Pearson Correlation</b>		
	Work life balance	Job satisfaction
<b>Work life balance</b>		
Pearson Correlation	1	
p value		
<b>Job satisfaction</b>		
Pearson Correlation	.036	1
p value	.716.	

**Source:** Author, 2015

#### 4.4.1.2. Competitive Pay

**Table 5.1. Competitive Pay**

	<b>Employee statue</b>		Chi square		
	Retention	Turnover	$\chi^2$	df	p value
<b>competitive pay N=106*</b>					
satisfied (n=26)	14 (53.8)	12 (46.2)	2.520	1	0.112
not satisfied (n=80)	29 (36.2)	51 (63.8)			

Abbreviations: n, total number of respondents; \*row percentages;  $\chi^2$ ; chi square, df= degree of freedom and p value,

fisher exact applied.

**Source:** Author, 2015

A p-value of 0.112 shows the dependent relationship between competitive pay and employee retention. Low pay or pay that is not comparative within the industry and not

commensurate with the job has an impact on employee retention. Low salaries have an impact of an employee's quality of life and standard of living. Failure to meet the basic needs will push the employee to move to another company offering better pay. Because of stiff competition amongst employers in the same industry, it is important that an employer offers a salary that others in the same industry are offering as an employee will move to a competitor for as long as they are offering better salaries.

#### 4.4.1.3. Employee Health & Safety and Retention

A p-value of 0.710 shows a highly dependent relationship between health & safety and employee retention. The overall health of an employee will determine the length of service of the employee in the company. Constant accidents while on duty or while to and from work results into increased cases of absenteeism leading to poor service delivery. Also, employees will stay longer with an employer who cares about their general wellbeing and especially in as far as insurance coverage and compensation is concerned.

**Table 5.2. Employee Health & Safety and Retention**

	Employee status		Chi square		
	Retention	Turnover	$\chi^2$	df	p value
<b>Health and Safety N=106*</b>					
satisfied (n=47)	20 (42.6)	27 (57.4)	1.38	1	0.710
not satisfied (n=59)	23 (39.0)	36 (61.0)			

Abbreviations: n, total number of respondents; \*row percentages;  $\chi^2$ ; chi square, df= degree of freedom and p value, fisher exact applied.

**Source:** Author, 2015

As portrayed in table 4.8, it is noted that the rating of employee retention was statistically significant ( $x^2=1.35$ ,  $df=1$ ,  $p=0.713$ ) in relation to the respondent's

satisfaction to work life balance. In table 4.9, the rating of employee retention was statistically significant ( $\chi^2=2.52$ ,  $df=1$  and  $p=0.112$ ) in relation to the respondent's satisfaction to competitive pay and career development. Table 5.0 also indicates the statistical significance of employee retention ( $\chi^2=1.38$ ,  $df=1$  and  $p=0.71$ ) to the respondents satisfaction to health and safety. The p-values of all the factors under study were above 0.05, meaning, there is a strong relationship between working environment and employee retention. Employee retention actually depends a lot on working environment, meaning that poor working environment would lead to increased turnover and vice versa. Employees will stay longer in with an employer who cares about their general well being as opposed to one who doesn't.

#### **4.5. Gaps in the Current Retention Strategies**

From the research conducted and the data analyzed, the researcher discovered that the company was having a hard time in retaining its employees. Figure 4.5. illustrates the challenges which range from competition from other firms, to lack of clear guidelines for employers on what amount to charge the clients as this impacted greatly on the salaries employees were receiving. Also, few growth opportunities for the guards and lack of government commitment to arm the private security guards as they were being exposed to almost the same amount of danger as the government security personnel.

