INVESTIGATION ON LABOUR RETENTION STRATEGIES ADOPTED BY PARASTATALS IN KENYA
(A CASE STUDY OF KENYA PORTS AUTHORITY)

BY
OKETCH EZEKIEL OMONDI

D53/13075/09

A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF BUSINESS ADMINISTRATION IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MASTERS OF BUSINESS ADMINISTRATION (HRM OPTION).

KENYATTA UNIVERSITY

MAY-2012
DECLARATION

This research project is my original work and has not been submitted for examination in any other University.

Signature __________________________ Date ____________

OKETCH EZEKIEL OMONDI

D53/13075/2009

This research project has been submitted for examination with my approval as the University Supervisors.

MISS. ANN MUCHEMI
Signature __________________________ Date ____________
Department Of Business Administration

MR. SHADRACK BETT
Signature __________________________ Date ____________
Department Of Business Administration

CHAIRMAN, BUSINESS ADMINISTRATION DEPARTMENT
Signature __________________________ Date ____________

MR. SHADRACK BETT
DEDICATION

This work is specifically dedicated to my late father Mr. Zedekiah Oketch Akal for believing in me and my mother Mary Oketch for her numerous support, patience and encouragement. I also dedicate it to my brothers, Samson, Naphtali, Festus and Jeremiah and my sister Janet.

Lastly but not least I wish to commend the numerous contributions of Mr. Aggrey Asewe and the entire family, to you I say thank you.
ACKNOWLEDGEMENT

I acknowledge the continuous grace of the Almighty God He bestowed upon me during this period of study.

Secondly, this work was made possible through the relentless support of my supervisors and lecturers, Mr. Shadrack Bet and Miss. Ann Muchemi, thank you very much. My sincere gratitude is also extended to other Human Resource Management Lecturers such as Dr. Gorrety. A. Ofafa, Dr. Mary Namusonge Mr. Wambua, Mr. Obere, Mr. Mungai and Mr. Nzulwa for their invaluable guidance and lectures. I would also like to recognize the eminent contribution of my classmates and friends; Imbiru Clapperton, Mogire Kepher, Luiza, Celine, Kahuria, Nelson, Lucy and Wambua Patrick for offering a hand of support in writing the research proposal, I say thank you.

Lastly but not least, I thank Miss Janet Iraguna, Miss Eva Wasonga and Mr. Christoffer Skjoldelev for their prayers and moral support.
ABSTRACT

The increasing massive exodus of employees in Kenyan parastatals either to private limited companies or other avenues of employment has of recent raised a major concern to many organizations. This movement in and out the organizations is what is referred to as labour turnover. It is worth stating that human resources are the most valuable resources in an organization. Obtaining and maintaining productive manpower is critical to the success of every organization. One of the most fundamental functions of the human resource department is to retain employees whose performance meets the goals of the organization and to improve on the employees whose performance is unsatisfactory. Controlling the rate at which employees leave organizations is a major strategic challenge for practically many employers in Kenya. The aim of this study therefore was to investigate the labour retention strategies adopted by parastatals in Kenya, specifically covering Kenya Ports Authority. In respect to this, key factor influencing labour movement trends such as training, compensation (remuneration), employee engagement, quality leadership and management and work life balance were looked into. The study had both policy and academic significance. The research findings are expected to assist human resource practitioners, policy makers and other relevant decision makers to establish mechanisms which helped control labour turnover. Scholars may also benefit from the study since they are in a position to use the findings to expand other areas of research. The target population comprised of both the management officials and subordinate officials totaling to 500. To accurately represent the entire population in KPA, probability sampling technique and specifically stratified random sampling was adopted. Furthermore the selection of the sample from each category was done using simple random sampling. A descriptive research design was used. The researcher used questionnaires as the main data collection instrument with which he personally administered. Completed instruments were assembled, edited, coded and interpreted in relation to the research objectives. Data analysis was done using descriptive statistics for quantitative data. On the other hand tables, charts and graphs were used to analyze qualitative data. With the study targeting 150 respondents, 105 questionnaires were returned amounting to a satisfactory 70% of whom a slight majority (58.095%) were male with the other 41.905% being female respondents. The study also found out that KPA had employed a relatively younger and mature labour force with majority being between 31-35 years old. The findings also indicated that majority of the employees had worked between 11-15 years an indication that the company had adopted excellent strategies of keeping employees. Out of the investigated labour retention strategies remuneration was considered the most influential factor. However other factors were considered vital too. Despite the company having adopted a clear training policy, training was not considered a primary motivator. On the other hand the response rate indicated that the employees were satisfied with the leadership and management of KPA. Furthermore, it was observed that the company did not fully engage the employees in decision-making processes though they did allow the employees to attend to their immediate family responsibilities (work-life balance). All in all remuneration remained the most vital labour retention strategy.
# TABLE OF CONTENTS

DECLARATION ................................................................. ii
DEDICATION ................................................................. iii
ACKNOWLEDGEMENT ....................................................... iv
ABSTRACT ........................................................................ v
TABLE OF CONTENT ....................................................... vi
LIST OF TABLES ............................................................ ix
LIST OF FIGURES ........................................................... x
LIST OF ABBREVIATION AND ACRONYMS ...................... xi
DEFINITION OF TERMS .................................................... xii

**CHAPTER ONE** .................................................................. 1
**INTRODUCTION** .......................................................... 1
1.0 Introduction .................................................................. 1
1.1 Background of the study .............................................. 1
1.1.1 Background of Parastatals in Kenya ......................... 3
1.1.2 Background of Kenya Ports Authority ....................... 4
1.2 Statement of the Problem ............................................ 5
1.3 General Objectives of the Study ................................... 6
1.4 Specific Objectives of the Study ................................. 6
1.5 Research Questions .................................................... 7
1.6 Significance of the Study ............................................ 7
1.6.1 Human Resource Managers .................................. 7
1.6.2 Employees .......................................................... 7
1.6.3 Scholars ............................................................. 7
1.6.4 Researcher .......................................................... 8
1.7 Limitations of the Study ............................................. 8
1.7.1 Suspicion from the Respondents ............................. 8
1.7.2 Financial Limitation ............................................. 8
1.7.3 Time Limitation .................................................. 8
1.8 Scope of the Study ..................................................... 9
1.9 Summary of the chapter ............................................ 9

**CHAPTER TWO** ................................................................ 10
**LITERATURE REVIEW** ................................................ 10
2.0 Introduction ............................................................. 10
2.1 The Concept of Labour Retention ............................... 10
2.1.1 Other Related Concepts ...................................... 11
2.1.1.1 Labour Turnover ........................................... 11
2.1.1.2 Job Satisfaction ............................................ 12
## LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Pg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 2.1</td>
<td>Elbert’s Analysis of Variables of Human Needs</td>
<td>22</td>
</tr>
<tr>
<td>Table 3.1</td>
<td>Target population</td>
<td>40</td>
</tr>
<tr>
<td>Table 3.2</td>
<td>Sample Design</td>
<td>41</td>
</tr>
<tr>
<td>Table 4.1</td>
<td>Response Rate Table</td>
<td>44</td>
</tr>
<tr>
<td>Table 4.2</td>
<td>Composition Of Respondents</td>
<td>45</td>
</tr>
<tr>
<td>Table 4.3</td>
<td>Age Distribution of Respondents</td>
<td>46</td>
</tr>
<tr>
<td>Table 4.4</td>
<td>Distribution of Respondents by Education Levels</td>
<td>47</td>
</tr>
<tr>
<td>Table 4.5</td>
<td>Marital Status of Respondents</td>
<td>48</td>
</tr>
<tr>
<td>Table 4.6</td>
<td>Service Period of Respondents</td>
<td>49</td>
</tr>
<tr>
<td>Table 4.7</td>
<td>Job Satisfaction Rates</td>
<td>51</td>
</tr>
<tr>
<td>Table 4.8</td>
<td>Assessing Training and Development as a Retention Strategy</td>
<td>56</td>
</tr>
<tr>
<td>Table 4.9</td>
<td>Assessing Remuneration as a Retention Strategy</td>
<td>59</td>
</tr>
<tr>
<td>Table 4.10</td>
<td>Assessing Quality Leadership and Management as a Retention Strategy</td>
<td>61</td>
</tr>
<tr>
<td>Table 4.11</td>
<td>Assessing Employee Engagement as a Retention Strategy</td>
<td>63</td>
</tr>
<tr>
<td>Table 4.12</td>
<td>Assessing Work-Life Balance as a Retention Strategy</td>
<td>66</td>
</tr>
<tr>
<td>Table 4.13</td>
<td>Level of Importance of each Retention Strategy</td>
<td>67</td>
</tr>
</tbody>
</table>
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 2.1</td>
<td>Herzberg's Two Factor Theory</td>
<td>18</td>
</tr>
<tr>
<td>Figure 2.2</td>
<td>Maslow's Theory of Hierarchy of Needs</td>
<td>20</td>
</tr>
<tr>
<td>Figure 2.3</td>
<td>The Equity Theory</td>
<td>24</td>
</tr>
<tr>
<td>Figure 2.4</td>
<td>Conceptual Framework</td>
<td>39</td>
</tr>
<tr>
<td>Figure 4.1</td>
<td>Composition of Respondents</td>
<td>45</td>
</tr>
<tr>
<td>Figure 4.2</td>
<td>Age Distribution of Respondents</td>
<td>46</td>
</tr>
<tr>
<td>Figure 4.3</td>
<td>Education Level of Respondents</td>
<td>48</td>
</tr>
<tr>
<td>Figure 4.4</td>
<td>Marital Status of Respondents</td>
<td>49</td>
</tr>
<tr>
<td>Figure 4.5</td>
<td>Service Period of Respondents</td>
<td>50</td>
</tr>
<tr>
<td>Figure 4.6</td>
<td>Job Satisfaction Rates</td>
<td>52</td>
</tr>
<tr>
<td>Figure 4.7</td>
<td>KPA's Address on Labour Retention</td>
<td>53</td>
</tr>
<tr>
<td>Figure 4.8</td>
<td>Factors Considered Influencing Labour Retention</td>
<td>54</td>
</tr>
<tr>
<td>Figure 4.9</td>
<td>Results Of Adopting Labour Retention Strategies</td>
<td>55</td>
</tr>
<tr>
<td>Figure 4.10</td>
<td>Training as a Primary Labour Retention Strategy</td>
<td>57</td>
</tr>
<tr>
<td>Figure 4.11</td>
<td>The Influence of Remuneration as a Labour Retention Strategy</td>
<td>58</td>
</tr>
<tr>
<td>Figure 4.12</td>
<td>Quality Leadership and management as a determinant of Employee Retention in KPA</td>
<td>60</td>
</tr>
<tr>
<td>Figure 4.13</td>
<td>The Influence of Employee Engagement on Labour Retention in KPA</td>
<td>63</td>
</tr>
<tr>
<td>Figure 4.14</td>
<td>Response on whether the Jobs are flexible to allow you to attend to family Roles</td>
<td>65</td>
</tr>
<tr>
<td>Figure 4.15</td>
<td>Level of Importance of each investigated Labour Retention Strategy</td>
<td>68</td>
</tr>
</tbody>
</table>
**LIST OF ABBREVIATIONS AND ACRONYMS**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CIPD</td>
<td>Chartered Institute of Personnel Development</td>
</tr>
<tr>
<td>DPM</td>
<td>Directorate of Personnel Management</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resource</td>
</tr>
<tr>
<td>HRM</td>
<td>Human Resource Management</td>
</tr>
<tr>
<td>IDS</td>
<td>Independent Directed Studies</td>
</tr>
<tr>
<td>IMA</td>
<td>Institute of Management and Administration</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>KPA</td>
<td>Kenya Ports Authority</td>
</tr>
<tr>
<td>NGO’s</td>
<td>Non Governmental Organizations</td>
</tr>
<tr>
<td>SHRM</td>
<td>Society of Human Resource Management</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
</tbody>
</table>
DEFINITION OF TERMS

Career development: This is the ongoing professional growth that an employee achieves as a result of learning new skills thus gaining experience to improve in service at work.

Employee involvement: Refers to creating a work environment in which workers are able to contribute to the continuous improvement and ongoing success of their work organization.

Employee motivation: This is level of energy, commitment and creativity that an organization exerts to boost the morale of the workers to increase productivity.

Employee retention: Refers to the systematic efforts made by employers to create and foster an environment that encourage employees to remain working for them by having policies and practices that address their needs.

Job satisfaction: Refers to the extent to which employees are contented with where they work, normally established by the employees’ positive and negative feelings towards the work.

Leadership style: Refers to the manner or approach in which a leader interacts with the subordinates in order to achieve organizational goals.

Organizational Integration: This refers to how affably different departments of an organization work together in a tightly coordinated yet unique manner to achieve organizational goals.

Remuneration: Refers to the reward for employment in the form of pay, salary or wage, including allowances, benefits (such as company car, medical plan, and pension plan), bonus, cash incentives and monetary value of the noncash incentives.

Stability Index: This refers to the extent to which an organization retains its experienced workforce.
CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter consists of the introduction of the study on an investigation on labour retention strategies adopted by parastatals in Kenya and specifically covers employees of Kenya Ports Authority. It also covers the background of the study, the background of KPA, statement of the problem, objectives, research questions, significance of the study, scope of the study and the limitation of the study.

1.1 Background of the Study

Recruitment and selection of qualified employees as a fundamental human resource practice is always geared towards equipping the organization with appropriate labour force. However, whereas this practice is vital, how to retain these valuable employees should not be overlooked. Rappaport et al. (2003) indicates that organizations that fail to retain their high performing employees risk being left with understaffed and less qualified workforces that ultimately hinder their ability to remain competitive. According to Torrington (1987) labour retention becomes an important item on the HRM agenda when organizations are experiencing shortage of skilled personnel. With the employers experiencing labour retention difficulties having increased from 69% to 78%, CEOs’ must take responsibility for their own employee retention. If they don’t they could be left without good employees (Annual Survey Report, 2007).

Overtime a number of issues have been directly linked to the employees’ decision to either remain or quit an organization. According to Mobley et al. (1979), issues ranging from job change, age, tenure, overall satisfaction, job content, intentions to remains on the job and commitment are all negatively related to labour turnover, (In other words the higher the variable, the lower the turnover). Griffeth et al. (2000) asserts in his findings that job satisfaction, organizational commitment, comparison of alternatives and intention to quit are prime causes of labour turnover. Moreover job satisfaction trends tend to hamper labour market behavior and influence the organizational productivity, as a result it is viewed as a strong determinant of intentions or decision made by an employee to leave employment, (Diaz Serrano and Cabral...
McKeown’s (2002) reckons that the practice of labour retention comes along with the critical concern of costs of employee turnover which include hiring costs and productivity costs. The costs associated with turnover may include lost customers and damaged morale. Furthermore, there are hard costs spent in screening, verifying credentials, references, interviews, hiring and training the new staff. Kaye et al. (1999) argues that the cost of replacing lost talent is 70% to 200% of that employee’s salary. There are advertising and recruitment expenses, orientation and training of the new employees which decrease productivity. Until the new employee is up to speed the loss of customers who were loyal to the departing employee will still be felt. This therefore means that finding, recruiting, training and retaining the best employees represent a major investment. In this case once a company has captured talented labour force, the return-on-investment requires closing the backdoor to prevent them from walking away (Torrington, Hall and Taylor, 7th Edition 1987). According to Torrington et al., retention strategies such as training and development, pay, family friendly human resource practices, improving quality leadership and management, employee induction and managing employee expectations should be adopted.

Labour turnover often rises when the economy is strong and jobs are plentiful because there are more opportunities for people to change employers. Conversely during recession labour turnover tend to decline because relatively few attractive permanent positions are advertised (Gregg and Wadsworth, 1999). However according to Boxall et al. (2003), motivation for one to change a job is multidimensional and therefore one factor cannot explain. In this case organizations can only try to the best of their ability to retain their workforce. This study therefore focused on labour retention because it is the only way an organization can avoid loosing its employees to rival organizations.

