



Relationship between Work Environment Practices and Employee Retention in International Non-Governmental Organizations in Nairobi County

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ABSTRACT

The purpose of this study was to investigate the relationship between work environment practices and employee retention in selected International Non-Governmental Organizations in Nairobi County. Cross-sectional survey research design was employed by the study. The study target population included staff from 1,252 INGO's with offices in Nairobi County. The sample size was drawn from the 93 International Non-Governmental Organizations that were selected using a simple random sampling method from the 1,252 INGO's with offices in Nairobi County. Purposive sampling was used to select 120 staff from the 93 INGOs who participated in the study. A semi-structured questionnaire addressing the objective of the study was used to collect data from respondents. In order to investigate the research objectives stated above, both secondary and primary data were collected and analyzed. Data analysis involved preparation of the collected data-coding, editing and cleaning of data in readiness for processing using Statistical Package for Social Sciences (SPSS) package version 24. Quantitative data was analyzed using detailed statistics that include mean and standard deviation. the coded data was presented in tables. Qualitative data on the other hand was transcribed and reported in themes and narratives. Multiple regression was used to evaluate whether there was any relationship between work environment practices and employee retention. Findings indicated that training, career development and work-life balance are critical work environment practices that, when employed effectively, positively influences the rate of retention of employees in the INGOs in Nairobi County. The study therefore recommended that strengthening of the three workplace practices improve employee retention and therefore should be considered. The study further recommended NGO Coordination Board to develop policies that support such workplace practices through tax and other similar incentives that will motivate the INGOs to invest more effort in developing effective work place practices that improve employee retention.

Keywords: *Work Environment Practices, Employee Retention, International Non-Governmental Organizations, Work practices.*

1. INTRODUCTION

Employee retention is a product of a combination of dedicated efforts and strategies deployed by an institution whose aim is to retain its competent work force in order to reduce turnover. Employee retention has an inverse relationship with employee turnover-that is the higher the retention rates the lower the turnover rate and vice versa. It makes business sense for an employer to put in intentional efforts to keep high performing workforce as this helps in



reduction of time, effort and finances invested in replacing, training, developing and integrating new hires into the organization.

Non-Governmental Organizations (NGOs) are critical in social - economic spheres of a country. Their importance has seen an increase in the number of NGOs that have helped create employment opportunities for the populace and boost the economic standings of the host country. Despite the concerted efforts by employers, Njoroge & Nzulwa (2019) avers that employees are driven by personal interests and may still leave for other external opportunities or to pursue other interests in life. The cost of employee turnover is high. This is a real problem for INGOs whose funding structures do not provide for such and as a result, turnover costs severely affect funds meant for delivery of life changing interventions while complementing Government's efforts such as in healthcare and education. It is no doubt that without skilled workforce, the INGO's delivery will be negatively impacted further complicating ability to attract funds as donors and the government would question their ability to deliver. As evidenced by a number of research outcomes used in this study, employee retention is a product of various factors. However, Silva, Warnakulasuriya, & Arachchige (2018), concludes that there still lacks a profound discernment of the importance of working environment and its relationship with employee retention.

Earlier studies have pointed out employee retention as being a major challenge for INGOs in Nairobi. According to the National Council of NGOs Report (2015), the NGO leadership documented that NGO work was being hampered by low employee retention and Nairobi County was indicated to have registered a mere 26%. In the same year, Program for Appropriate Technology in Health (PATH) Kenya experienced a staff turnover of 10%, Lung'aho, & Mukanzi (2018) and in 2010 International Livestock Research Institute experienced a staff turnover of 25% which significantly affected its efficiency, Wachira (2018). Overall, the prevalence of turnover INGO staff in Nairobi County is a concern as it affects service delivery, (Kibet, 2015).

In an effort to establish the causes for the high staff turnover of INGO employees in Nairobi County, Musyula (2014), Njoroge (2017), Ndinya (2017) and Njoroge & Nzulwa (2019) have all attempted to establish critical factors affecting employee retention in Nairobi County. However, these studies fell short of clearly showing the direct relationship between work environment and an INGO staff's decision to stay or leave his or her employer which left a knowledge gap in this respect. Therefore, the study intended to investigate the relationship between workplace environment practices and employee retention in selected International Non-Governmental Organizations in Nairobi County.