The Table below represents the level of satisfaction of employees with the current retention strategies being used by the company:

**Table 5.3. Retention strategies being used by the company to retain employees**

<b>Retention Strategy</b>	<b>Satisfied</b>	<b>Not Satisfied</b>
---------------------------	------------------	----------------------

	No	%age	No	%age
Provision of Uniforms & Equipment	47	44.3	59	55.7
Competitive pay	31	29.2	75	70.8
Timely & Consistent Payment of Salaries	60	56.6	46	43.4
Employee Recognition	35	33	71	67
Career Growth Opportunities	23	21.7	83	78.3
Compensation from insurance in cases of accidents	41	38.7	65	61.3

**Source: Author, 2015**

The current retention strategies being used by the company were unsatisfactory to the employees. In as much as the employees were receiving their salaries at the end of the month, 70.8% of the respondents said that the salaries were not competitive enough, that they were not equal to what other security firms in the same level were paying. Overtime was not being paid for the extra hours worked after the lawful 8hour mark. Employees were provided with company uniforms but not all of them received these complete uniforms and equipment. The company was providing its staff members with the necessary uniforms and equipment. However, 55.7% said they were not sufficient as there were those who lacked batons, whistle, sweaters and raincoats during the rainy season.

78.3% of the respondents were not satisfied with the career growth opportunities in the country and that's because most of the appointments for higher cadre jobs like Zone Managers were being done from outside the organization. There were employees who had the prerequisite experience and education qualifications but had not been considered for higher positions. 67% of the employees felt that their efforts were not being

recognized especially after exemplary performance in their duties. The other 35% argued that the company had made efforts to recognize their performance by giving them tokens of appreciation especially after being seconded by the clients. That there had been instances where clients had been happy with their performance and written to their employee on the same and as such, they had been awarded with certificates as well as financial appreciation.

#### **4.6. Suggestions on Filling the Retention Gaps**

From the gaps illustrated above, this research was able to establish the following ways to fill in the gaps:

First, matters health and safety was a huge issue as employee reckoned that they were not being compensated when they got accidents while in the line of duty. They further stated that most of their accidents were encountered outside the work stations and this meant that they could not report to work and were also not being paid while away. As a result, they suggested that the company takes up a second 24 hours insurance cover aside from the WIBA cover that would ensure that they were covered even when they were outside their work stations. They were ready to pay for the second insurance since they were very many and as such, the monthly premiums would be manageable.

They further suggested that the company allows them join Kenya National Private Security Worker's Union (KNPSWU). This would enable them to have representatives in the form of shop stewards in disciplinary cases in order to avoid any victimization by the management. The employees understood that joining the Union required that they paid a

monthly membership fee which they were okay with. Also, having the employee representatives in the management meeting would allow for the employees to channel their grievances to the management and as such find the recognition that they desired.

Due to the nature of the job and the danger employees were exposed to, revising the training manual for the employees to include subjects like terrorism, detecting bombs and self defense techniques was also suggested. This would equip employees with the required knowledge and skills required for their jobs and help them feel safe while performing their duties.

There were employees who had the desire to further their education but could not because of insufficient funds. As such, the suggested that the company offers them subsidized company loans to enable them afford the school fees. This would keep them in the company as they finish paying up their loans as well as acquire more knowledge in school to aid them perform their jobs better.

## **CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

### **5.1. Overview**

This chapter represents the summary of the findings, the conclusions and recommendations made.

### **5.2. Summary of the Findings**

Employees were categorized in terms of their gender and it was discovered that over 80% of the respondents were male. They were further categorized on the basis of their job category with 96% of them being uniformed staff working as guards/guardettes, supervisor and In-charges. The private security companies are made up mostly of employees of the male gender because of the nature of the job which favors mostly the men.

The first objective was to examine how competitive pay and career development contribute to staff turnover. The researcher found out that competitive pay and career development actually had an effect on employee turnover. The researcher also discovered that the company was actually offering the employees a fair salary even though both were not satisfactory, that the current career development opportunities were not good enough to enable the employees to remain within the company. The employees perceived that the current pay and the career development opportunities available in the company were not satisfactory. Salaries were not commensurate with the work being done and the payment was done very late resulting into severe inconveniences for them.

The second objective was to evaluate the role of employee health and safety in retention. From the analysis, the level of satisfaction amongst the employees with the health and safety strategies used by the company to retain employees was effective even though not at par. The second largest number of respondents agreed that they were being provided with the necessary equipment and that their working environment was conducive.