With the rapid expansion of the private sector along with its lucrative package many employees including those working in parastatals are often lured to change employment. This leaves parastatals with a task of how to retain their valuable employees in the competitive market place. Given the amount of time employees devote to an organization, they should be happy in their workplace (Nguyen et al, 2003). Organizations must therefore endeavor to establish an environment in which both organizational needs and personal needs are met. Good human resource practices such as attractive salaries, favourable working conditions, good industrial
relation among others must be employed to motivate the workers (Furnam 1992). Furthermore the organization’s success in optimizing the performance of the employees by establishing essential processes for establishing accountability and in making good hiring choices would retain employees in their workplaces (Basta and Johnson, 1989).

1.1.1 Background of Parastatals in Kenya

Parastatals are state owned enterprises that are managed and run by the government. It is a body that is defined by a statute, established by an act of parliament or a bank or any other financial institution or company whose shares or a majority of shares are owned by the government or by another state corporation (State Corporations Act, Cap.446, 1987). Parastatals in Kenya were first established by the colonial government to provide essential services to the white settlers. The participation of indigenous Africans in economic activities such as trade was generally introduced following independence in 1963. The government of that time devised strategies to achieve these goals that were considered imperative for development; a fast overall economic growth rate and equitable distribution of development benefits (Sessional Paper No. 10, 1965).

Under Section 3 of the Corporations Act, the president (Head of state) may establish a state corporation to perform the functions that are specified in the order. The government of Kenya is obliged to form parastatals to meet both commercial and social goals. Furthermore today parastatals account for 15% of the wage employment in the public sector, an impression that shows that a large number of employees comprise this labour force taken by these state corporations. However with competition mounting from NGO’s as well as other private firms for highly skilled man power and qualified personnel, parastatals are left to ponder on how to successfully retain their labour force. A concerted effort to keep retention on tight leash is therefore a vital action to be taken. How retention levels leads to fewer operational problems, greater productivity and soaring morale and huge cost saving to parastatals in Kenya should be a major focus. Previously, state corporations accepted the “revolving door policy” as part of their operations and were quick to fulfill a vacant job with another eager candidate. However the trends have changed and now these parastatals find themselves spending considerable time, effort and money to adopt retention strategies to avoid loosing their labourforce to other organizations.
1.1.2 Background of Kenya Ports Authority

Kenya Port Authority (KPA) is a parastatal with the sole responsibility of maintaining, operating, improving and regulating all scheduled sea ports on the Indian Ocean Coastline of Kenya including principally Kilindini harbor at Mombasa. Other KPA ports include; Lamu, Malindi, Kilifi, Mtwapa.Kiunga, Shimoni, Funzi and Vanga. The parastatal was established in 1978 through an act of parliament. However in 1989, the then Kenyan government brought together the operation and regulation of existing ferry services located in Likoni, Mombasa into one subsidiary of KPA, Kenya Ferry Services. The subsidiary was later devolved to the status of an independent Kenya State Corporation in 1998.

The Port of Mombasa dates back 2000 years or so due to the presence of the old harbor which catered for dhow trade at the old port on the north side of Mombasa Island. The old port that is next to Fort Jesus was built by the Portuguese navigator Vasco da Gama during the famous spice trade between the Arabic Gulf the east coast of Africa the Indian subcontinent and the Far East when navigators were looking for a new route to the Far East. The coming of the Arabs and the Europeans increased trade in the East African Coast. The decision by the British to open up hinterland by building the Uganda Railways in 1896 to 1901 increased activities at old port. In recognition to the growing importance of the port, both in terms of commercial and military terms, port development began with lighter waves and proceeding upstream from 1926 to 1958 with deep water general cargo berths along the North Western shores of the Island (Master Plan Study of the Port Of Mombasa, December 2004).

The Port of Mombasa also served the Tanzanian hinterland through the Voi-Moshi feeder line which was completed in 1924. In this time up to Kenya’s political independence the port of Mombasa functioned as a port of East African Railway and the harbor authority. After Kenyan’s political independence in 1963, the port of East African harbours and the Railways Corporation established headquarters in Daressalam. When the East African Community broke up in 1979, the East African Cargo Handling Services and the East African Railways Corporation formed the Kenya Ports Authority. The establishment of the Kenya Ports Authority was achieved through the enactment of the Kenya Ports Authority act (Capt.391 of the laws of Kenya). Currently the port is strategically located to serve rich commercial, agricultural and industrial hinterland of Kenya. The port also serves the land locked countries of Uganda, Burundi, Rwanda, Eastern
parts of Democratic Republic of Congo, Southern Sudan and North Eastern parts of Tanzania. The port of Mombasa has an enormous recognized potential for the many shipping opportunities and transit cargo across the region. That is why the port of Mombasa is dubbed the gateway to East and Central Africa. (African Shipping Review, 2\textsuperscript{nd} Quarter 2005).

1.2 Statement of the Problem

State corporations (parastatals) in Kenya experience different trends of labour turnover from time to time which in the long run affect their performance. A high level of turnover rates is normally a serious problem for both large and small organizations. It is costly, lowers productivity and morale and tends to get worse if not dealt with (Cole, 2002). The recent change in the labour market has prompted a stiff competition for highly experienced and qualified manpower. However in Kenya today the greatest concern for many state corporations is the sudden migration of workers from these companies to either private companies or other avenues of employment (Ngugi, 2000). Moreover, this increase in labour turnover levels has led to employees migrating with the customers and clients who were loyal to the parastatals thus affecting their operations greatly. As a result of this, management of these companies have resorted to not only to recruit the right employees but also devise mean of retaining them. However the major concern here is that despite these efforts these labour retention strategies seem not to be working effectively (Ngeno 2005).

Further still, according to Cappeli (2000), lack of proper retention strategies has resulted to adverse effect on these state corporations since replacing workers has proved to be disruptive, costly, time consuming and even affects the stability of these organizations. IMA (2008), reckons that organizations struggling with retention have plans to counter the problems. Reasons such as inability to motivate the employees, lack of promotion basing on merit, poor remuneration and compensation, heavy workload, lack of proper training and development initiatives among others have been cited to be the major causes of the immense migration of employees from these companies to other organizations. Nevertheless, IDS (2004) suggest that where there is general turnover problems within the organization, companies often take a holistic approach aimed at fully engaging with staff. Measures such as, improving recruitment supporting new recruits, considering work life balance issues, offering attractive employee benefits package among other
are vital in retention of workforce. This study therefore endeavored to analyze how effective these strategies were and whether other organizations could also adopt the same mechanisms to reduce employee turnover. Despite the numerous research studies that have been done by many researchers on labour turnover and its determinants, limited efforts has been made to investigate the retention strategies adopted to control these turnover levels. KPA as one of the parastatals in Kenya has of the recent years experienced relative stability with limited attrition levels. It is as a result of this that the researcher in this case used KPA as a case study to find out the labour retention strategies that the company had adopted to achieve the stability.

1.3 General Objective of the Study
The general objective of the study was to investigate the labour retention strategies adopted by parastatals in Kenya.

1.4 Specific Objectives of the Study
The specific objectives of the study included the following:

i. To find out whether training is a labour retention strategy of controlling labour turnover in Kenya Ports Authority.

ii. To determine if better remuneration is a labour retention strategy of curbing labour turnover in Kenya Ports Authority.

iii. To establish whether improved quality leadership is a labour retention strategy that mitigates labour turnover in Kenya Ports Authority.

iv. To examine whether employee engagement act as a labour retention strategy in curbing labour turnover in Kenya Ports Authority.

v. To determine how work life balance act as a labour retention strategy in Kenya Ports Authority.
1.5 Research Questions
In conducting the study the following questions were likely to be asked:

i. Does training as a labour retention strategy controls labour turnover in Kenya Ports Authority?

ii. How does better remuneration act as a labour retention strategy in Kenya Ports Authority?

iii. What is the role of quality leadership in retaining employees in Kenya Ports Authority?

iv. How effective are work life balance practices in retaining the labour force in Kenya Ports Authority?

v. Does employee engagement act as a labour retention strategy in KPA?

1.6 Significance of the Study
The study was to be of significance to the following stakeholders:

1.6.1 Human Resource Managers
The findings of this study may be beneficial not only to human resource managers in KPA but also to human resource managers in other state corporations. This is because they may not only recruit employees but also adopt the necessary labour retention strategies to avoid losing them.

1.6.2 Employees
The labour force in different parastatals may be in a position to make rational decisions before leaving their respective organizations. This is because the study intended to determine the effectiveness of these labour retention strategies. Furthermore, the employees may be motivated and rewarded richly for increased performance as a result of implementing the retention strategies.

1.6.3 Scholars
The findings of this study may also benefit scholars especially in the field of human resource management. This is because it may equip academicians aspiring to conduct similar research
with the necessary knowledge. As a result they may be in a position to adopt the most appropriate approach of meeting their targets.

### 1.6.4 Researcher

The researcher may gain a lot from the study through research by gaining research experience work and ultimately graduate.

### 1.7 Limitations of the Study

It was expected that the researcher was most likely to face the following limitations. However he provided the necessary actions to overcome the limitations.

#### 1.7.1 Suspicion from the respondents

The researcher may have had limited access to vital information due to confidentiality and loyalty of the respondents to the management of KPA. It was also expected that some respondents might not have been willing to reveal the main actual causes of labour turnover due to fear of their bosses in the top management. However to mitigate this, researcher categorically elaborated the main purpose of conducting the research and endeavored to obtain permission from the relevant authorities to carry out the study.

#### 1.7.2 Financial limitation

Due to the expensive nature of research the researcher incurred costs to facilitate travelling from one place to another, stationary expenses, typing and printing expenses and binding expenses. To overcome this limitation, the researcher obtained financial support from his sponsor.

#### 1.7.3 Time limitation

Due to the demanding nature of research, collecting, interpreting and analyzing data was a time consuming affair. To handle this challenge the researcher sought for a time off from his employer during which enabled him to comfortably collect interpret and analyze data.
1.8 Scope of the study
The study was conducted at the premises of the headquarters of Kenya Ports Authority in Mombasa. It covered the employees of K.P.A and strictly focused on the labour retentions strategies adopted by the parastatal.

1.9 Summary of the Chapter
With the preamble of the research study given in this chapter, it is evident that labour retention as a concept cannot be ignored by an organization. Having revisited the causes of labour turnover and the importance of labour retention strategies, the chapter analyzes the background of parastatals in Kenya and specifically Kenya Ports Authority (KPA) as the case study. This is explained while identifying the problem where KPA is seen to have expressed relative stability with limited attrition levels. With investigating labour retention strategies adopted by Kenyan parastatals being the main objective of the study, factors such as training, remuneration, improved quality leadership, employee engagement and work-life balance are revisited. On the other hand HR managers, employees, scholars and researchers were expected to benefit from the findings of the study while the researcher was to face time limitation, financial limitation and suspicion from the respondents as the major challenges while conducting the research study.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction

This chapter reviews some of the studies done by different authors related to labour retention over the years. In line with this it revisits information provided by several authors regarding labour retention strategies adopted by organizations. The chapter also highlights the relevant theories related to labour retention. It therefore has the following subtitles; the concept of labour retention, other related concepts, definitions of labour retention, how to measure labour retention levels, related theories, labour retention strategies (factors influencing labour retention) and the conceptual framework.

2.1 The Concept of Labour Retention

Researchers tend to concur with each other that one of the fundamental challenges facing organization today in the area of performance is their ability to put in place strategies not only of recruiting competent employees but also maintaining them to achieve organizational goals, (Cascio, 2003). Retention strategies should aim at identifying and keeping committed employees for as long as it is mutually profitable to the organization and the employee. Retention being viewed wholly as a module of an organization, begins with employing the right labour force followed by initiating ways of retaining it, (Freyermuth, 2004). However to achieve this the organization should be in a position to determine the possible reasons why an employee would live the organization for another. Through this it will be able to a large extent deal with labour turnover rates. On the other hand though retention is very important for every organization, the relationship between the employer and the employee determine its rate, (Randenbush and Bryk, 2002).

The concept of labour retention rotates around being sensitive to the employees' demands, appreciating their contribution and above all rewarding them appropriately. Furthermore, employees' feeling a sense of belonging and pride is critical to their productivity as this will determine whether they will work to their fullest potential, (Cole, 2000). This is why it is essential for an organization to not only maintain its best performing workers but also to make sure they are happy with their work. In line with this, Cappelli (2000), suggest in his studies that
factors such as career development opportunities, work environment and work-life balance are vital elements of employee retention.

2.1.1 Other Related Concepts
There are a number of concepts that go hand in hand with labour retention, however in this case the study focused on labour turnover, job satisfaction and employee commitment.

2.1.1.1 Labour Turnover
This describes the number of employees leaving an organization. It is the measure of movement of employees in and out of employment within a particular firm. Invancevich, (1992) views labour turnover as a perceived situation whereby employees see themselves as being unwanted in the organization. According to Price (1977), labour turnover relates to the ratio of the number of employees who have left an organization, divided by the average number of people in that organization during the period under consideration. Bolch (2001) argues that labour turnover analysis is vital since it shows the overall status of an organization so that it can consider reviewing its salaries and remunerations, improve industrial relations, ensure better working conditions and other welfare programmes.

Labour turnover is normally highest among newly employed employees since they have higher expectations from the new jobs coupled with impatience and personal ambitions which if not fulfilled lead to them quitting. In addition according to ILO (2001), high turnover rates are amongst those on their first employment. Employees leave working for their employers in situations where they feel they are being taken advantage of, not appreciated and are poorly paid. Poor management and lack of foresight are also likely to lead to turnover intentions. High turnover rates is also normally interpreted as employees being unhappy with the work or pay, however it can also mean that they are exposed to unsafe or unhealthy conditions. Causes of labour turnover vary within organizations. Nevertheless lack of career opportunities, dissatisfaction with the job, conflict with the management, poor working environment among others are prime factors that influence turnover rates. According to Waweru, (1994) high turnover rates implies that employees are dissatisfied with the working conditions thus low morale. Conversely it also culminates to negative publicity to an organization ultimately affecting
productivity. It is important to consider labour retention strategies bearing the negative implication associated with high turnover levels. The costs incurred as a result of employees leaving an organization are immense. According to Philips and Connel (2003), labour turnover costs include; recruitment costs, selection costs, employment costs, orientation costs, training costs, wasted wages and salaries costs, administrative costs, loss of productivity costs and loss of human capital costs. Cole, (2002) asserts that turnover rates of 100% implies a major problem in the organization, as it is likely to cause a loss of human capital thus weakening competitive positions. On the other hand low turnover may indicate that the organization has invested in the employees. Retention strategies such as better compensation and rewards, offering adequate training and career development opportunities to employees, involving workers in decision making, work-life balance and quality leadership and management are therefore essential if employees are to remain working in an organization.

2.1.1.2 Job Satisfaction

When analyzing labour retention, it is eminent that the concept of job satisfaction should not be overlooked since it has long been considered a variable in determining an employee’s decision to remain or quit working for an organization. It consists of the feelings and attitude that an employee has about his job, whether good and bad or positive and negative, (Riggio, 2003). Dessler (2001) contends that job satisfaction relates to an employee’s overall attitude to his or her job. In this case it is a set of favourable or unfavourable feelings for the employee to perceive his or her work which in the long run determines his performance. Overall, it is assumed that almost every employee seeks satisfaction in their work. According to a study by Groot and Brink (1999), flexible working arrangements, content of the job and interpersonal relationships among employees are fundamental variables that determine whether an employee is satisfied. On the other hand, the number of working hours, nature of workload and the style of supervision could negatively affect employee job satisfaction. The Society of Human Resource Management (SHRM) in the USA depicts five variables in attaining job satisfaction namely; compensation (pay), benefits, job security, flexibility to balance life and work issues and feeling safe in the work environment. According to Mak and Sockel, (1998), job satisfaction is a vital motivator of employee performance and is negatively related to turnover. Labour retention will therefore be achieved if organizations are able to
identify properly and implement the variables that determine job satisfaction. This will be effective on the assumption that employees who are satisfied with their jobs are more likely to remain with the organization longer than those who are dissatisfied.