2. METHODOLOGY

This study used a descriptive method that aimed at providing a realistic and logical illustration of the three variables relevant to the research questions. Also based on Saunders, Lewis & Thornhill (2012) assertion, such research design helps to gather information that identifies and describes what exists currently at the selected INGOs to help draw answers to research questions. Further, descriptive design can utilize elements of both qualitative and quantitative research methodologies which has been very useful in this study; enabling the researcher to gather both numerical and descriptive data that has been used to measure the correlation coefficient of the variables.

The target population of this study, which also formed the sampling frame, consisted of all employees of the 1,252 registered and active INGOs in Nairobi County.

The researcher embraced simple random sampling of the 93 INGOs from the 1,252 INGOs in Nairobi County; and purposive sampling of the INGOs based on the level of staff to be targeted for this study. The intended study aimed at having 120 participants purposively selected from the INGOs in Nairobi. By using Yamane (1967) formula, a total of 93 INGOs in Nairobi County will be randomly selected for this study.

Yamane Formulae:
$$n = \frac{N}{1 + N \cdot e^2}$$

Where;

n = Minimum required sample size for the INGOs in Nairobi County

N = Target Population number i.e. 1,252 INGOs in Nairobi County

e = Margin of error, 0.1

Therefore, inserting in the formula;

$$n = \frac{1252}{1 + 1252 * 0.1^2}$$

$$n = 92.60$$

$$n \cong 93$$

A questionnaire was used by this study in collection of data. It was suitable as it was able to gather data relating to individual respondents' attitudes, feelings and experience etc. The questionnaires were semi-structured and were administered by individual respondents. Additional information was sought from other secondary sources that include websites, internet, published research and other relevant reports from the NGO sector.

Descriptive analysis was used and the resultant information displayed through tables, graphs, charts and written text. Numbers obtained from this study was evaluated through computation using detailed statistics that include mean, standard deviation as well as the statistical package of social sciences (SPSS) version 24 and Microsoft Excel. Multiple regression analysis was used to evaluate whether there was a statistical significant relationship between work environment practices and employee retention and dependent variables.



Below Structural Equation Model was used to present inferential statistics.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

Y = Employee Retention

β_0 = intercept (Constant term); $\{\beta_i \text{ for } i= 1,2,3\}$ = Regression coefficients.

X_i for; X_1 = Career Development

X_2 = Training

X_3 = Work Life Balance

ε = an error term that captures the unexplained variations in the model.

3. RESULTS

3.1 Demographic Characteristics of the Respondents

Regarding the gender distribution, 55.1% of the respondents were female, 44.1% were male, while 3.7% did not specify their gender.

Regarding the age bracket, most of the participants within this study were aged between 18 to 35 years of age. Only a few participants within the study were aged above 45 years of age.

With reference to education, a third (37.4%) of the employees had first degree and were followed by those with a college diploma (20.6%). Only 18.7% of them indicated that they had achieved a master's degree. Those with PhDs were few within this study (5.6%).

About the number of years the employees had worked with the organization, 57% of the employees had worked for over three years within the INGO. Only 19.6% of the respondents indicated that they had worked with the INGO for between two to three years.

3.2 Relationship between Work Environment Practices and Employee Retention in International Non-Governmental Organizations

The study sought to investigate relationship between work environment practices and employee retention in International Non-Governmental Organizations. The work environmental practices considered included career development practices, training practices and work-life balance.

3.2.1 Career Development Practices

The respondents were asked to indicate the level at which they agree with a particular career development practice exercised within the organization. The results of the finding are represented below.



Table 1

Career development practice exercised within the organization

Statement	N	Mean	Std. Deviation
Succession plans at the workplace	105	3.39	1.213
Promotions plans at the workplace	106	3.90	.925
Management support at the workplace	106	4.09	.669
Mentoring plans at the workplace	106	4.05	.877
Effective Career development policy	105	3.84	1.145

The results in table 1 indicated that, on average, the respondents were undecided (mean=3.39) whether the succession plans laid down within their organization contributed towards career development. Overall, the respondents agreed (mean=3.90) that the workplace's promotion plans contributed to career development. The respondents also agreed that the management support, mentoring programs, and effective career development policy (each mean>3.5<4.4) have been established within the INGOs contributing to individual career growth. Therefore, it can be asserted that INGOs within the Nairobi Country have implemented effective practices that resulted in career development and as a result, support the organization's employee retention efforts.