The third objective was to determine the relationship between work life balance and employee job satisfaction. Half of the respondents agreed that their current working



arrangements allowed them time to perform other duties while the other half disagreed. That providing them with a regular reliever would allow them to proceed on their well deserved off and as such rest enough to be able to be productive during their shifts. Without a regular reliever, most of the guards ended up working a twelve hour shift for more than two weeks straight resulting into exhaustion and this would contribute to them leaving the company.

From the responses received, it was evident that the salary issue was a major concern, i.e. the salary being paid was not commensurate with the work that was being done. It was also revealed that apart from low salaries, the money wasn't being paid on time. There were irregularities with the payment period and this kept the employees guessing on when exactly their salaries would receive their salaries thus forcing some of them to begin looking for greener pastures. The company was training and deploying guards to different client's premises. However, some of the respondents said that the assignments where they had been assigned duties were very far from their residences. As such, they had to spend a huge amount of their salaries on transportation. Also because of the distance between their residences and their assignments, it was very risky commuting to and from their residences.

The Pearson Correlation for employee retention with conducive working environment, work life balance, competitive pay, employee recognition, career development and Health & Safety were at -0.053, 0.036, 0.154, 0.072, -0.073 and 0.036 respectively. However, there was contrasting p (value) for retention against all the factors under study indicating statistical significance between others but not all.

### **5.3. Conclusion**

The purpose of the study was to establish the relationship between working environment and employee retention in the private security industry in Kenya. Review of literature provided a strong evidence of the relationship between the study variables. Empirical review showed that in order for organizations to do a better work in retaining employees they should understand the environmental factors that motivate employees to stay and to facilitate measures in keeping valuable employees because of the huge cost associated with employee turnover. The study used a sample population of one hundred and ten employees, constituting 10% of the target population.

The study found that working environment significantly affects employee retention in Riley Services Limited. From the results received from the respondents, it is safe to say that the private security industry plays a major role in enhancing security in this country. With the continued rise in crime rate, the government will definitely need the support of the private security sector. As such it is imperative the private security industry come up with the best ways to attract and retain the much needed staff. Working environment plays a very important role in employee retention. It was also noted that several aspects of employee working environment such as competitive pay, work life balance, employee recognition, employee health and safety and employee recognition affect retention.

The results also concluded that having a great salary is an important retention factor, however, it is not all the time that employees leave the company due to low salary but also because of aspects such as lack of proper work equipments, employee recognition and career development opportunities. Even though the job performed by the guards is risky and almost the same as that of the government security and thus would require

someone to be armed, this research is a clear indication that employees in the private security industry do not see the need of being provided with firearms.

Employees hold the tendency to act in a certain way depending on the expectation that the act will be followed by a given outcome and on the degree to which the person desires that outcome. The results from this study indicate that working environment directly influences employee retention. In relation to the Expectancy Theory, the employees' effort or willingness to remain in the company directly depends on what the company is offering them in terms of conducive working environment, career growth opportunities, work life balance and competitive pay.

Through this research we have seen various ways over and practices used across industries in improving employee retention and commitment. For any organizations to survive in today's ever increasing competition where employee poaching is on the rise, it is very important to retain their best employees and keep them committed towards the organization by ensuring that theory working environment is conducive.

The results of the hypothesis testing indicated that there is a statistical significance between the observed data and the expected data. There is a huge relationship between employee retention and working environment. Several aspects of the working environment have a direct impact on employee retention since when they lack, there is increased employee turnover.

#### **5.4. Recommendations**

This study sought to analyze how working environment affected employee retention. Therefore, it is recommended that the management of Riley Services Limited should as

much as possible provide attractive work environment for employees to boost their decisions to stay with the organization. Moreover, it was identified that career growth opportunities, provision of proper working equipment, competitive salaries and a proper work life balance system as strong signals for retention. Consequently, it is recommended that management of the organization recognizes the industry's union as it offers them a bargaining power in terms of salary negotiations. Findings from the analysis of the data received from the respondents indicate the concerns of the employees in terms of low salaries, poor working conditions, unfriendly working hours, little career growth and lack of employee recognition.