2.1.1.3 Employee Commitment

Employee commitment refers to the attachment and loyalty that a worker has for a company or organization. Porter (1974) defines employee commitment as that relative strength of the worker's identification with and involvement in a particular organization. Central to this is that strong desire to remain a member of the organization, believe in and accept the values and goals of the organization and the readiness to exert considerable effort towards achieving organizational goals. The concept of commitment plays an important role not only in the HRM philosophy but also in retaining an existing workforce in an organization. According to Guest (1997), HRM policies are designed to maximize organizational integration, employee commitment, flexibility and quality of work, all of which are positively related to labour retention.

According to Salancik (1977), employee commitment is related to the state of being in which an employee becomes bound by his actions to beliefs that sustain his activities and his own involvement. To achieve this Salancik argues that ploys such as participation in decision making, engaging workers into the core activities of the organization and giving workers autonomy over their own work environment can be adopted. Employee commitment is important since it ensures the employee remains loyal to the company thus improving their performance and the overall output of the organization (Watson, 1985). Watson argues that organizations should move away from the traditional control to adopting a commitment strategy. He further reckons that workers respond best and most creatively not when they are tightly controlled by management, placed in narrow defined jobs and treated like unwelcome necessity but instead be given broader responsibilities, encouraged to contribute and helped to achieve satisfaction in their work. Such ideas encourage the workers to commit to the organization thus labour retention.

It is evident that employee commitment is positively related to labour retention. However, management has to proof their commitment too by providing sustainable working conditions, training and development initiatives, better remunerations, job security among others. Whereas the recruitment of qualified workers is essential, of greater importance is the ability of the
management to create a committed labourforce and this can only be achieved if management fully comprehends the concept of employee commitment. According to Mowday et al (1979), it is important to note that the workers willingness to contribute to the attainment of the organizational goals will be determined by their nature of commitment. Employees who want to belong to the organization (affective commitment) are more likely to continue working for the organization than those who need to belong (continuance commitment) or those who feel obliged to belong (normative commitment). Organizations should therefore encourage strategies that support affective commitment of employees if they are to retain them.

Furthermore, if employee commitment is to be achieved to retain workers drivers such as fairness, trust and concern for workers must be considered. To be fair enough, organizations ought to pay competitive wages, establish mechanisms that are not discriminative, promote employee basing on meritocracy and provide opportunities for growth and development. According to Lanphear (2001), management plays a vital role in building employee commitment. Highly qualified and experienced managers therefore are prime contributors in retraining workers. Managers also ought to win the trust of workers by being consistent, maintaining confidence by setting a good example, engaging workers in decision-making and making them believe in the policies of the company. Besides, an individual’s belief in and acceptance of the goals and values of the organization is a vital part of the organizational commitment (Mowday 1979). Employees’ attachment to the goals and values of the organization is one way of showing their commitment to the company. This identification can be enhanced by a clear specification of the rationale of organizational goal attainment and involvement.

2.1.2 Definition of Labour Retention

Chaminade, (2007) describes labour retention as a voluntary move by which an organization takes to create an environment which engages employees for a long term. On the other hand the act of keeping productive employees is what is referred to as employee retention. Johnson (2000) defines labour retention as “the ability to hold on to those employees you want to keep for longer than your competitors.” Labour retention is a systematic effort by employers to create and foster an environment that encourages employees to remain employed by having policies and practices that address their diverse needs, (Workforce Planning For Wisconsin State Government, 2005). It also refers to the strategies organization adopt to prevent valuable employees from leaving their
jobs. Studies have indicated that employee retention is driven by several key factors which ought to be managed congruently; organizational culture, pay and benefits and career development systems, (Fitzenz, 1990). To succeed organizations must establish an environment that not only attracts people to join and give their best every day, but one that also strives to maintain the existing staff. This is because the retention of talented experienced, productive and knowledgeable employees can be a source of competitive advantage for companies, (King, 1997). Furthermore, there are some professional skills that require some time to build, all of which use a lot of organizational resources and losing such employees has enormous negative repercussions on an organization (Cole, 2002). Gberevbie, (2008) views labour retention as a means or plan of decision-making behavior put in place by organizations to retain competent workers for performance.

2.1.3 Measuring Labour Retention Levels

To establish the extent to which experienced employees are retained in an organization stability index is used. Like turnover rates stability index can be used to calculate stability of the entire organization or a particular section of employees, (CIPD, 2005). Knowing how to measure labour retention is vital especially when adopting a retention strategy. This is because by accurately measuring the levels at which workers are retained a HR department is in a position to better keep a considerable number of employees over time.

Stability index is normally calculated as the number of employees with one year service or more as a percentage of the number employed a year ago. However this formula can vary depending on given circumstances, for example basing on a longer period of time, (IDS, 2004).

\[
\text{Labour Retention Rate} = \frac{\text{Number of employees within one year of service (or more)} \times 100}{\text{Total number of employee employed one year ago to date}}
\]

Source; Taylor Stephen, CIPD, 2005
A rise in the stability index will imply that the organization is improving the retention of more experienced staff. If the stability index is low, it implies that there are actions that the organization should take to boost the morale of the workforce. Usually a wastage rate would be expected alongside a low level of stability. However if both are high then this will imply that the organization is experiencing problems of attrition. In this case therefore, the HR department should be in a position to track the actual number of employees on board by having a clear idea of how many employees have been employed for one year or more. This can be done by surveying each department and obtaining a list of employees who have been on board for one year. This means that employees who have just joined the company and those planning to retire or resign in the current period are eliminated. Once the stability index is calculated, the organization will be able to establish turnover and retention rates. It is this information that will be valuable in designing any retention strategy and also identify any trends of the departments in the organization.

2.2.0 Related Theories

Retention of an existing workforce may as well be related to several theories, most appropriately being motivational theories. Studies have frequently shown that in order to establish appropriate strategies to maintain workers, motivation theories are normally reviewed to comprehend the concept of motivation in relation to labour retention. (Johnson, 2000) describes motivation in the work organization as “the process by which people are enabled to and induced to choose to behave in a particular way”. Motivation is therefore inclined towards establishing ways by which productive employees can be maintained. In this case the study revisited Herzberg’s Two-Factor Theory, Abraham Maslow’s Theory of Hierarchy of Needs and Adam’s Equity theory.

2.2.1 Herzberg’s Two-Factor Theory

Despite the attention and criticisms by many researchers who asserted that the two-factor theory is controversial, this theory by Fredrick Herzberg still remain extremely fundamental in analyzing labour retention (Grobler etal, 2006). This is because the level in which an employee is satisfied or dissatisfied with his or her work will determine whether he or she will remain or quit a job (Griffeth etal, 2000). The two factor theory was developed by Fredrick Herzberg, a psychologist who depicted that employee job satisfaction and job dissatisfaction act
independently of each other. According to Herzberg (1968), the factors causing satisfaction are different from those causing dissatisfaction. However, the two concepts cannot simply be treated as opposite of one another. In other words the opposite of satisfaction is not dissatisfaction but rather no satisfaction, like wise the opposite of dissatisfaction is no dissatisfaction.

Further still in this case he proposed the two factor model of employee motivation basing on the pretext that the presence of one set of job characteristics or incentives leads to worker satisfaction at work. Thus satisfaction and dissatisfaction cannot be a continuum, with one increasing as the other decreases but are independent phenomenon at the workplace. With his colleagues, Mausner and Syderman, Herzberg analyzed certain job related factors leading to job satisfaction and those leading to job dissatisfaction (Herzberg et al, 1959). He classified job factors into two known as motivators (intrinsic factors) and hygiene (extrinsic), Herzberg (1968). Motivators related directly to the job itself. Bassett Jones and Lloyd (1989) with reference to this theory argued that employees are motivated by internal values rather than external values to the work. In this case, motivation is internally generated and is propelled by variables that are intrinsic to the work (motivators). These include; achievement, recognition, the work itself, responsibility, advancement and growth.

On the other hand certain factors cause dissatisfaction to the employee. These factors largely result from non-job related variables (extrinsic). Herzberg referred to these variables as "hygiene factor". According to Herzberg, although these factors do not motivate employees they must be present in the workplace to make them happy. They include, salary, co-workers relationships, job security, good working conditions, consistent management policies and rules and good supervisory styles (Basset and Lloyd, 1989). According to Grobler (2008) when analyzing Herzberg’s two factor theory, he asserts that Herzberg stated that hygiene factors are difficult to control effectively and most importantly they do not provide long-term motivation but they are necessary for preventing dissatisfaction and their absence keep the employee from concentrating on higher level needs.
In addition, Herberg, argued that eliminating the causes of dissatisfaction through hygienic factors would not result in a state of satisfaction but instead it would result in a neutral state. Motivation of employees can only occur as a result of the use of intrinsic factors. However Sutherland (2004) has revealed that extrinsic factors such as competitive salaries, good interpersonal relationships, friendly working environment and job security were cited by employees as key motivational variables that influence whether they are to remain or quit working for an organization. This therefore implies that organization’s management should not rely on intrinsic variables only to influence retention but rather both intrinsic and extrinsic variables are fundamentally regarded as effective when adopting a retention strategy.

**Figure 2.1 Herzberg’s two factor theory.**

<table>
<thead>
<tr>
<th>Hygiene needs (Extrinsic)</th>
<th>Motivators (Intrinsic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reflect job context and lower level needs</td>
<td>Reflect job context and higher level needs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hygiene factors</th>
<th>Motivators</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Salary</td>
<td>• Achievement</td>
</tr>
<tr>
<td>• Supervisory styles</td>
<td>• Responsibility</td>
</tr>
<tr>
<td>• Good working conditions</td>
<td>• Growth</td>
</tr>
<tr>
<td>• Job security</td>
<td>• Work itself</td>
</tr>
<tr>
<td>• Policies and rules</td>
<td>• recognition</td>
</tr>
</tbody>
</table>

Source: Herzberg (1959).
Furthermore, the two factor theory states that the more resources are poured down the hygiene drain (for example by increasing fringe benefits) the more resources will be required in the future because with hygiene factors ever increasing amount are needed to produce the same effect. In deed, this argument makes sense when considering how salary never appear to be resolved (employees are never satisfied with their salaries even after concluding salary negotiations).

2.2.2 Maslow’s Theory of Hierarchy of Needs

The concept of labour retention may as well be related to Maslow’s motivation theory of hierarchy of needs that he developed in 1954. Prasad (1991), states that motivation is one of the vital ways of establishing an organization’s efficiency. This is because it culminates to higher performance, low employee turn over and acceptance of organization changes. According to Abraham Maslow, people are in a continuous state of motivation and that individuals tend to satisfy their needs on a rising order of precedence. In this case, in order for a higher level need to be met lower ones must first be satisfied. It is therefore worth stating that employees’ intention to remain and be committed to an organization or quit can be well expressed in the context of the theory of hierarchy of needs. According to Robbins (2005), when reviewing this theory, Maslow states that people are motivated to satisfy five needs level; physiological, safety (security), social, self esteem and self actualization needs.

At the bottom of the hierarchy are the physiological needs that represent basic needs of survival; food, shelter and clothing, then followed by security (safety) needs which include; living in a safe area, medical insurance, job security, financial reserves among others. This is then followed by social needs; self belongingness, need for friends and need to give and receive love, and then followed by self esteem needs; self respect achievement, attention, recognition and repetition.

Lastly at the peak is the self actualization stage which include; developing more wisdom, truth and justice. At this stage one automatically knows what to do in a wide variety of situation, Daniel (2001), suggests that Maslow’s ultimate conclusion that the highest level of self actualization are transcendent in their nature maybe one of this most important contribution to the study of human behavior and motivation which is also directly linked to retaining manpower in an organization.
Accordingly satisfaction at a lower level means that satisfaction of the need at the next level becomes the prime motivator. In the same way employees in an organization would seek to satisfy their needs in the order provided by Maslow.

**Figure 2.2 Maslow theory of hierarchy of needs.**

Each of the five tiers of Maslow’s hierarchy of needs relates to optimal retention strategy. Organizations need therefore to employ strategies attempting to stimulate each of these needs described to optimize retention rates. When applied to an organizational context, for employees to be satisfied, they must first be in a position to acquire their physiological needs. In other words, the salaries and financial benefits offered to them must be able to help them obtain food.
shelter and clothing. De Vaney and Chen (2003) assert that any new employee who comes to an organization is first concerned with fulfilling these needs first. They further state that workers whose lowest levels needs cannot be satisfied will make job decision based on reward, financial stability and security. However still, after these needs are satisfied the employees will want to meet security or safety needs. In this case organizations need to ensure that employees live in a safe place or are given housing allowance, medical insurance and job security. In addition, after employees are guaranteed that their security needs are satisfied they will want to fulfill social needs. Thus the organization has to endeavor to provide social amenities such as recreational facilities and organize social activities to enable the employee interest and make friends and also feel a sense of belonging.

Furthermore the satisfaction of social needs will culminate to the need to satisfy esteem needs. In this case the organization should guarantee the employees self respect, achievement, attention, recognition and reputation. Weightman (1999), indicate that incentives such as allowing employees to participate in decision making on operational matters and involving them in management play a vital role in satisfying employee’s esteem needs. Finally after all these needs are satisfied, the employees will want to meet the self actualization needs by being given top jobs that can enable them become problem solving focused, achieve personal growth and obtain the ability to have peak experience (Maslow, 1954).

Whereas a retention strategy is ideal, achieving satisfaction of all the five needs mentioned by Maslow successfully is not only complex but also costly. It is therefore paramount that managers maximize employee need coverage to be more concerned with employee satisfaction in order to achieve labour retention. This is because if these needs are not adequately met then an individual embarks on the process of searching for an alternative source of employment which is the long-run culminates into high labour turnover.
Elbert et al (1985) in their analysis of Maslow’s theory of hierarchy of needs identified various variables in each level of human needs. According to them, these variables are fundamental for an organization to provide an environment that will help retain an employee. The following diagram shows the variables at each stage.

Table 2.1: Elbert analysis on variables of human needs

<table>
<thead>
<tr>
<th>PHYSICAL NEEDS</th>
<th>SELF-ESTEEM NEEDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Comfortable working environment</td>
<td>• Employee involvement</td>
</tr>
<tr>
<td>• Ample leisure</td>
<td>• Recognition of advancement</td>
</tr>
<tr>
<td>• Comfortable salary</td>
<td>• Publicize promotion</td>
</tr>
<tr>
<td></td>
<td>• Open display of skills</td>
</tr>
<tr>
<td></td>
<td>• Coaching and development</td>
</tr>
<tr>
<td>SECURITY NEED</td>
<td>• Mentor system</td>
</tr>
<tr>
<td>• Protective rules / regulations</td>
<td>• Recognize growth</td>
</tr>
<tr>
<td>• Risk-free measures</td>
<td></td>
</tr>
<tr>
<td>• leadership</td>
<td></td>
</tr>
<tr>
<td>• safety from threatening behaviour</td>
<td></td>
</tr>
<tr>
<td>• information access</td>
<td></td>
</tr>
<tr>
<td>• compensation / fringe benefits</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SOCIAL NEEDS</th>
<th>SELF-ACTUALIZATION NEEDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Team concept</td>
<td>• Participation in goal setting</td>
</tr>
<tr>
<td>• Organization wide feedback</td>
<td>• Career development plan</td>
</tr>
<tr>
<td>• Group work execution</td>
<td>• Job rotation</td>
</tr>
<tr>
<td>• Social meetings</td>
<td>• Optimum innovation</td>
</tr>
<tr>
<td>• Close-personal leadership</td>
<td>• Direct access communication</td>
</tr>
<tr>
<td>• Professional group participation</td>
<td></td>
</tr>
<tr>
<td>• Community group participation</td>
<td>• Supportive leadership</td>
</tr>
<tr>
<td>• Total team performance</td>
<td>• High degree of self-control</td>
</tr>
<tr>
<td></td>
<td>• Rewarding exception performance</td>
</tr>
</tbody>
</table>

Source: Elbert N.F and Discenza, R (1985), Contemporary Supervision.
2.2.3 Equity Theory

John Stacy Adams equity theory can as also be referred to when analyzing labour retention. Adams a workplace and behavioral psychologist developed the theory in 1963 to show that employees seek to maintain equity between the inputs that they bring to the workplace and the outcome that they receive from it against the perceived inputs and outcomes of others, (Adams, 1965). In other words the theory contends that an employee’s motivation is based on what he or she considers to be fair when compared to others (Redmond, 2010).

The assumption in this case is that employees value fair treatment which causes them to be motivated to keep the fairness maintained within the relationship with other fellow workers and the organization, (Adams, 1965). Adams further asserts that when people feel fairly or advantageously treated they are more likely to be motivated. On the other hand when they feel unfairly treated they are highly prone to a feeling of dissatisfaction.

A fair balance has to be struck between an employee’s inputs (hard work, skill level, time commitment, ability, adaptability, flexibility, determination, enthusiasm among others) and employees outputs (salary, benefits, intangibles such as recognition, job security, esteem, reputation, sense of achievement among others). However, if employees' perceived input is greater than their perceived outcome, they can become de-motivated and engage in disruptive behavior (Swinton, 2006). Furthermore the theory assumes that individuals who perceive themselves as either under-rewarded or over-rewarded will experience distress and that this will lead to efforts to restore equity within the organization. Hellriegal etal, (2008) argues that failure to find a way will lead to employees developing behaviors that may be harmful to the organization, for instance wanting to leave the organization.

All in all, in relation to labour retention, employers should strive to maintain an equal balance between employees input and their outcome in order to achieve internal and psychological rationality. This is because employees are happier when they are equitably rewarded as opposed to experiencing under-rewarding or over-rewarding, (Austin and Wallster, 1974). As a result the rate at which workers would want to quit the organization will be minimal thus maintaining high productivity.
According to Chapman (2002) people are not motivated and reduce input or seek change to improvement whenever they feel their inputs are not being fairly rewarded by outputs. Fairness therefore is based on perceived market norms. This is illustrated in the figure below.

**Figure 2.3 The Equity Theory**

Balance against comparable references

**INPUTS**

Hard work, skill level, commitment ability, adaptability, flexibility, loyalty, effort, Integrity and determination

**OUTPUTS**

Salary and benefits, security, recognition, reputation, responsibility, development and enjoyments

**MOTIVATION BASED ON FAIR BALANCE OF INPUTS AND OUTPUTS**

*Source: Chapman (2007).*
2.3 Summary of the Theories

The theories mentioned above form a strong vital basis of this proposed research study. With the study aimed at investigating the labour retention strategies adopted by parastatals in Kenya, these theories place fundamental emphasis on various variables that motivate employees at their workplace. Furthermore, central to maintaining an existing workforce within an organization, is the need to identify workers needs so that management in its capacity can satisfy, a concern that the theories try to address.

It is evident therefore that issues ranging from better remuneration, recognition, job safety at the workplace (comfortable working environment), good leadership, sense of belonging among others have been viewed by all these theories as significant variables of labour retention. This is clear by the mere fact that the three lower needs mentioned by Abraham Maslow are what Fredrick Herzberg named hygiene factors and the two upper needs by Maslow are what he called motivational factors. Moreover, the proponents of these theories (Herzberg, Maslow and Adams) do concur with each other that failure to meet these needs leads to employee dissatisfaction and ultimate labour turnover.

2.4.0 Factors Influencing Labour Retention

As the main part of the research focus of this study the factors influencing labour retention will form the basis of the labour retention strategies. In this case the study centered on training and career development, Compensation or remuneration, employee engagement, quality leadership and management and work life balance.

2.4.1. Training and Career Development

Training and career development is a key strategy that most organizations adopt in order to retain their valued workforce. For an organization to achieve its desired goals and objectives, it has to facilitate the employees learning through training so that their modified behaviors enables them to become qualifies and proficient to perform a job better (Dahama, 1979). In today’s employee driven labour market, the provision of training is important in order to retain existing employees as well as recruits. Managers have the responsibility to provide assistance to help their subordinate identify the training and development needs, subsequently training and development
results to employee competence which is one of the greatest pride of an organization. Research conducted by Choo and Bowler (2007), reveals that training and development was ranked amongst the highest retention factors mentioned by employees. The research also confirmed that opportunities geared towards training improve employee skills to work with up to date technologies, providing employees with qualified skills will equip them with new knowledge to operate the latest technology or simply an opportunity to refresh exiting skills.

Training is the process of teaching, informing or educating people so that they become well qualified to do their jobs and perform in positions of greater difficulty and responsibility (Van Dersal, 1962). According to Buckley and Campile (1990), training is a planned and systematic effort to modify or develop knowledge, skills and attitudes through a learning experience to achieve effective performance in an activity or range of activities. On the other hand, Alan Cowling and Choloe Mailer (1998) define training as the acquisition of skills and attitudes that result in improved performance in another environment.

Employee training initiatives are vital to both management and the employees. This is because the management is likely to experience high productivity while the employees are able to obtain additional skills to help them advance their careers. Moreover the presence of training initiatives promotes labour retention in an organization, (Ngeno, 2005). On the other hand, an organization should strengthen its bond with it's employees by investing in them through providing opportunities for training and development (Hall and Moss, 1988).

Studies have shown that most organizations train employees because they view training as a strong retention tool. In Kenya today 72% of organizations consider training and development as a key variable in enhancing job satisfaction which in the long-run minimizes employee intentions to quit (Ngugi, 2004). Furthermore companies that offer training initiatives create a cadre of employees equipped to grow within the organization thus provide opportunities for promotion which in the long-run reduces labour turnover. Whereas salary and remuneration form the basis of most employment rewards, studies also have it that employees today seek jobs that can offer them chances to learn new things. Apart from financial reward and acknowledgement, training and career advancement opportunities is another reason why employees are likely to quit working for an organization. Job satisfaction and labour retention is likely to be high therefore in
organizations that are readily willing to invest on their employees through training (Wagner, 2000).

Further still guaranteeing employees security in their jobs does not mean that they are not likely to leave. Employees are likely to leave if they don’t anticipate satisfying future roles. In additions, highly experienced and knowledgeable workers may quit as changes evolve in their career path, personal aspirations and values and family life (Armstrong M, 2006). This implies that management has a responsibility of providing employees with an environment that enhances self development and career advancement. Once this strategy is applied employees will feel a sense of belonging since they will consider themselves beneficial to the organization. (Bushardt etal, 1994), thus culminating to them remaining dedicated to the organization.

Training builds company loyalty because employees realize that the company is investing in their future. It also eliminates the difficulties that they are likely to go through while performing a job. The relevant skills acquired enable them to work with surety and limited pressure. It also enables the workers to develop confidence as a result of self fulfillment thus job satisfaction. It is this job satisfaction that facilitates labour retention. That is why Hailler and Butts (1999) contend that training programmes should be geared towards securing employee commitment to the organization by creating a culture of long-term employment.

There are several types of training methodologies. However to have desirable results, the organization should adopt appropriate and efficient training methods. This is because a training method appropriate for an organization may not necessarily be appropriate for another, (Huang, 2001). In addition, different training initiatives have specific goals which may be; improvement of employee job performance, employee development, skill development or knowledge and attitude (Burden and Proctor, 2000).

To adequately implement training as a retention strategy, training needs must be identified (Bagrainm, 2001). This he says can be done by establishing the gaps in skills and knowledge. In this case the gap between how an employee performs presenting and how he or she is expected to perform in the future is located. Bagrain suggests that the use of formal classroom training, on job training, coaching and mentoring programmes, temporary assignments, business management programmes among others can be adopted.
In addition to this, training and retraining of employees consisting to one of the most crucial aspects of management in parastatals (state corporations). According to Choo and Bowley (2007), new employees normally undertake on-the-job training and in some cases, they are sent abroad to acquire advanced knowledge and skills. All these culminate to high expenditure and in case a highly trained employee resigns without any justification, these huge training expenses are incurred and organizations tend to lose all the investments already made. Furthermore, certain costs are equally involved when an employee quits and these according to Sutherland (2004) include the knowledge and skills that the departing employee takes out of the organization.

Management therefore has to provide a well-structured training programme that is able to match the employee and organizational needs. Training programmes must be updated to suit the current rapid knowledge change, for instance, technological change has to be advanced to help the organization maintain a competitive advantage against its rival firms (Graddick, 1988). In Kenya today, developing appropriate training and development strategies is a challenge that most HR practitioners still face. The government of Kenya is in the verge of developing a comprehensive training policy to guide staff development (DPM, 2002).

However the training and development mechanisms have enhanced motivation of employees in organizations due to the substantial resources that they have invested and more so considering the rapid technological advancement and organizational change. According to Ngeno (2005), availing such training programs enhance employee retention. He further contends that failure to avail these fundamental resources precipitates to labour turnover.

The Importance of training as a retention strategy is very much vivid as evident from several researchers. According to Wills (1994), organizations that are dedicated to training and development are likely to yield substantial benefits. The development of employees’ skill and abilities through training ensures that the organization has confidence to carry out work effectively thus high productivity. Besides, achieving sustainable competitive advantage over other rival firms, employees are in a position to nurture their competencies and develop their careers thus establishing a sense of achievement and esteem to face emerging challenges in the workplace (Prience, 2005).
Training programs and labour retention are inter-twined. This is because they enhance increased employee satisfaction, facilitates skill development, increases a sense of belonging and benefit, increase employee commitment to the organization and strengthens the company’s competitiveness and employees’ ability to perform job related tasks is also enhanced, all of which are positively linked to labour retention.

Career development on the other hand, aims at striking a balance between the employee’s career needs and the organization’s requirements. In this case, the organization provides opportunities to promote employees within the company and enhances competency through skill development to enable them to access employment within or in the external labour market, (Bulter and Waldroop, 2001). However the focus should aim at ensuring that they remain with the organization.

According to Choo and Bowley (2007), employees are also concerned with the development of their career. This is vital since it determines whether they will remain in the company or leave. They further assert that failure for the company to guarantee employees career growth would culminate to labour turnover. When opportunities are provided within the company, employees are guaranteed career growth which is paramount as far as planning for the future is concerned. In relation to this, employees should be given a first hand consideration in case vacancies are available. Besides, promotion granted to the employees tends to promote career advancements within the organization which reduces chances of them quitting. Furthermore career development programmes increases the possibility of having the right manpower to accomplish organizational goals, (Dladla, 2001).

2.4.2 Compensation and Reward (Remuneration)

According to Hollman (2000), lack of a competitive compensation system could explain why employees leave an organization. Compensation, remuneration and pay are all related to the rewards that employees receive in exchange for their contribution to the organization. They may also relate to the payment of salaries and benefits, wages, incentives, allowances, bonuses and other rewards that workers receive as a result of their physical and mental effort put in the organization. This HR practice tries to balance the work–employee relation by giving non-monetary and monetary benefits to the workers with an aim of motivating the employees and in
the long-run retaining them to improve the company’s effectiveness. Compensation does not only consist of financial rewards (pay and benefits) but also non-financial rewards (perks) for instance subsidized refreshments at a companies cafeteria, travel allowances, medical and health care allowances among others, (Vance, 2006).

Fredrick Taylor in his scientific management theory argues that remuneration remains to be the most important of all retention strategies. On the other hand, Sinclair et al, (2005) reckons that compensation in form of remuneration determines the rate of attraction, retention and motivation of employees. This is seconded by Cappeli (2000) who states that the relation between compensation and labour retention is quite vivid. A properly designed remuneration program does not only provide an organization a strong competitive platform against its rival firms, attract experienced and qualified personnel, motivate employees to perform better but also retain them in the long run.

According Lawler and Worley (2006), compensation is a very powerful instrument since it affects every one in an organization. In most cases workers tend to value compensation as compared to other motivators because if they consider themselves to be underpaid they will be frustrated thus affecting performance which later leads to attrition. Workers therefore ought to be rewarded as per the organizations standards if they are to continue working and to achieve this use of compensation important. According to Henri Fayol, (1949), remuneration is one of the management principles that help in achieving organizational goals. Fayol argues that workers input to the organization should be commensurate with their payments. In this case a remuneration policy should therefore aim at equally benefiting both the worker and management.

Similarly, Adam Tracy in his equity theory advocated for a fair balance to be struck between an employees input (hard work, skill level, time, commitment, ability, adaptability, flexibility, determination, enthusiasm among others) and employee output, (salary, benefits, intangibles such as recognition, job security, esteem, reputation, sense of achievement among others). This establishes a strong productive relationship between management and the employee which motivates them, leading to labour retention (Adam, 1963).

Employee compensation is directly related to job satisfaction and ultimately labour retention. Central to this, is the desire of employees to receive fair remuneration for their work. According
to Kretiner (1998), employees tend to be more satisfied if the management rewards them fairly for the work they have done. In relation to this is the possibility of employees comparing their salaries and benefits to other employees employed by rival firms. If they realize that workers of the rival firms with their similar qualification are paid better rewards then this may trigger the possibility of their intention to quit for greener pastures. Management therefore has a challenge to adopt a compensation strategy that is attractive and favorable to motivate the workers to work harder thus yielding better results (Lewis, 2000), leading to labour retention. Hence, organizations need to spend time on remuneration to make sure that their employees are motivated enough to perform to their level best.

According to Fredrick Taylor, apart from the role of remuneration in increasing productivity and performance, it reduces turnover which is positively related to employee retention, (Sinclair et al, 2005). However, the use of remuneration as retention strategy is dependant on four major factors, job rate (significance attached to each job), payment (rewarding employees according to performance), personal or specific allowance and fringe benefits (holidays with pay, pensions among others). It is worth stating that compensation is directly related to job satisfaction and ultimately labour retention. On the other hand, compensation strategies are used to retain valuable employees and increase the value and strength of a company. To achieve this, a performance based compensation plan should be designed to encourage workers to work harder in order to achieve organizational goals. If a pay plan is designed, it must be objective and fair to all workers and rewards should be commensurate with contributions.

In addition, central to the use of compensation as a retention strategy is money (financial incentives) According to Colvin (1998), financial incentives will get employees to do more of what they are doing. It is quite evident that when employees who are underpaid are more likely to leave when opportunities arise. Alternatively, the underpaid employees will tend to show dissatisfaction and some may even share their discomforts with others. This is because money has overwhelmingly proven to be the most vital motivation for any workforce, (Bagrainm, 2001).

Overall, the success of any organization in achieving its goals is highly dependant on its compensation policy. Furthermore, the ability to motivate and retain desired employees is largely dependant on the remuneration offered to them. However many researchers tend to disagree with these sentiments owing to the fact that a lot of controversies have surrounded the use of money
as a variable of employee motivation and retention. This is because managers have been able to re-direct at rewarding performance through the use of commissions, performance bonuses, merit pay incentive schemes and others rather than salaries as assumed. Managers therefore ought to identify individual needs of workers and adopt a compensation package that will be favourable enough if they are to design efficient labour retention programmes.

2.4.3 Employee Engagement

Employees who are engaged and committed at their places of work provide a very strong base of competitive advantage to organizations and thus high returns which lowers employee turnover (Vance 2006). Organizations have opted to invest enormously in strategies that will enable their workforces to be engaged and committed to working for them. Employees in this case are granted the power to make decisions that are paramount to their working lives which provide a limited degree of influence. This is maximized when a given level of power is provided to the employees to be accountable and responsible for the decisions that they make (Lawler and Worley, 2006). Drivers of employee engagement include effective leadership, two-way communication, high levels of internal cooperation, focus on employee development, commitment to employee welfare, accessibility to human resources and practices by workers among others.

Employee engagement involves the state of emotional and intellectual commitment of workers towards the organization and its values. Conversely, the employees are motivated to contribute to organizational success and are more than willing to apply discretionary efforts (extra time, brain power and efforts) to achieve the objectives of the organization. According to Gibbons (2006), this practice involves the emotional and intellectual connection that an employee has to his or her employer, supervisor or co-workers that ultimately leads to improved output. In this case an engaged employee is one that works with his co-workers to improve the performance in the workplace for the benefit of the organization. Nevertheless to achieve this organization has a role to play since nurturing employee engagement requires a two-way relationship between the employer and the employee. In addition to this the concept of employee engagement is strongly grounded in line with the view of organizations considering the employer and employee to be having similar interests. These sentiments are shared by Wheatley (2006) who argues that the relationship between the employer and the employee is vital if workers are to co-create their
work. This practice is therefore only meaningful if both the management and the employees share responsibility genuinely (Purcell et al. 2003).