In view of the above, the researcher made the following recommendations:

- a. There is need for Riley Services Limited to recognize that as the standards of living have gone up and as such adjust salaries keeping in mind the standards or atleast adhere to the minimum wage amount issued by the government in regards to salaries. This would enable the employees to meet their basic needs as well and strive to improve their academic education. In addition to that, employee salaries should be paid on time and consistently every month in order for the employees to properly plan their expenses. The Union plays a critical role in championing the rights of employees. It is therefore important that the private security companies recognize the trade unions the guards join in order for them to have a proper bargaining agreements which would aid improving the working environment and thus employee retention.
- b. Riley Services Limited should also create more career growth opportunities by making an effort to elevate the guards to higher positions for example to In-

charges or moving them to different departments e.g. moving guards from manned guarding to Cash in Transit section as Bank Marshals or to the back-up/alarm section as Crew Commanders. This would create a sense of recognition among employees and give them hope of changing jobs and having more responsibilities. Instead of employing Zone Managers and senior Supervisors from outside the company, the company should consider promoting the guards who have higher levels of education and experience.

- c. Even though quite a number of staff reckon that they have been issued with proper uniforms to enable them perform their duties, the researcher recommends that these employees be issued with a second pair of uniforms in order to enable them to remain clean/neat while on duty. Additionally, the company should work on a replacement strategy whereby the employees are issued with new uniforms as soon as the once they have wear off, without being charged afresh. This should be done periodically, probably after two years.
- d. It is also important for the company to sensitize employees on matters health and safety and how to handle accidents occurring while they are on duty. Even though the company has adhered to the Work Injury Benefits Act (WIBA) regulations, the researcher recommends that the company takes out a second 24hours insurance cover for the employees for accidents happening inside and outside their work stations. This is because the respondents reckoned that most of the accidents happening to them were when they were off duty and while proceeding to and from duty, which was not covered by WIBA. The company could share the cost of this second insurance with the employees. This would create in them the confidence that their employer had their back in case of accidents. Constantly

following up on insurance cases with the insurance company in order for the employees to be properly compensated is also recommended. This is because most of the cases reported to the insurance are not compensated because there isn't a committed person to make a follow up. Having a medical cover for the staff would also be appropriate in order for the employees to adequately treat themselves when they fall sick. As a matter of fact, some of the employees even agreed to share the cost of this cover with the company.

- e. There is no doubt that PSCs play a significant role in filling the gap left by state security services, but there is an urgent need for the regulation of the industry and better coordination between the various security agencies in Kenya. The President recently signed into law Private Security Service Bill that would aid in monitoring the activities of PSCs to mitigate their potential threat to national security. The objective of the Act is to provide a framework for regulation of private security services industry in accordance with the values and principles set out in the Constitution. The Law calls for proper registration of all private security companies, proper training of the security personnel and proper remuneration for all private security guards. The Private Security Companies should therefore ensure that they comply with the regulations provided for in the Act in order to better run the firms.

It is important to note that there are no fixed practices in retaining employees and keeping them from exiting the organization because employers lay different emphasis on different variables depending on what suits their organization best. Hiring employees is just the beginning to creating a strong committed work force. The real task is finding the right

strategy to retain them. Based on our research, organizations must conduct “stay” and “exit” interviews to understand as to why employees chose to leave the organization. This information will help in understanding the reasons why employees leave the organization.

Organizations must strengthen their employee-retention strategies. Employers must try and encourage and ask their managers to be more involved in the communication process. Managers should spend considerable time in training employees, motivate good performers move to new positions up the hierarchical ladder and motivate poor performers to work better. Employers must do smart hiring i.e. hiring selectively from the beginning by keeping in mind factors like diligence, attitude, integrity, academic qualification, skills and experience.