Participative management is a vital method of engaging workers since it enables subordinate workers to share a significant degree of decision making with their senior managers. In this scenario the workers' opinions count in goal setting, problem solving, direct involvement policy making, inclusion in consultation committees and even selection of new co-workers. This leads to job satisfaction and improved performance which in turn influencing labour retention (Robbins, 2005). When employees are involved in the decision making process they feel that the decision made are their thus feel accountable for the outcome of those decisions.

Another way of achieving employee engagement is workers having the autonomy and the authority to make decisions that will make their opinion count. This enables them to have an increased personal meaning at their work place thus developing a sense of personal satisfaction and recognition. According to Buckingham (2001), employees desire to be associated with the mission and purpose of the company and have their opinions count. When engaging employees in to the affairs of the organization they are given the opportunity to create their own work. According to Wheatley (2006), creativity and innovation can be achieved through involving workers deeply into the daily proceeding of the company say through getting their opinions when making decisions, encouraging open communication forums and team building activities. This creates an environment of trust and openness within the organization since employees feel they are listened to and are able to express their dissatisfaction and work together to perform better.

According to Robinson (2006) employees are greatly underutilized in the workplace through lack of involvement in work-based decisions. He continues to suggest that employee engagement can be achieved through creating an environment where positive emotions such as involvement and pride are cherished. This in the long run culminates to reduced turnover rates. He also noted that several aspects related to involving workers include, the general belief in the organization, the desire to work to make things better, understanding the business context, the willingness to go the extra mile and keeping up to date with developments in the field. In addition, HR practitioners on the other hand believe that engaging workers has a lot to do with how employees feel about their work experience and how they are treated in the company. This is because
Employee engagement is seen as a central principle of soft HRM where the focus is on capturing the ideas of the workers and securing their commitment (Beardwell and Claydon, 2007). Engaging workers fully to the affairs of the company is not only vital to its overall performance but also act as a labour retention strategy. Promoting employee involvement levels increases organization productivity and reduces the probability of worker leaving an organization for another rival firm. Vance (2006) asserts that the greater an employee is engaged to the activities of the organization, the more he or she is likely to commit to staying with the employer. Furthermore, a worker's intention to quit a workplace is a fundamental determinant of the extent to which he or she was engaged to the activities of the organization. Engaged employees are likely to have a formidable bond with their employer, (Schaufeli and Bakker 2004) which is positively related to labour retention. Recent focus on employee engagement aims at attracting and retaining employees in the best means possible. It is one thing to recruit employees and it is another thing to keep them engaged to the affairs of the organization (Ulrich 2004).

Generally, an organization's capacity to manage employee engagement is closely related to its ability to achieve high performance and profitability. This is as a result of the trust that the workers develop in the company thus creating a sense of loyalty in a competitive environment. On the other hand, employees also feel obliged to offer themselves more deeply into their role performances as repayment for the benefits the organization offers them (Khan, 1990). However, Khan also notes that failure for the organization to provide these resources will lead to workers withdrawing and disengaging themselves from their roles. Furthermore, the organization is likely to benefit since employees are likely to stay with the company thus labour retention. All these engagement initiatives are deeply rooted to the main principle of getting the lower level staff more involved in the decision making and work processes and to grant employees greater autonomy and control over job tasks and methods of work thus retaining them for the betterment of the organization (Cappelli 2000).

2.4.4 Quality Leadership and Management

Leadership refers to the process of inspiring others to work hard to accomplish vital tasks. According to the Constitution of the Republic of Kenya (2010), it is the public trust to exercise in a manner that brings dignity of the office by promoting public confidence in the integrity of the office and vests in the state office the responsibility to serve the people rather than the power to
work may easily culminate to decline in the overall performance of the workers. It is also important to observe that spending a lot of time at the work place cannot necessarily be used to determine productivity. On the contrary that time spent away at work can be extremely beneficial to the quality of work delivered by the workers.

It is imperative for management to introduce initiatives that solve work-family conflicts such as flexible working hours, ignoring occasional lateness, providing transportation for employees and systematic attempts to solicit information from employees about potential domestic concerns. According to (Manfredi and Holliday, 2004) such initiatives enhance the ability of an organization to respond to the needs of the workers for better access to services and more so provides the company with strategies to deal with any possible occurrences of industrial action thereby satisfying both the management and the workers. In addition, employers should aim at redesigning work arrangements such that issues to do with leaves, offs and genuine per emissions to be absent can be granted where necessary.

In some cases organization opt to introduce flexible working systems to enhance the morale of the workers. These include computers, fax machines, modems and networked communication lines. Such systems enable the employee to even work at a home environment with limited pressure and tension. This enables especially women employees to work at home thus affording them the opportunity of combining both their careers and family responsibility. Furthermore working at home also reduces the demand for work space to be hired or leased an argument that is supported by De Cenzo and Robbins suggesting that this practice has a clear motivational effect on employees (De Cenzo and Robbins, 1996). They further assert that flexible working hours also referred to as “flexi time” is an ideal way of promoting labour retention. In this case workers are contracted to work for a specific number of hours in a week but are free to vary the hours within certain limits This arrangement does not only enable the workers to balance work with family responsibility but also enable them an opportunity to advance their careers incase they want to further their studies (De Cenzo and Robbins, 1996). It is such profound initiatives that organization ought to adopt in order to retain their valuable workers.
2.6 Conceptual Framework

A conceptual framework is that logically, developed, described and elaborated network of interrelationships among variables which are deemed to be integrated as part of the dynamics to be investigated. According to Seraken (2003), it states the researcher’s ideological stand from his or her agreement or disagreement with the issues at hand. A conceptual framework has to have both independent and dependant variables. In this case the dependant variables are; training and career development, compensation and remuneration, employee engagement, quality leadership and management and work-life balance. On the other hand the dependant variable is labour retention in Kenya Ports Authority.

Figure 2.4 Conceptual framework

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependant Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training</td>
<td>Labour Retention in Kenya Ports Authority</td>
</tr>
<tr>
<td>Remuneration</td>
<td>• Low employee turnover</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>• Low employee absenteeism</td>
</tr>
<tr>
<td>Quality Leadership and Management</td>
<td>• High employee commitment</td>
</tr>
<tr>
<td>Work – life balance</td>
<td>• High job satisfaction</td>
</tr>
</tbody>
</table>

Source: Author (2011).
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The main purpose of this study was to investigate the labour retention strategies adopted by Kenyan parastatals specifically covering K.P.A as a case study. This chapter therefore contains details on the research design, target population, sampling strategy, research instrument, validity and reliability, data analysis, data presentation and ethical considerations.

3.1 Research Design

This research study used a descriptive research design. This research design aims at determining and reporting the way things are (Mugenda and Mugenda, 2003). It attempts to describe any possible behavior, attitudes, values and characteristics. According to Chandran (2004), descriptive research design portrays an accurate profile of people, events or situations. In this case the results obtained should also be obtained by any other researcher if he is to do the same research. This type of research design was used to investigate the strategies that Kenya Ports Authority has adopted to retain its workers.

3.2 Target Population

This refers to the members of a real or hypothetical set of people to which the researcher wishes to generate the results of the research. The study was conducted among the employed staff of Kenya Ports Authority. The targeted population comprised of subordinate employees and management of KPA. The researcher intended to target 50 managers and 450 subordinate employees as illustrated in the Table 3.1 below.

Table 3.1 Target Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>50</td>
<td>10%</td>
</tr>
<tr>
<td>Employees</td>
<td>450</td>
<td>90%</td>
</tr>
</tbody>
</table>

Source: Author (2011).
3.3 Sampling Strategy

Sampling refers to the process of selecting a number of individuals for a study in such a way that the individuals selected represents the large group from which they are selected (Mugenda and Mugenda, 2003). The researcher used stratified random sampling to select the employees in KPA. Using a sample ratio of 0.3 the strata represented the managers and the subordinate employees respectively. Out of the population frequency of 50 managers using this ratio a sample size of 15 were considered and on the other hand out of the population frequency of 450 subordinate employees using the same sample ratio of 0.3, 135 was considered. The following table illustrates how the sample was arrived at.

Table 3.2 Sample Design

<table>
<thead>
<tr>
<th>Category</th>
<th>Population Frequency</th>
<th>Sample Ratio</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>50</td>
<td>0.3</td>
<td>15</td>
</tr>
<tr>
<td>Employees</td>
<td>450</td>
<td>0.3</td>
<td>135</td>
</tr>
<tr>
<td>Total</td>
<td>500</td>
<td>0.3</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: Author (2011).

3.4 Data Collection Method

The researcher used questionnaires as the main data collection instrument from the workers of Kenya Ports Authority. According to Cohen M. et al (2004) a questionnaire is a collection of items to which a respondent is expected to react, usually in written form. The questionnaires had both structured questionnaires (containing close or restricted questions) and unstructured questionnaires (designed for free response from respondents). These were distributed among the employees in the cadre of the organizational structure of K.P.A. The advantage of selecting this method is that it enabled the respondents to express general attitudes and options that helped the researcher interpret their responses to structured questions. Moreover the respondents were free to express their views genuinely due to confidentiality hence accuracy in the research findings.
3.5 Instruments' Validity and Reliability

Validity is the degree to which a test measures what it purposes to measure. According to Cook and Campbell (1979), it is the best available approximation to the truth or falsity of a given inference, proposition or conclusion. In this case face validity which is commonly used in research of this nature was applied to determine if the instrument measured what it was supposed to measure. To establish face validity a panel of experts was be asked to give their opinion as to whether or not the instrument met this criterion. According to Carmine and Zeller (1979, validity can be assessed using expert opinion and informed judgment.

On the other hand, reliability refers to the ability of an instrument to produce similar results at different times with the same respondents (Shaughnessy and Zechmeister 1997). The study used a three step measure of reliability. First those items that had been tested for reliability by other researchers as cited in the previous section were adopted. Secondly the research used the most common measure of internal consistency known as Cronbach Alpha which indicates the extent to which a set of items can be treated as measuring a single latent variable. The recommended value of 0.7 will be used as cut off point since a Cronbach Alpha value of less than 0.7 implies that internal consistency among items is weak (Nunnally, 1978). Thirdly the questionnaires were pre-tested with a sample of respondents in order to establish whether the questions therein measure the expected theorized variables in the conceptual framework. Respondents were therefore asked to comment on the clarity and the amount of time it may take to fill one questionnaire. The questionnaire was then based on the findings of the pilot test and the final version was developed thereafter for use.

3.6 Data analysis

After the data has been collected using the instruments the completed questionnaires were assembled, edited for completeness and consistency, coded and interpreted in relation to the objectives of the research study. The respective questionnaires were assigned numerical values and then the analysis of the received data was be done by comparing all the received responses from the interviews conducted and then presented in a descriptive manner. In this case quantitative data was be analyzed using descriptive statistics such as means, standard deviation and frequencies whereas qualitative data was be analyzed using content analysis.
3.7 Data Presentation

The results were presented on average percentages and variability from descriptive statistics. Content analysis was done through narratives while quantitative data will be presented using tables, graphs and charts.

3.8 Ethical Considerations

For the purpose of this study, permission was sought from the relevant authorities and a letter granted to allow the researcher to carry out the research study. In order to avoid suspicion and skepticism the researcher assured the respondents utmost confidentiality and that the information they provided was only used for academic purposes. Furthermore, while collecting data the researcher acknowledged all the sources of information collected from textbooks and other research materials respectively.
CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF RESULTS

4.0 Introduction to Data Analysis

This chapter gives the key results of the study based on both the set objectives and the research questions. The researcher has made observations based on the results of the salient features of the study. The results of the study are be presented in the form of frequency distribution tables, pie charts and graphs. Each graph chart or table drawn represents the frequency of responses or opinions of different questions asked in the questionnaires and a discussion of the same follows. General information includes gender, age, marital status, education qualification, length of service in the company, employees’ present position in the company.

4.1 Response Rate

Out of the 150 questionnaires distributed to the targeted population, 105 were returned. It is out of these questionnaires’ responses that the presentation of the general information and the other analysis was done. This response rate was relatively good and adequate. According to Babble (1995) he suggested that a response rate of 70% and above was satisfactory for data analysis.

Table 4.1 Response Rate Table

<table>
<thead>
<tr>
<th>Questionnaires</th>
<th>Number of Questionnaires</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returned Questionnaires</td>
<td>105</td>
<td>70</td>
</tr>
<tr>
<td>Questionnaires not returned</td>
<td>45</td>
<td>30</td>
</tr>
<tr>
<td>TOTAL</td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: (Research Data, 2012).

4.2.0 Presentation of General Information

This includes collected data on gender distribution, age distribution, highest education qualification, length of service in the company and the marital status of the respondents.
4.2.1 Gender Distribution

The sample comprised of 105 respondents who were working in different departments of Kenya Ports Authority. Table 4.1 illustrates the composition of respondents by gender.

Table 4.2 Composition of Respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>61</td>
<td>58.095</td>
</tr>
<tr>
<td>Female</td>
<td>44</td>
<td>41.905</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: (Research data, 2012).

According to table 4.1, there were 105 respondents, out of them 61 were male and 44 were female respondents. That is, sample consists of 58.095 % male respondents and 41.905% of female respondents. This implies that despite the gender equality initiatives by the government male employees still dominate the parastatal though the gender gap has been narrowed.

4.2.2 Age distribution

Age distribution of respondents is presented in table 4.2. It shows that most of respondents were in age category of 31-35 with 29.53%. On the other hand those respondents of below 25 years were fewer compared to the other age brackets with 3.80%. Those of the age bracket of 25-30
years were 15 respondents with 14.29%, those of the age bracket of 36-40 years were 20 with 19.05%, those of the age bracket of 41-45% years were 16 with 15.24%, those of the 46-50 years were 12 comprised 11.43% and those of the age of 51 years and above were 7 with 6.660% respectively. This shows that KPA employees relative young employees but at the same mature enough to handle the work environment. Table 4.2 and figure 4.2 below represent the above discussion.

Table 4.2 Age distribution of respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 25 Years</td>
<td>4</td>
<td>3.80</td>
</tr>
<tr>
<td>25-30 Years</td>
<td>15</td>
<td>14.29</td>
</tr>
<tr>
<td>31-35 Years</td>
<td>31</td>
<td>29.53</td>
</tr>
<tr>
<td>36-40 Years</td>
<td>20</td>
<td>19.05</td>
</tr>
<tr>
<td>41-45 Years</td>
<td>16</td>
<td>15.24</td>
</tr>
<tr>
<td>46-50 Years</td>
<td>12</td>
<td>11.43</td>
</tr>
<tr>
<td>Over 51 Years</td>
<td>7</td>
<td>6.660</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: (Research Data, 2012).

Figure 4:2 Age distributions of respondents

Source: (Research Data, 2012).
4.2.3 Highest Education Level

To analyze the education level, the respondents were asked to tick their level of education provided in the questionnaire. The levels provided were primary education, secondary education (O-Level), A-Level education, Diploma, Bachelors degree and Masters Degree and above. Table 4.4 below shows the distribution of respondents by their highest education level.

Table 4.3 Distribution of respondents by education level

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Education</td>
<td>4</td>
<td>3.810</td>
</tr>
<tr>
<td>Secondary Education (O Level)</td>
<td>18</td>
<td>17.14</td>
</tr>
<tr>
<td>A-Level Education</td>
<td>12</td>
<td>11.42</td>
</tr>
<tr>
<td>Certificate</td>
<td>26</td>
<td>24.76</td>
</tr>
<tr>
<td>Diploma</td>
<td>25</td>
<td>23.81</td>
</tr>
<tr>
<td>Bachelors Degree</td>
<td>14</td>
<td>13.33</td>
</tr>
<tr>
<td>Masters Degree &amp; Above</td>
<td>6</td>
<td>5.730</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>105</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: (Research Data, 2012).

From the given data in the Table 4.4 above the highest level of education of most of the respondents in the sample were those that had certificates who were 26 comprising 24.76% followed closely with those that had Diplomas who were 25 respondents comprising 23.81%. On the other hand those with the lowest education qualification of primary education were only 4 respondents comprising 3.810%. Furthermore there are those who had attained university education with 16 respondents having attained a bachelor’s degree comprising of 13.33% and 6 respondents having attained postgraduate qualification comprising 5.730%. From the above data it can be argued that much as KPA employs a relatively educated staff, it considers those jobs that can be handled by those who were not in a position to acquire much education for instance those that had only attained primary education. Figure 4.3 below accurately represents the education qualifications of the respondents.
Figure 4.3 Education Qualifications of the Respondents.

<table>
<thead>
<tr>
<th>Education Qualifications of the Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.73% Primary Education</td>
</tr>
<tr>
<td>13.33% Secondary Education</td>
</tr>
<tr>
<td>17.14% A-Level Education</td>
</tr>
<tr>
<td>11.42% Certificate</td>
</tr>
<tr>
<td>24.76% Diploma</td>
</tr>
<tr>
<td>3.81% Bachelors Degree</td>
</tr>
<tr>
<td>2.21% Masters Degree and Above</td>
</tr>
</tbody>
</table>

Source: (Research Data, 2012).

4.2.4 Marital Status of Respondents

When asked of their marital status, the study established that both married and unmarried employees are included into the sample. Marital status of respondents of the sample is illustrated in the table 4.5. Table 4.5 indicates that out of 105 respondents, majority (79) were married employees while 26 were unmarried employees. This statistic was important especially when the researcher analyzed it in relation to work life balance in Figure 4.14. This is because those who are married tend to have additional responsibilities that they need to attend to and hence work-life balance is extremely crucial. It is therefore not a surprise that when asked to rate the level of importance of work-life balance as a labour retention strategy, it was considered “important”. (See Figure 4.15).

Table: 4.4 Marital Status of Respondents

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>79</td>
<td>75.23</td>
</tr>
<tr>
<td>Unmarried</td>
<td>26</td>
<td>24.77</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: (Research data, 2012).
4.2.5 Data on Service Period of Respondents

Question number 5 in the questionnaire required the respondents to provide the service period they had accorded the company. Gathered data on this question is presented on Table 4.6 below.

Table 4.5 Service Periods of Respondents

<table>
<thead>
<tr>
<th>Service Period</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 Years</td>
<td>11</td>
<td>10.48</td>
</tr>
<tr>
<td>6-10 Years</td>
<td>29</td>
<td>27.62</td>
</tr>
<tr>
<td>11-15 Years</td>
<td>42</td>
<td>40.00</td>
</tr>
<tr>
<td>16-20 Years</td>
<td>16</td>
<td>15.24</td>
</tr>
<tr>
<td>21 Years and Above</td>
<td>7</td>
<td>6.660</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>105</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: (Research Data, 2012).

From the data collected on the service period of the respondents, most employees were those that had worked for the parastatal for the period between 11-15 years. This is because those respondents were 42 which is 40.00% of the total sample. On the other hand 7 respondents had
worked for the parastatal for a period of 21 years and above which is 6.660% of the total sample. 11 respondents had worked for the company for a period between 1-5 years (10.48%), 29 had worked for a period between 6-10 years (27.62%) while 16 respondents had worked for between the period of 16-20 years (15.24%) respectively. This can imply that the strategies adopted by the company to retain the existing labour force were positively working, since a majority of the workers had worked for the company for a longer period of time. On the other hand the fact that there were employees who had worked for the company for 21 years above may as well be related to the company’s trust on it’s experienced workers and the desire for the company to still keep them as part and parcel of the labourforce. A graphical presentation of this information is presented in figure 4.5 below.

Figure 4.5 Service Periods of Respondents

![Service Period of Respondents](image)

Source: (Research Data, 2012).
4.3 Job Satisfaction Rate

To determine the job satisfaction rate, question No. 8 on the questionnaire was asked “How would you rate your job satisfaction with the company”, and then respondents were given options, highly satisfied, slightly satisfied neutral, slightly dissatisfied and highly dissatisfied. Upon being asked on how they would rate their job satisfaction with the company, majority of them were slightly satisfied (57 respondents) which was 54.29% of the total sample population. Only 17 were highly satisfied (16.19%), 19 were neutral (18.09%) 12 were slightly dissatisfied while none of the respondents was highly dissatisfied working for the parastatal.

Table 4.6 Job Satisfaction Rates

<table>
<thead>
<tr>
<th>JOB SATISFACTION</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>17</td>
<td>16.19</td>
</tr>
<tr>
<td>Slightly Satisfied</td>
<td>57</td>
<td>54.29</td>
</tr>
<tr>
<td>Neutral</td>
<td>19</td>
<td>18.09</td>
</tr>
<tr>
<td>Slightly dissatisfied</td>
<td>12</td>
<td>11.43</td>
</tr>
<tr>
<td>Highly dissatisfied</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>105</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: (Research Data, 2012).

As stated in chapter two of this study, job satisfaction should not be overlooked since it has long been considered an important variable in determining an employees’ decision to remain or quit working for an organization. Furthermore, Mak and Sockel (1998) argued that job satisfaction is a vital motivator of employee’s performance which is positively related to labour retention. From the collected data therefore on the average it is a clear indication that the employees of KPA were relatively satisfied with the conditions under which they were working. The fact that 16.19% of the respondents were highly satisfied, 54.29% slightly satisfied and only 11.43% being slightly satisfied with none of the respondents highly dissatisfied is a clear indication that KPA was able to identify properly and implement the five variables of job satisfaction (compensation, benefits, job security, work-life balance and working environment – as recommended by SHRM) that are directly related to labour retention.
4.4 KPA's Address on Labour Retention

The researcher sought to find out whether Kenya Ports Authority as a parastatal has taken any steps to address labour turnover issues to retain its employees. Upon asking the respondents, 63.81% admitted that the parastatal had taken steps to retain its employees, 14.29% opposed that the company had taken steps to retain its employees while 21.90% were not sure whether the company had implemented any labour retention strategy. This is a clear indication that a majority of the employees in KPA had confidence in the company and therefore were willing to continue working for it since the determinants of them remaining with the company were vivid. Figure 4.7 shows a graphical presentation of the above. Labour retention being the systematic effort by employers to create and foster an environment that encourages employees to remain employed by having policies and practices that address their diverse needs is therefore a firm practice of KPA.
Figure 4.7: KPA’s Address on Labour Retention

<table>
<thead>
<tr>
<th>Whether the company has adopted any Labour Retention strategy.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>70</td>
</tr>
<tr>
<td>40</td>
</tr>
<tr>
<td>10</td>
</tr>
</tbody>
</table>

Source: (Research Data, 2012).

4.5.0 Factors Considered Influencing Labour Retention in KPA

When asked to mention at least five factors that they considered to be influencing labour retention level in KPA, the respondents mentioned remuneration (pay), training and development, working conditions and quality leadership as the most influential factors. However other factors such as promotion based on merit, fringe benefits, work-life balance, and employee engagement among others were also mentioned to a small extent. Accordingly, remuneration (pay) was mentioned as the most influential factors with 58.89% followed by working conditions with 19.06%. 11.44% mentioned training and development as an influential labour retention factor while quality leadership and management recorded 6.70%. Other factors such as promotion based on merit, fringe benefit, work life balance, employee engagement among others all together recorded 3.91%. From the above data it can be concluded that just like many other organizations, pay (remuneration) remains to be the most influential factor in retaining employees in Kenya Ports Authority. This concurs with Sinclair et al, (2005) who reckon that compensation in form of remuneration determines the rate of attraction, retention and motivation of employees. Figure 4.8 below graphically presents the data collected above.
4.5.1 Results of the Adoption of Labour Retention Strategies

The researcher also sought to find out the end results of adoption of labour retention strategies. From the findings, 17.14% of the responses recorded high increase in productivity, 40.95% of the responses indicated a low turnover rates, and 22.86% believe that the retention strategies had resulted to slight increase in productivity, 15.24% recorded slight increase in turnover rates while 3.815% did not observe any results of the labour retention strategies adopted by KPA. In this case it is evident that when an organization adopts labour retention strategies it is most likely to experience an increase in productivity and low turnover levels. The figure below presents the above discussion.
Figure 4.9: Results of Adopting Labour Retention Strategies in KPA

Source: (Research Data, 2012).

4.6.0 Training and Career Development as a Labour Retention Strategy

Table 4.8 below sought to answer research question (i) which asked “Does training as a labour retention strategy control labour turnover in Kenya Ports Authority. According to Dahama (1979), for an organization to achieve its desired goals and objectives it has to facilitate the employees learning through training so that their modified behaviours enable them to become qualified and proficient to perform a job better. From the table 4.8 below, when the respondents were asked whether the company has a clear training policy for the employees majority of them agreed (44.76%) with the statement while (27.62%) of the response strongly agreed on the presence of a clear training policy. On the other hand, when asked whether there were training opportunities to learn and grow still majority of the respondents (53.3%) did agree with the statement. Furthermore, upon being asked if the training helped them better perform their work 65.72% of the responses did agree with the statement. When asked if employees were offered opportunities to further their education still majority of the respondents (36.19%) did agree with the statement and when asked if the training facilities and equipments were designed to match their jobs, majority of them appeared not to be sure. Majority of them (40.00%) were equally not
sure if the training services offered by the management were free. This is a clear indication that KPA as a parastatal was keen in investing on the development of its labourforce to meet the desired productivity of the company. It is also a clear indication that KPA had established a strong bond with its employees by investing in them through training an incentive that is well supported by Hall and Butts (1999). However the fact that most employees were not sure whether the training initiatives given by the company were designed to match there job expectations and whether it was free still left a lot to be worked on by the parastatal if it is to continue enjoying the commitment of its employees. Table 4.8 below categorically illustrates the above discussion.

Table 4.7 Assessing training and development as a retention strategy in KPA

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
</tr>
<tr>
<td>The company has clear training policy for the employees</td>
<td>2.9</td>
<td>27.63</td>
<td>4.7</td>
<td>44.76</td>
<td>18</td>
</tr>
<tr>
<td>There are training opportunities to learn and gross</td>
<td>21</td>
<td>20</td>
<td>56</td>
<td>53.3</td>
<td>28</td>
</tr>
<tr>
<td>Employees obtain the necessary training to help them better perform their work.</td>
<td>23</td>
<td>21.90</td>
<td>69</td>
<td>65.72</td>
<td>13</td>
</tr>
<tr>
<td>Employees are given opportunities to further education</td>
<td>7</td>
<td>6.66</td>
<td>38</td>
<td>36.19</td>
<td>32</td>
</tr>
<tr>
<td>Training facilities and equipments are designed to match with the job undertaken</td>
<td>-</td>
<td>-</td>
<td>30</td>
<td>28.59</td>
<td>42</td>
</tr>
<tr>
<td>Training services offered by management is free.</td>
<td>-</td>
<td>-</td>
<td>34</td>
<td>32.38</td>
<td>42</td>
</tr>
</tbody>
</table>

Source: (Research Data, 2012).

4.6.1 Training and development as a primary reason for labour retention

When asked if training and career development was a primary reason for labour retention majority of the respondents did not agree with the assertion (62.7%), on the other hand (37.3%) of the responses did agree with the statement. This is because they considered other factors to
such pay (remuneration) and working conditions as much more influential than training and career development. It can therefore be argued that whereas employees considered all labour retention strategies as important, other strategies were certainly more important than others. Figure 4.10 before accurately represents the above discussion.

Figure 4.10: Training as a primary labour retention strategy.

From the figure above, it can therefore be concluded that much as training and career development is considered a vital labour retention strategy, it is not the primary (key) factor that influences labour turnover rate in KPA.

4.7.0 Remuneration as a labour retention strategy

The researcher also sought to investigate how remuneration acts as a labour retention strategy in KPA. Using a Likert scale of 1-3 with 1 representing “highly influences”, 2 representing “neutral” and 3 representing “slightly influences” the respondents were asked to circle the option they deemed appropriate. As per the data collected 78.79% considered remuneration to highly influencing labour retention, 14.29% of the responses were neutral while 6.67% considered it to slightly influencing labour retention in KPA. This concurs with Fredrick Taylor’s scientific management theory that argues that remuneration remains to be the most important of all retention strategies. This is represented in the pie chart in the figure below.
Moreover the researcher further investigated the influence of remuneration as a retention strategy by asking the respondents related questions. In line with this, the research question (ii) which asked: “How does remuneration act as labour retention strategy how employees in KPA?” was to be answered. Table 4.8 below accurately displays the responses.
Table 4.8 Assessing remuneration as a retention strategy in KPA

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
</tr>
<tr>
<td>The salary and benefits offered by the company are appropriate for my needs</td>
<td>-</td>
<td>-</td>
<td>27</td>
<td>25.71</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>5.73</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My salary is fair for my tasks, duties and responsibilities of my job.</td>
<td>3</td>
<td>2.85</td>
<td>24</td>
<td>22.86</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>6.67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work done well and overtime is counted on my earning as more earning (bonuses and commission)</td>
<td>12</td>
<td>11.43</td>
<td>21</td>
<td>20.00</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>17</td>
<td>16.19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I know the criteria used to decide my pay</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>4.76</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>38</td>
<td>36.19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increment of salary is based on performance and promotion</td>
<td>14</td>
<td>13.33</td>
<td>51</td>
<td>48.57</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2.86</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I'm satisfied with the salary and remuneration policy offered by the company</td>
<td>-</td>
<td>-</td>
<td>38</td>
<td>36.19</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>22</td>
<td>20.95</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary and remuneration package is paid right on time</td>
<td>14</td>
<td>13.33</td>
<td>57</td>
<td>54.29</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: (Research Data, 2012).

As per the responses above, it is vivid that remuneration is a very key factor in maintaining the labourforce in KPA. When asked whether the salaries and benefits offered by the company appropriately fulfilled their needs, majority of the responses (50.47%) were neutral and therefore not sure. They (39.05%) were also not sure whether their salary was fair for the task, duties and responsibilities of their job. Furthermore majority (59.05%) of them did not know the criteria used to decide their remuneration and that explains why 30.48% were not sure whether the work they did well and overtime was counted in their earning. When asked whether increment of their salaries was based on performance and promotion, majority of them (48.57%) agreed with the statement, 13.33% strongly concurred with the statement, 31.43% were not sure, 3.81% disagreed while 2.86% strongly disagreed. On the other hand despite most (54.29%) of the respondents admitting that their salaries are paid on time most of them (42.86%) were not satisfied with the company’s salary and remuneration policy. In addition when asked on their suggestions to improve on the company’s remuneration policy, majority of the respondents...
suggested an increment on salaries for employees in the position of line management and that
vacations and sick leaves should be offered sufficiently without affecting the monthly salary
package. From these responses it was noted that KPA had a fairly attractive remuneration policy
and that the company was fully aware that remuneration levels more than any other retention
strategy determined the lengthy stay of the majority of the workforce.

4.8 Quality Leadership and Management as a Labour Retention Strategy

Quality leadership and management provide a positive employee attitude which is associated
with a company’s increased level of performance as well lowering turnover levels (Lawler,
2003). Upon asking the respondents whether they felt quality leadership and management
offered by the management acted as a strong determinant of them continuing to work for the
company, a slight majority (53.33%) was satisfied by the leadership of the company and
therefore considered it a labour retention strategy. On the other hand a relatively good number of
responses (46.67%) expressed dissatisfaction with the leadership and management of the
company. The figure below shows the responses above.

Figure 4.12: Quality Leadership and Management as a determine employee retention in
KPA?

![Quality Leadership and Management as a determinant of Employee Retention in KPA](image)

Source: (Research Data, 2012.)