Employers must try and recognize the need for employee’s personal time off. Giving employee the time to keep his/her personal life in place is also very important for employee retention. Treating every employee equally and fairly in something employers must always keep in mind because for employees it is very important that their organization treats everyone the same way without any bias

### **5.5. Suggestion for Further Research**

Based on the findings of this study, the researcher noted that there was need for further research on money as a factor on retention since it s one of the huge factors as to why employees leave the company.

The study again recommends that future studies should be directed towards investigating how variables like organizational commitment can influence employee retention and to expand the scope to cover other international private security companies like G4S and

Wells Fargo. It is also recommended that future research studies be conducted on a larger scale in order to allow for more generalization of the findings.

Further, an in-depth study into how structured the guards' training and equipping is recommended. A review of the training curriculum with a view of having a centralized curriculum, for all private security service providers under close scrutiny of the government is strongly recommended. This is because there currently doesn't exist any standard training manual for all staff and each private security company has its own. With the ever fluid and dynamic security situations unfolding the world over and in Kenya particularly, guard training needs to follow suit to remain relevant. A guard is the first line of defense for any client whether corporate, institution or residence and as such should be equipped appropriately in order to first, defend him/herself and second , defend the client. This calls for a deeper relook into this aspect of guarding in the context of the ever changing security challenges globally and to which Kenya is not immune.

Lastly, it is recommended that a similar study be undertaken in all the other security agencies in the country as security is not limited to guarding industry alone. Working conditions prevail across the entire spectrum of guarding agencies hence this recommendation.



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## **Appendix I: LETTER OF INTRODUCTION**

Wamonje Ann  
Moi University  
**Eldoret**

Dear Respondent,

**RE: EMPLOYEE RETENTION THROUGH WORKING ENVIRONMENT  
IN PRIVATE SECURITY INDUSTRY IN KENYA**

I am a final year student of Moi University, Nairobi Campus, School of Human Resource Development conducting a research on enhancing employee retention through working

environment in the private security industry in Kenya, specifically at Riley Services Limited.

The questionnaire is aimed at deriving information that will help in the analysis of the concept of working environment and employee retention.

In the sample selected randomly, you are one of the respondents in the study. Your honest response will be helpful for this study and your participation too will be highly appreciated.

All the information provided is specifically intended for academic purpose only and will be treated with utmost confidentiality. The complete questionnaire may be sent back using the following address: Ann Wamonje, P. O. Box 5676, 00506, Nairobi or [annwamonje@yahoo.com](mailto:annwamonje@yahoo.com).

Thank you in advance.

Yours faithfully,

Ann Wamonje  
(Researcher)

## **Appendix II: QUESTIONNAIRE**

Answer all the questions in this questionnaire that are applicable in your organization either by ticking the box or filling the blank spaces provided below:

### Section One: Background Information

<b>Name of Organization</b>	
<b>Department</b>	
<b>Gender</b>	Male <input type="checkbox"/> Female <input type="checkbox"/>
<b>Branch</b>	
<b>Category</b>	Senior Management <input type="checkbox"/> In-charge <input type="checkbox"/> Guardette <input type="checkbox"/> Supervisor <input type="checkbox"/> Guard <input type="checkbox"/>
<b>Age</b>	Below 21yrs <input type="checkbox"/> 31-40 yrs <input type="checkbox"/> Above 50 yrs <input type="checkbox"/> 21 – 30 yrs <input type="checkbox"/> 41 – 50yrs <input type="checkbox"/>
<b>Marital status</b>	Married <input type="checkbox"/> Single <input type="checkbox"/> Divorced <input type="checkbox"/>
<b>Length of Service</b>	Less than 12months <input type="checkbox"/> 1 – 4yrs <input type="checkbox"/> 4 – 9 yrs <input type="checkbox"/> 10yrs and above <input type="checkbox"/>

### Section Two: Working Environment and Employee Retention

- a. From the table below, kindly tick the box that indicate your roles in the company (tick the appropriate box).

<b>ROLE</b>	
Manned guarding	
Cash in transit	
Back up response	
Dog patrol	
Supervision	
People management	
Managing the company's oepartions	
Others (specify)	

b. Do you feel that your current working environment is conducive?