The researcher further sought to find out more details to investigate the practicability of quality
leadership and management as a mean employed by KPA to retain its works. To achieve this, the
researcher asked the questions related to this retention strategy. Table 4.9 below shows the
responses from the respondents.
Table 4.9 Assessing quality leadership and management as a labour retention strategy in KPA

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
</tr>
<tr>
<td>Leaders are trustworthy and serve with utmost integrity</td>
<td>18</td>
<td>17.14%</td>
<td>56</td>
<td>53.34</td>
<td>27</td>
</tr>
<tr>
<td>Leaders are democratic and thus engage employees in decision making processes.</td>
<td>6</td>
<td>5.71</td>
<td>23</td>
<td>21.90</td>
<td>30</td>
</tr>
<tr>
<td>There is satisfactory employee-leader relationship thus employee requests and questions are considered relevant.</td>
<td>3</td>
<td>2.85</td>
<td>21</td>
<td>20.00</td>
<td>-</td>
</tr>
<tr>
<td>Leaders delegate work effectively.</td>
<td>13</td>
<td>12.38</td>
<td>27</td>
<td>25.71</td>
<td>41</td>
</tr>
<tr>
<td>Leaders use reward and punishment as an inspirational approach to performance and compliance.</td>
<td>-</td>
<td>-</td>
<td>17</td>
<td>16.19</td>
<td>26</td>
</tr>
<tr>
<td>The leaders are objective and impartial in the decision that they make.</td>
<td>-</td>
<td>-</td>
<td>25</td>
<td>23.81</td>
<td>38</td>
</tr>
</tbody>
</table>

Source: (Research Data, 2012).

From the above table it can be argued that most employees in KPA trust their leaders. This is because when the respondents were asked whether their leaders were trustworthy and whether they served with utmost integrity most of them (53.34%) agreed with 17.14% strongly agreeing with the statement. However a slight majority (35.24%) did not approve of the leaders as democratic since they felt they did not fully engage them in the decision making processes of the company. On the other hand 28.57% were not sure whether their leaders were democratic enough.

The researcher also intended to find whether the employee-leader relationship is satisfactory. In this case most of the respondents (53.33%) disagreed with this assertion with only 20.00% agreeing. Furthermore, most respondents (39.05%) were not sure if the leaders delegated their work effectively with only 12.38% strongly agreeing and 25.71 agreeing. 19.50% disagreed with 3.81% strongly disagreeing. Majority of the responses (37.14%) disapproved the use of reward and punishment as an inspiration approach to performance and compliance. In addition, most of
the respondents were neutral (36.19%) when asked if their leaders were impartial in their decisions. Only 23.81% of them approved of the objectivity and impartiality of their leaders with 22.86% disagreeing and 17.14% strongly disagreeing. When asked to suggest their opinions on what the parastatal should do to improve on its quality leadership and management, most respondents recommended the need to ensure improve mutual relation between the leaders and the employees, the use need to encourage leadership training and seminars. The need to lead by example was also recommended. Watson (2009) depicts that good management coupled with effective leadership are the significant determinants of continued job satisfaction.

From the above findings therefore, it is a clear indication that despite the relative trust that the employees of KPA had on its leadership and management, the company still had to work extra harder if they were to fully win the complete trust of the workforce, for instance establishing a democratic style of leadership by engaging them in their decision-making processes and guaranteeing them a stable employee-leader relationship.

4.9 Employee Engagement as a Labour Retention Strategy
The level of employee engagement was also assessed to determine whether it's an effective labour retention strategy. To determine this the researcher asked how employee engagement influences labour retention levels in KPA with option of very high, high, average, low and very low being given. The question also intended to answer research question (v) which asked whether employee engagement acts as a labour retention strategy in KPA. From the data collected majority (39.05%) of the respondents felt that employee engagement averagely influenced the labour retention levels in the company, 20.00% felt that it does influence labour retention levels very highly, 23.81% of the responses felt it highly influences labour retention levels with 7.62% asserting that it lowly influences and 9.52% reckoning that employee engagement influences labour retention very lowly. This was an indication that KPA had not fully engaged its workers into the company, an aspect that is recommended by Purcell who argues that this practice is therefore only meaningful if both the management and the employees share responsibility genuinely (Purcell et al 2003). However the fact that 23.81% of the respondents agreed that employee engagement highly influenced labour retention is also an
indication that this labour retention strategy should not be overlooked. This is represented in the figure below.

Figure 4.13: The influence of employee engagement on labour retention in KPA

![Rating the influence of Employee Engagement on Labour Retention in KPA](image)

**Source:** (Research Data, 2012).

To further investigate the adoption of employee engagement in KPA the researcher asked the respondents related questions. The following is a table illustrating the responses collected by the researcher.

**Table 4.10: Assessing employee engagement as a retention strategy in KPA**

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees are given freedom to participate in decision making.</td>
<td>6</td>
<td>23</td>
<td>30</td>
<td>37</td>
<td>9</td>
</tr>
<tr>
<td>Employees have the freedom for innovative thinking in executing tasks.</td>
<td>-</td>
<td>3</td>
<td>12</td>
<td>63</td>
<td>27</td>
</tr>
<tr>
<td>Employee Involvement provides them with a sense of belonging to the organization.</td>
<td>21</td>
<td>23</td>
<td>41</td>
<td>41</td>
<td>4</td>
</tr>
<tr>
<td>Communication between the subordinate staff and the manager is two-way.</td>
<td>-</td>
<td>13</td>
<td>26</td>
<td>41</td>
<td>25</td>
</tr>
<tr>
<td>Management encourages a good working relationship with the workers.</td>
<td>8</td>
<td>25</td>
<td>41</td>
<td>21</td>
<td>10</td>
</tr>
</tbody>
</table>

**Source:** (Research Data, 2012).
From the table above, a slight majority (35.29%) of the respondents felt that the employees in KPA were not given freedom to participate in the decision making processes with 21.90% agreeing that that avenue was given. Most responses (60.00%) also felt that employees had not been exposed to an environment of innovative thinking in executing tasks with only 2.86% agreeing with this assertion. However most of them (39.05%) were not sure whether the degree of employee involvement in the company’s affairs gave them a sense of belonging with 21.91% agreeing with the statement, 20.00% strongly agreeing, 15.24% disagreeing and 3.80% strongly disagreeing. When asked whether communication in the company between the subordinate employees and the managers was two-way most (39.05%) of the respondents disagreed with only 12.38% agreeing, 24.67% being neutral and 23.81% strongly disagreeing. Further still, most of the respondents (39.05%) were not sure whether the parastatal’s management encouraged a good working relationship with the employees with 25.81% agreeing with this statement, 7.62% strongly agreeing, 20.00% disagreeing and 9.52% strongly disagreeing. It can therefore be concluded from the data collected above that employee engagement is not a strong determinant of labour retention in KPA which undermines the effort the company is making to retain it’s labourforce. Vance (2006) asserts that the greater an employee is engaged to the activities of the organization, the more he or she is likely to commit to staying with the employer. In this case therefore participative management and giving workers the autonomy and authority to make decisions is very critical.

4.10 Work-life Balance as a Labour Retention Strategy
Lastly, the researcher endeavored to find out the extent to which KPA as a parastatal enabled the employee balance between their job responsibilities and their daily life undertakings. This intended to answer research question number (iv) which sought to establish how effective work-life balance practices were in retaining the labour force in KPA. Upon asking the respondents on whether their work responsibilities allowed them to attend to their immediate family responsibilities majority of them (56.19%) agreed (YES) while a slight minority (43.81%) disagreed (NO). This is an indication that workers in the parastatal preferred working with conditions that allowed them to also meet their family responsibilities as well as have time to engage in other societal responsibilities and social activities. This is because remuneration alone is not enough; employees need to be able to balance their family life and the number of hours
they spent at work. According to Gover and Crooker (1995), there is greater organizational commitment if employees have access to work-life policies which in turn lower their intent to quit working. The researched data on work-life balance is presented vividly in the graph shown in the figure below.

Figure 4.14: Response on whether the jobs are flexible to allow workers attend to immediate family responsibilities

<table>
<thead>
<tr>
<th>Response on whether the jobs allow workers to attend to immediate family responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
</tr>
<tr>
<td>43.80%</td>
</tr>
<tr>
<td>NO</td>
</tr>
<tr>
<td>56.19%</td>
</tr>
</tbody>
</table>

Source: (Research Data, 2012).

The researcher further investigated the influence of work-life balance practices in retaining the employees of KPA. To effectively achieve this questions related to work-life balance were asked. The following table 4.11 accurately represents the data collected by the researcher.
Table 4.11: Assessing Work-Life balance as a labour retention strategy in KPA

<table>
<thead>
<tr>
<th>Statement</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company offers opportunity to work independently at home using laptop computers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>73</td>
<td>69.52</td>
</tr>
<tr>
<td>There are flexible work arrangement incase one has urgent family responsibility to fulfill</td>
<td>21</td>
<td>20.00</td>
<td>56</td>
<td>53.33</td>
<td>-</td>
</tr>
<tr>
<td>The company offers permission to bereaved workers to attend funeral ceremonies of their immediate relatives</td>
<td>35</td>
<td>33.33</td>
<td>58</td>
<td>55.24</td>
<td>12</td>
</tr>
<tr>
<td>The company offers material and paternal leaves for expectant employees</td>
<td>18</td>
<td>17.14</td>
<td>34</td>
<td>32.38</td>
<td>53</td>
</tr>
</tbody>
</table>

Source: (Research Data, 2012).

From the data collected above it can be argued that work-life balance practices in KPA act as a major labour retention strategy. As per the data above most (69.52%) employees do not believe that the company offers opportunity to work independently at home say through the use of laptop computers with 30.48% strongly disagreeing with that assertion. However majority (53.33%) agreed that the company had adopted a flexible work arrangement incase one had an urgent family responsibility to fulfill with 20.00% of the responses strongly agreeing with the statement, 14.29% disagreeing and 2.86% disagreeing. On the other hand most responses (55.24%) reckoned that the company does offer permission to bereaved employees to attend funeral and burial ceremonies with 33.33% of the responses strongly agreeing and 11.43% not sure. When asked whether the company offers maternal and paternal leaves most responses (50.48%) were not sure while 32.38% agreed with 17.14% strongly agreeing. This therefore implies that KPA was relatively committed to making sure that the workers most importantly attend to their family and domestic responsibilities which is directly related to labour retention.

4.11 Summary of the Chapter

All in all from the data collected by the researcher it can be noted that KPA as a parastatal had to a large extent adopted key measures to curb on labour turnover levels. It should be noted that much as there were other important factors that also mentioned to be considered as labour
retention strategies, the researcher intended to investigate the key measures which were remuneration, training and development, quality leadership and management, employee engagement and work-life balance. On the overall the researcher sought to find out on a scale of 1-5 which of these factors was the most important of the rest. In this case 1-represented not important at all, 2- represented not important, 3- represented Fairly important, 4- represented important and 5- represented very important. From the data collected all these strategies were considered as important only that the degree of important varied. The following table 4.12 illustrates the degree of importance of each retention strategy.

Table 4.12: Level of importance of each retention strategy

<table>
<thead>
<tr>
<th>Labour Retention Strategy</th>
<th>Average Score on a scale of 1-5</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and Development</td>
<td>3</td>
<td>Fairly Important</td>
</tr>
<tr>
<td>Remuneration</td>
<td>5</td>
<td>Very Important</td>
</tr>
<tr>
<td>Quality Leadership and Management</td>
<td>4</td>
<td>Important</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>5</td>
<td>Very Important</td>
</tr>
<tr>
<td>Work-Life Balance</td>
<td>4</td>
<td>Important</td>
</tr>
</tbody>
</table>

Source: (Research Data, 2012).

From the above table, remuneration and employee engagement were considered the most important labour retention strategies with an average score of 5. This is because most of the respondents considered these factors to directly influence the motivation of employees at the workplace. Those respondents who gave reasons argued that the employees need to be fully engaged as part and parcel of the organization so that they feel a sense of belonging. It is as a result of this that they are motivated to continue working and staying with the company. Those who considered remuneration as the very important argued that it not only a retention strategy but also the main reason for which majority of the employees work.

On the other hand, the respondents rated quality leadership and management as important with an average score of 4. Quality leadership was reckoned to be important to the overall performance of the company while work-life balance was said to be important to save the family institutions.
Lastly, training was considered to be fairly important with an average score of 3 since most of the respondents argued that they had prior training before coming to work for KPA. The above discussion is represented graphically in the figure shown below.

**Figure 4.15: The Level of Importance of each Investigated Retention Strategy**

![Bar chart showing the level of importance of different retention strategies.](image)

Source: (Research Data, 2012).
CHAPTER FIVE
SUMMARY, FINDINGS, RECOMMENDATION AND CONCLUSION

5.0 Introduction

This chapter consists of a summary of the findings of the research, conclusions relating to the research objectives, conclusions relating to the research objectives, suggestions and recommendations on the labour retention strategies adopted by parastatals in Kenya. The chapter also presents areas of further research.

5.1 Summary of the Findings

The study aimed at investigating the labour retention strategies adopted by parastatals in Kenya with KPA as a case study. The study targeted 150 respondents. Out of the distributed questionnaires, 105 were returned with 45 questionnaires not returned. This is a response rate of the satisfactory 70%. Out of the 105 respondents a slight majority (58.095%) were male with 41.905% being female respondents. Furthermore, from the data collected most of the respondents (29.53%) were aged between 31-35 years. 14.29% were aged between 25-30 years, 19.05% were aged between 36-40 years, 15.24% were aged between 41-45% and 6.60% were over 51 years and above. Only a minority 3.80% were below 25 years. This is an indication that KPA as a parastatal employed workers of diverse age groups with majority of them being young mature employees.

Basing on their levels of education, a slight majority of the responses (24.76%) had certificates with 23.81% holding diplomas, 13.33% holding bachelors' degrees while those who had acquired postgraduate education were 5.73%. This is an indication that most of the employees in the parastatal were learned and experienced to handle their respective duties at work. However, there were those who also had attained secondary education (17.14%) and primary education (3.81%) as their highest level of education and were serving in the line management positions. Another analysis that was discovered by the researcher is that those who had attained diplomas and certificates were serving in the middle level management category while those who have acquired bachelors' degrees and post-graduate degrees were serving in the top management level. This is an indication that the parastatal had high regard on meritocracy which is positively related to labour retention.
In addition, the study findings indicated that a vast majority of the respondents were married (75.23%) with only 24.77% of them being unmarried. This therefore meant that work-life balance as a retention strategy played a vital role in retaining the employees. This is in line with the additional family responsibilities that come along with married employees as compared to their unmarried counterparts. It is therefore not a surprise that Figure 4.15 on a scale of 1-5 indicated work-life balance with a score of "4" as an important labour retention strategy.

Findings also indicated that majority of respondents (40.00%) were those who had worked for a period between 11-15 years, an indication that the parastatal had excellent strategies of keeping employees since proved that the respondents were satisfied to a large extent with the employment terms of the parastatal. Moreover, there were those minority 6.66% who had worked for the parastatal for more than 21 years, an indication that the company relied heavily on experienced workers to achieve its desired productivity. In line with this is that when asked to rate their level of satisfaction with the terms of employment with the parastatal, most of them (54.29%) were slightly satisfied with 16.19% indicating that they were highly satisfied with their jobs. This is very important to KPA since job satisfaction is a vital motivator of employee performance and is positively related to labour retention levels (Mak and Sockel, 1999).

Most of the respondents (63.81%) admitted that the parastatal had taken steps to retain its employees with majority of them mentioning remuneration levels, training and development, working conditions and quality leadership as the most influential steps. However, majority (58.89%) felt that remuneration (pay) still remained to be the most important job motivator. In this case while giving their comments most of them reckoned that other factors also played a vital role towards them continuing to work for KPA. It is therefore not surprising that when asked to comment on the results of the adoption of these strategies majority of them (41.00%) mentioned low turnover rates with 23.00% reckoning slight increase in productivity. This is an indication that the parastatal's adoption of these strategies were bearing fruits.