Yes  No

Kindly explain your answer

.....  
 .....  
 .....  
 .....

c. What equipment below should you be provided with in order for you to effectively perform your duties safely and why?

	Senior Manager	Supervisor	In-charge	Guard	Guardette
Shirt/Trouser/Belt					
Sweater					
Raincoat					
Baton					
Motorcycle & riding suit					
Boots					
Trained dog					
Whistle					
Others(specify)					

d. In the last 12 months, have you had any accident while on duty or outside your work station?

Yes  No

e. Kindly tick the table below as is appropriate

Nature of the Accident	Was it reported to the Insurance?		Have you been compensated?	
	Yes	No	Yes	No
Slipped and fell while on duty				
Hit by a gate while opening/closing				
Bitten by a dog while handling				
Attacked by armed robbers				
Hit by vehicle while reporting to/from duty				

f. How many hours do you work every day?

8hours  12hours  Others

g. Considering your working hours, what activities are you involved in after work?

.....

.....

.....

.....

h. Would a change in the working hours contribute to you staying longer in the  
 company?

Yes  No

i. Are you satisfied with the current salary you are receiving from your employer?  
 Yes  No

Tick the appropriate box if your answer is “No”

<b>REASON FOR DISSATISFACTION</b>	
Not equal to the work	<input type="checkbox"/>
Does not match what other security firms are paying	<input type="checkbox"/>
Below the minimum wage	<input type="checkbox"/>
Not enough to pay for basic commodities	<input type="checkbox"/>

j. What are the reasons why you would leave your current employer? (Tick the appropriate box)

<b>REASON</b>	
Low salary	<input type="checkbox"/>
Poor working condition	<input type="checkbox"/>
Inflexible working hours	<input type="checkbox"/>
Little career growth opportunities	<input type="checkbox"/>
Lack of employee recognition	<input type="checkbox"/>
Others (specify)	<input type="checkbox"/>



k. Rate the following strategies currently being used by Riley Services Limited to retain employees (2-Satisfactory, 1-Not Satisfactory)?

<b>Impact</b>	<b>2</b>	<b>1</b>
Provision of Uniforms & Equipment		
Timely & Consistent Payment of Salaries		
Competitive Pay		
Employee Recognition		
Career Growth Opportunities		
Compensation from insurance in cases of accidents		

l. What are the gaps in the current retention strategies being used by the company?

.....

.....

.....

.....

m. What are some of the ways you think your employer can improve your current working environment and thus enhance employee retention? Tick as Appropriate

<b>Strategy</b>	
Allow Employees to join the Union	
Provide employees with subsidized education loans	
Revise the training curriculum	
Register employees to a 24hours insurance cover	

n. What challenges do you think Riley Services limited is facing in a bid to retain its staff?

<b>CHALLENGE</b>	
Competition from other security firms	

Lack of clear government guidelines on how much to charge clients for security services	
Lack of many opportunities in the industry for career growth	
Lack of support from the government in terms of arming the manned guards	
Others (specify)	

*Thank you for your participation.*

### **Appendix III: REQUEST FOR RESEARCH PERMIT**



**MOI UNIVERSITY  
SCHOOL OF HUMAN RESOURCE DEVELOPMENT  
DEPARTMENT OF DEVELOPMENT STUDIES**

Tel: (053) 43153  
Fax: (053) 43153

P.O Box 63056-00200  
NAIROBI  
KENYA

MU/NRB/SHRD/SA/01

12<sup>th</sup> June 2015

National Commission for Science, Technology and Innovation  
Utalii House  
**NAIROBI**

Dear Sir/Madam,

**RE: REQUEST FOR RESEARCH PERMIT  
ANN WAMONJE – SHRD/PGD/035/12**

This is to confirm that the above named is a bonafide postgraduate student of Moi University, School of Human Resource Development, Department of Development Studies. The student is pursuing a Master of Science in Development Studies offered at Nairobi campus.

The student successfully defended her proposal and is due to proceed for her research data collection.

The research Title is – **“Working environment and employee retention in Private security industry in Kenya – A case of Riley Services Limited.”**

The student is in the process of obtaining a research permit to enable her visit the identified research centers. The University shall highly appreciate any assistance accorded to her.

Yours faithfully,  
  
 GACHEWA  
 DEPARTMENT OF DEVELOPMENT STUDIES  
 NAIROBI CAMPUS

## Appendix IV: RESEARCH AUTHORIZATION



### NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,  
2241349, 310571, 2219420  
Fax: +254-20-318245, 318249  
Email: secretary@nacosti.go.ke  
Website: www.nacosti.go.ke  
When replying please quote

9<sup>th</sup> Floor, Utalii House  
Uhuru Highway  
P.O. Box 30623-00100  
NAIROBI-KENYA

Ref: No.

Date:

**19<sup>th</sup> August, 2015**

**NACOSTI/P/15/3513/6789**


Ann Awino Wamonje  
Moi University  
P.O. Box 3900-30100  
**ELDORET.**

#### **RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on "*Working environment and employee retention in private security industry in Kenya – A case of Riley Services Limited,*" I am pleased to inform you that you have been authorized to undertake research in **selected Counties** for a period ending **11<sup>th</sup> December, 2015.**

You are advised to report to **the Managing Director, Riley Services Limited, the County Commissioners and the County Directors of Education of the selected Counties** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

  
**SAID HUSSEIN**  
**FOR: DIRECTOR-GENERAL/CEO**

Copy to:

The Managing Director  
Riley Services Limited.

The County Commissioners  
Selected Counties.



## Appendix V: RESEARCH PERMIT

**THIS IS TO CERTIFY THAT:**  
**MISS. ANN AWINO WAMONJE**  
**of MOI UNIVERSITY, 0-506 NAIROBI, has**  
**been permitted to conduct research in**  
**Embu , Kisumu , Mombasa , Nairobi,**  
**Nakuru Counties**

**on the topic: WORKING ENVIRONMENT**  
**AND EMPLOYEE RETENTION IN PRIVATE**  
**SECURITY INDUSTRY IN KENYA - A CASE**  
**OF RILEY SERVICES LIMITED**

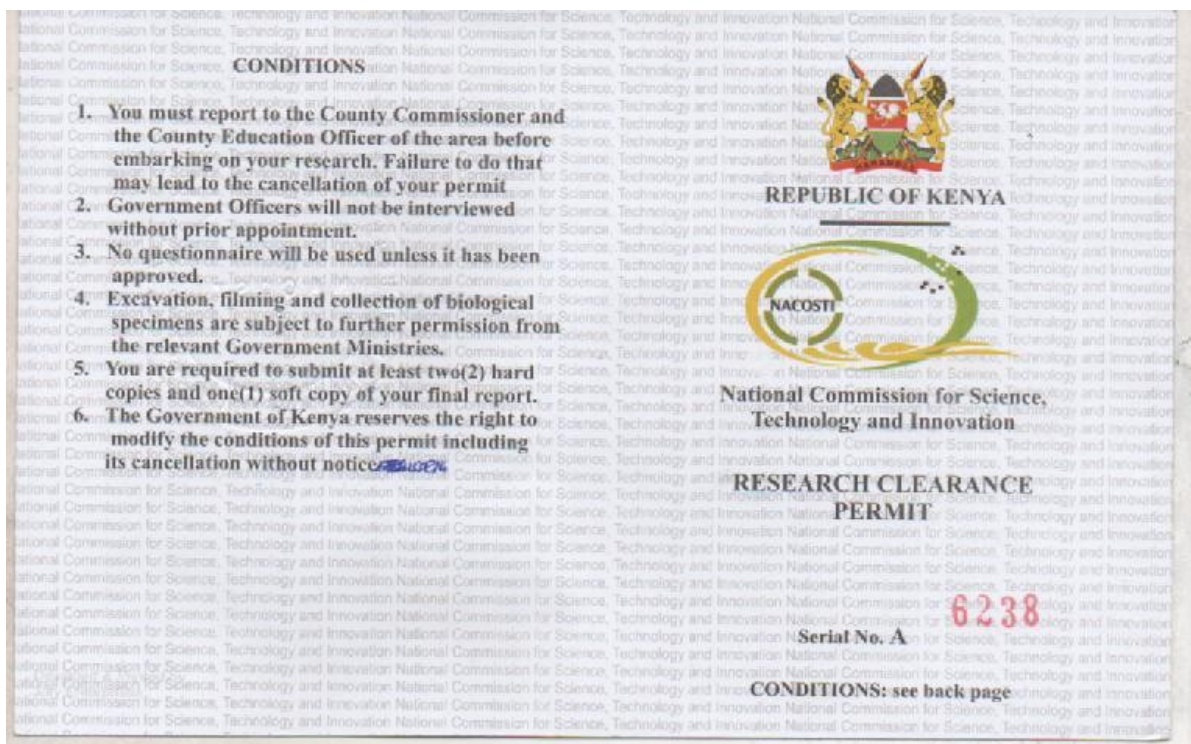
**for the period ending:**  
**11th December, 2015**