Upon examining training and development as a retention strategy, majority (44.76%) agreed that KPA had a clear training policy for its employees while on being questioned, 53.33% of the respondents confirmed that these training initiatives helped the employee learn and develop their careers. Most (65.72%) did also agree that the training initiatives had helped them perform their jobs better. However, majority (62.70%) did not agree that training was a primary labour...
retention strategy (see Figure 4.10). It can therefore be argued that since most of the employees considered remuneration as their primary reason as to why they would continue working for the KPA, if the parastatal offered them better training and it did not pay them well then they would leave for other better pays companies.

While assessing remuneration, majority of the responses (78.79%) recorded that it highly influences retention. However most of them (50.47%) were still neutral when asked to indicate whether their salary levels fulfilled their needs and most of them (59.05%) did not know the criteria used to determine their salaries and perks. Controversially enough is that most of the respondents (42.86%) were not satisfied with the salaries and perks that they were receiving. Nevertheless to give credit where it’s due majority (48.57%) felt that their award and increment of salaries and perks was based on performance, promotion and merit. This is an indication that employees would continue working for the parastatal provided their prime motivator (pay) is well catered for. However it is quite hard for them to be satisfied with their pay rates.

Furthermore, while investigating quality leadership and management as another vital retention strategy, a slight majority (53.33%) expressed satisfaction with the leadership and management of the parastatal with (46.67%) expressing dissatisfaction. On the other hand most of them (53.34%) still felt that their managers and leaders were trustworthy and served with utmost integrity. However, most of them (35.24%) did not approve of their leaders as democratic since they did not engage them in the decision-making processes. Nevertheless majority of them (53.33%) also felt that there was no employee-leader relationship that is a slight majority (39.05%) were not sure if work was delegated effectively. This therefore means that leaders in parastatals in Kenya have to be democratic to nurture the employee-leader relationship which is positively related to labour retention.

Upon assessing employee engagement as a retention strategy majority (39.05%) of the respondents felt that it averagely influence labour retention in KPA with only 23.81% reckoning that it highly influences retention levels. This was attributed to low employee engagement in decision-making, lack of exposure to innovative environment. Majority (35.29%) felt there was no two way communication between the subordinate employees and their managers with a majority (39.05%) also not sure whether work was effectively delegated. This therefore indicates
that KPA’s management did not fully engage it’s employees and that employee engagement was not a strong determinant of labour retention.

Upon assessing work-life balance, most respondents (56.19%) accepted that the company offered them opportunity to attend to their immediate family responsibility and especially in cases of emergencies. Majority (53.33%) also agreed that the company had adopted a flexible work arrangement (day and night shifts) to allow employees to cover-up for each other. 55.24% of the respondents also agreed that the management of the company allowed bereaved employees to attend funerals and burial of their bereaved ones. However most of them (50.48%) were not sure whether the parastatal’s management considered maternal and paternal leaves. Generally from the responses, work-life balance was considered an important retention strategy having been averagely rated as “important” with a score of “4” (see Figure 4.15).

5.2 Conclusion

It is worth stating that from the analyzed data of this study, all labour retention strategies are vital if an organization is to keep, it’s employees working and committed. However some retention strategies have to be first implemented before others come in to play. This is much vivid when the respondents rated better remuneration as the first motivator before others such as training and development, quality leadership and management, employee engagement, work-life balance, working conditions among others. Nevertheless, it should be noted that for some specific labourforces other factors such as working conditions and employee engagement are normally the first priority while other consider training and development as their first retention strategy.

5.3 Recommendations

Basing on the findings of this research study, the following recommendations can be made;

Parastatals are state corporations and therefore the government of Kenya has an obligation of ensuring maximum productivity is yielded from them. As a result human resources are the most important assets an organization can have. In this case how you treat them determines whether they will or not continue working for that organization. As such, the government of Kenya should invest more on these labourforces, for instance;
Through the aid of the government, parastatals ought to review their salaries and remuneration policy such that virtually all employees in the organization are relatively satisfied with their remuneration rates. In this case factors such as the level of education, length of service in the organization, performance of an employee, promotion for those who are qualified among others should be put into consideration so that employees are contented with their rates of pay. Moreover parastatals should endeavor to educate the employees on the criteria use to arrive at their salaries.

Clear training initiatives should be adopted and these should aim not only at benefiting the company but also building the careers of the employees. In addition parastatals should be in a position to sponsor employees who desire to further their education for the benefit of both the employees and the company which is positively related to employee retention. Managers should also be sponsored to undertake leadership and management courses especially those related to human resource management. This will enable them to effectively handle employees so as to maintaining them in the long run. In line with this, human resource practices such providing employees with an innovative environment, ensuring a two-way communication between the managers and the employees and encouraging a good working relationship with the employees helps retain productive employees.

Furthermore to improve on employee engagement employees ought to be also accorded autonomy and authority to make decision and an environment to allow innovativeness and participative management by employees so as to achieve a sense of belonging in Kenyan parastatals. In addition, to fully achieve work-life balance as a retention strategy, the management of Kenyan parastatals should be help grant medical insurance cover and allowances to help them handle emergencies of their family members.

5.4 Areas of Further Research

The purpose of this study was to investigate the labour retention strategies adopted by parastatals in Kenya with KPA being the case study. Whereas the concept of labour turnover has been vastly researched, it’s related concept (labour retention) still remains with some gaps to be studied. After reviewing the varied responses a number of gaps which were outside the scope of this research have emerged. For instance, whereas this study only concentrated on investigating the
labour retention strategies adopted by parastatals in Kenya, one should also analyze the impact of adopting these labour retention strategies on organization’s performance.

Further still, this research was carried out only with parastatals (state corporations) in mind. One could also evaluate investigate whether the private sector institutions would exhibit similar findings. More research can also be done to examine why organizations are keen to adopt these retention strategies.
REFERENCES


Basset - Jones N& Lloyd, G.C (2005), *Does Herzberg motivation theory have staying power?* Journal of Management Development 24(10)

Basta. N, and Johnson (1989), "*ChEs are back in high demand*," Chem Eng.


Chartered Institute of Personnel Development; CIPD (2005)


Daniel J. Christie (2001); Reducing Direct and Structural Violence: The Human Needs Theory; Peace and Conflict: Journal of peace psychology vol.3


Elbert N.F and Discenza, R (1985), Contemporary Supervision.

Fitz-enz, J (1990). *Getting and keeping good Employees*. In personnel 67(8)


Herzberg F. (1968) *Work and the Nature of Man,* Great Britain: staples


International Labour Organization, ILO (2001)

Institute of Management and Administration IMA (2008)


Kaye, B.L & Jordan - Evan, (1999) “*Love em’or Lose em*”

Khan W.A (1990), *Psychological Conditions of Personnel Engagement and Disengagement at Work*. Academic of management Journal VOL.33


Laws Of Kenya, Capt 391


Master plan study of the port of Mombasa, December (2004)


Sessional Paper No. 10 (1965).


State Corporation Act, Cap 44 (1987)


Workforce planning for Wisconsin state Government (2005).
Appendix I: Schedule of Research Activities

<table>
<thead>
<tr>
<th>Month</th>
<th>December 2011</th>
<th>January 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week</td>
<td>1  2  3  4</td>
<td>5  6  7  8</td>
</tr>
<tr>
<td>Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposal Writing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposal Presentation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Collection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report writing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report submission</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Appendix II: Budget for the study

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>SOURCE OF REVENUE (KSHS)</th>
<th>AMOUNT (KSHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typing and printing of research proposal</td>
<td>Personal source of income</td>
<td>3,500.00</td>
</tr>
<tr>
<td>Binding of research proposals (6 copies)</td>
<td>&quot;</td>
<td>500.00</td>
</tr>
<tr>
<td>Development of research instruments (questionnaires)</td>
<td>&quot;</td>
<td>750.00</td>
</tr>
<tr>
<td>Data Collection</td>
<td>&quot;</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Data analysis and report writing</td>
<td>&quot;</td>
<td>4,500.00</td>
</tr>
<tr>
<td>Data processing printing and binding of final</td>
<td>&quot;</td>
<td>4,500.00</td>
</tr>
<tr>
<td>research project (6 copies)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated traveling expenses</td>
<td>&quot;</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Total (Kshs)</td>
<td></td>
<td><strong>20,250.00</strong></td>
</tr>
</tbody>
</table>

Source: Author (2011)
Appendix III: Introduction Letter

Oketch Ezekiel Omondi
Kenyatta University,
P.O. Box 43844-00100,
Nairobi, Kenya.
December, 2011.

To the Respondent,

Kenya Ports Authority,
P.O. BOX 95009-80104
Mombasa, Kenya.

Dear Respondent,

RE: REQUEST TO FILL A RESEARCH QUESTIONNAIRE

This is to inform you that the researcher Mr. Oketch Ezekiel Omondi is a student at Kenyatta University pursuing a Masters of Business Administration (M.B.A), Human Resource Management option. The researcher intends to investigate the labour retention strategies adopted by parastatals in Kenya with Kenya Ports Authority (KPA) specifically as a case study.

In order to complete the above research paper the researcher would like to kindly request you to fill in the questionnaire provided to assist him collect accurate data for the purpose of improving the labour retention strategies adopted by parastatals in Kenya. It is also the assurance of the researcher that the information given will be treated with utmost confidentiality and will not be used for any other purpose other than for the purpose of this project. Your positive response will be highly appreciated. Thank You.

Yours Sincerely,

Oketch Ezekiel Omondi.
8th March, 2012

TO WHOM IT MAY CONCERN:

RE: OKETCH EZEKIEL OMONDI – D53/13075/09

This is to confirm that the above named is a Master of Business Administration MBA (Human Resource Management Option) Student in the School of Business, Kenyatta University.

He is through with course work and has successfully defended his Masters Degree proposal (An Investigation on Labour Retention Strategies Adopted by Parastatals in Kenya. A Case Study of Kenya Ports Authority) and has done all the corrections that were pointed out by the examiners during the defense. He is now embarking on data collection.

Any assistance accorded him will be much appreciated by this office.

Thank you.

MUATHE SMA (PhD)
DOCTORAL AND MBA PROGRAMME COORDINATOR

SMA/nt
Appendix IV: Questionnaire

This research study aims at investigating the labour retention strategies adopted by parastatals in Kenya specifically covering Kenya Ports Authority. In order to conduct this research study the questionnaire attached below has been developed as the main instrument of data collection. It is the researcher’s request that in order to achieve accurate data the respondent answer the questions according to what he or she believe is true and avoid leaving blanks.

SECTION: A

By the means of tick (✓) kindly indicate an option that best describes you where appropriate.

Also fill in the blanks where necessary.

1. Your Gender
   (a). Female  
   (b). Male  

2. Your age Bracket
   a) Below 25 years
   b) 25 – 30 years
   c) 31 – 35 years
   d) 36 – 40 years
   e) 41 – 45 years
   f) 46 – 50 years
   g) Over 51 years

3. Your level of Education
   a) Primary Education
   b) Secondary Education (O level)
   c) A – level Education
d) Diploma

e) Bachelor Degree

f) Masters Degree and above

4. Marital Status

a) Married

b) single

5. Length of service in the company

a) 1-5 years

d) 16 - 20 years

b) 6 – 10 years

e) 21 years and above

c) 11 – 15 years

6. How would you rate your Job satisfaction with the company

a) Highly satisfied

b) Slightly satisfied

c) Neutral

d) Slightly dissatisfied

e) Highly satisfied

7. Has the company taken any steps to address labour turnover issues to retain its employees?

a) Yes

b) No

c) Not sure

8. If yes, mention at least three factors that you consider to influence labour retention levels in Kenya Ports Authority.

I. ____________________________

II. ____________________________

III. ____________________________
9. Out of the factors you have indicated what has been the end result.

a) High increase in productivity

b) Low turnover rates

c) Slight increase in productivity

d) Slight increase in turnover rate

e) No result observed
# SECTION B: TRAINING AND CAREER DEVELOPMENT

1. Think of the present training and career development initiatives offered by the company.

Basing on your opinion tick (✓) one cell for each statement provided in the table below.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company has clear training policy for the employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There are training opportunities to learn and grow</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees obtain the necessary training to help them better perform their work.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees are given opportunities to further their education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training facilities and equipments are designed to match with the job undertaken</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training services offered by management is free and within the premises of the company.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. In your opinion do you believe training and career development opportunities offered by the company is the primary reason for labour retention in KPA?

a). Yes  

b). No  

3. Comments

______________________________

91
SECTION C: REMUNERATION

1. On a scale of 1-3, how would you rate the influence of remuneration in determining labour retention levels in the company?

N.B Circle the number that you deem appropriate.

1 2 3
Highly Influences Neutral Slightly Influences

2. Basing on the remuneration package offered by the company, please tick (✓) on cell for each statement in the table below.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The salary and benefits offered by the company are appropriate for my needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My salary is fair for my tasks, duties and responsibilities of my job.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work done well and overtime is counted on my earning as more earning (bonuses and commission)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I know the criteria used to decide my pay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increment of salary is based on performance and promotion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I'm satisfied with the salary and remuneration policy offered by the company.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary and remuneration package is paid right on time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3. The following is a list of facet (factors) related to your remuneration. Read each facet carefully then using a tick (✓) the column that best represent your feelings.

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The health care and medical allowance is paid to you.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The risk allowance is paid to you</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The housing allowance is supplemented to you appropriately</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacations and sick leaves are offered sufficiently and do not affect the monthly salary package</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Give two suggestions on what the company should do to improve on the salary and Remuneration policy to enhance labour retention.

I. __________________________________________

II. __________________________________________

SECTION D: QUALITY LEADERSHIP AND MANAGEMENT

1. In your own opinion do you believe that quality leadership and management determines employee retention in KPA?

a). Yes □  b). No □
2. Basing on the leadership styles and management practices by the company please tick (\(\checkmark\)) one cell for each statement provided below.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaders are trustworthy and serve with utmost integrity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders are democratic and thus engage employees in decision making processes.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is satisfactory employee-leader relationship thus employee requests and questions are considered relevant.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders delegate work effectively.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders use reward and punishment as an inspirational approach to performance and compliance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The leaders are objective and impartial in the decision that they make.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Give two suggestions on what the company should do to improve quality leadership and management styles.

I. 

II. 

SECTION E: EMPLOYEE ENGAGEMENT

1. In your own opinion does employee engagement act as a labour retention strategy in K.P.A?

a). Yes 

b). No 

94
2. If yes, how does it influence labour retention levels

a) Very High
b) High
c) Average
d) Low
e) Very low

3. Basing on the employee engagement practices adopted by the company, please tick (✓) one cell for each statement provided in the table below.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees are given freedom to participate in decision making.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees have the freedom for innovative thinking in executing tasks.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Involvement provides them with a sense of belonging to the organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication between the subordinate staff and the manager is two-way.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management encourages a good working relationship with the workers.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Give at least two suggestions on what the organization should do to improve their levels of employee engagement.

I.  

II.  

95
SECTION F: WORK – LIFE BALANCE

1. Think of your present work and your family responsibilities. In your opinion does your work allow you to balance the family responsibilities and your duties at work.

a). Yes  

b). No  

2. The following is a list of facets (factors) that are related to employee work – life balance. Read each facet carefully then using a tick (√) mark the column that represents your opinion.

<table>
<thead>
<tr>
<th>The company offers opportunity to work independently at home using laptop computers</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are flexible work arrangement in case one has urgent family responsibility to fulfill</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company offers permission for workers to attend funeral ceremonies of their immediate next of kin</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company offers material and paternal leaves for expectant employee parents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Give at least two suggestions on what the company should do to improve on the employees work – life balance.

I. 

II.
SECTION G: SUMMARY

1. On the overall, on a scale of 1 – 5, considering the above as labour retention strategies used by the management of your organization rate the factors in terms of importance in retaining employees as per your opinion.

N/B: Circle the numbers that best describe your opinion.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Not important At all</th>
<th>Not Important</th>
<th>Fairly Important</th>
<th>Important</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee training</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Remuneration</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Quality leadership and management</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Family work life balance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Thank you for your cooperation!