.....  
**Applicant's**  
**Signature**

**Permit No : NACOSTI/P/15/3513/6789**  
**Date Of Issue : 19th August, 2015**  
**Fee Received :Ksh 1,000**



**Director General**  
**National Commission for Science,**  
**Technology & Innovation**



## Appendix VI: REQUEST TO CONDUCT RESEARCH

Ann Wamonje  
 P. O. Box 5676, 00506,  
 NAIROBI

25<sup>th</sup> August, 2015

The Human Resource Officer,  
 Riley Services Limited,  
 P. O. BOX 56152, 00200,  
 NAIROBI

Dear Sir/Madam,



**RE: REQUEST TO CONDUCT RESEARCH IN YOUR COMPANY**

I refer to the above subject matter and write to request for permission to conduct an academic research in your organization.

I am a MSc. Human Resource Development student at Moi University, Nairobi campus looking to conduct a research on employee retention through working environment in private security industry in Kenya.

The findings from this study will enable the general public to better understand the role played by private security firms in enhancing security, enable private security firms acknowledge the relationship between working environment and employee retention and come up with recommendations on how to improve these working environments. This research will also add knowledge to the academic community and stimulate further research in this area.

Kindly take note that my research will be purely academic and all the data gathered from this research will not be used for any other business.

I am looking forward to hearing from you.

Yours faithfully,

ANN WAMONJE

REG.NO. SHRD/PGD/035/12

**Appendix VII: LETTER OF ACCEPTANCE TO CONDUCT  
RESEARCH AT RILEY SERVICES LIMITED**



37 Masaba Road Off Bunyala Road, Lower Hill  
 P.O. Box 56152-00200 Nairobi  
 Tel: 0722 716581 / 0733 617817 / 0753 888121  
 0720 016 689 / 0720 016650 / 0737 210936  
 020 2518908 / 020 2518907 / 020 2518906  
 Email: Info@riley.co.ke / Website: www.rileyservices.co.ke

Our Ref: RSL/HR/RD/08/07/15

7th August, 2015

REG.NO. SHRD/PGD/035/12

Ms. Ann Wamonje,  
 P. O. Box 5676, 00506,  
 NAIROBI

Dear Madam,

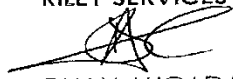
**RE: REQUEST TO CONDUCT RESEARCH IN YOUR COMPANY**

We refer to your letter dated 25<sup>th</sup> June, 2015 on the above subject matter and wish to inform you that your request has been granted.

We further wish to emphasize to you that the information you gather from your research in our company must remain confidential and purely of academic use only.

Thank you for choosing to conduct research in our company and we wish you well in your academic endeavors.

Yours faithfully,  
**RILEY SERVICES LIMITED**

  
 DIANA LUGADA  
**HUMAN RESOURCE OFFICER**

Member of:



INTERNATIONAL PROFESSIONAL  
 SECURITY ASSOCIATION



KENYA SECURITY  
 INDUSTRY ASSOCIATION  
 TAKING CARE