3.2.2 Training Practices within the Organization

The respondents were asked to indicate the level at which they agree with a particular training practice exercised within the organization to determine extend at which training influence employee retention within the select INGOs. Five parameters were used to measure the influence of the training practice and the results are as shown in table 2 below

Table 2

Training Practices within the Organization

Statement	N	Mean	Std. Deviation
Performance management	105	4.02	.747
Supervisors support	105	4.06	.807
Of-the-job_training	103	3.36	1.305
On-the-job_training	106	4.12	.739
Effective organizational training policy	104	3.67	1.218
Valid N (listwise)	103		



Based on the results 105 (mean=4.02) respondents agreed that proper performance management practices as a factor of effective training at their workplace had been established. In addition, the respondents agreed (mean >3.5<4.4) that there is adequate supervisor support, practical on-the-job training, and effective organizational training policy. However, the respondents were undecided (mean=3.36) on the of-the-job training that was being offered. From the above analysis, employees at the INGOs in Nairobi County have acquired the necessary training, which has helped them improve job performance. This also affirms that training as a work environment practice contributes highly towards employee retention.

3.2.3 Work-life Balance

The respondents were asked to indicate the level at which they agree with a given work-life balance practice. Table 3 shows the results of work-life balance practices

Table 3

Work Life Balance Practices within the Organization

Statement	N	Mean	Std. Deviation
flexible job schedule	102	3.62	1.034
Flexible leave plans	106	3.69	.989
Effective Work Life Balance Policies	107	3.35	1.260
Career breaks	107	3.51	1.299
Job sharing	107	3.91	.864
Valid N (listwise)	102		

From the table, the respondents agreed (mean=3.62) that the INGOs within Nairobi County had established flexible job schedules. These job schedules indicated that the employees achieved a work-life balance within these INGOs. Therefore, this is one of the effective practices contributing to a high rate of employee retention. The employees who participated in this study agreed that job sharing practice (mean=3.91) was well established. Also, the employees who participated in the survey agreed that there are flexible leave plans (mean=3.69). However, the employees were not sure about the effective work-life balance policies (mean=3.35) and career breaks (mean=3.51) exercised within the organizations. Therefore, from this analysis, the INGOs in Nairobi County exercised effective work environment practices to attain a work-life balance for its employees.

3.3 Regression Analysis

Multiple regression was conducted to determine the relationship between employee retention rate, career development practices, training and work-life balance.

3.3.1 Summary Model

The study model that was adopted for this analysis is summarized in table 4.

Table 4

Summary Results from the Regression Model

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.448 ^a	.201	.177	.6146	

a. Predictors: (Constant), Training, Career_Development, Work_Life_Balance

From table 4, the coefficient of determination which is the percentage of variation in the dependent variable explained by the changes in the explanatory variables is R^2 which equals 0.201. This indicates that 20.1% of the variation in employee retention resulted from career development practices, training and work-life balance practices. The remaining 79.9% is due to other factors. The adjusted R-square equals 0.177, and this value indicate that the utilized predictor variables within this model had a 17.7% effect on employee retention. career development practices, training and work-life balance did fit well within the model and established the relationship between the variables. The correlation coefficient measured by R equals to 0.448. The value shows that there is a moderate and positive relationship that exists between the outcome variable and the explanatory variables. The models' standard error of precision of 0.6146 is significantly high on the employee retention.

3.3.2 Analysis of Variance

Table 5 is provides parameters that can measure the significance of the model.

Table 5

Analysis of Variance

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.602	3	3.201	8.474	.000 ^b
	Residual	38.151	101	.378		
	Total	47.753	104			

a. Dependent Variable: Employee_Retention
b. Predictors: (Constant), Training, Career_Development, Work_Life_Balance

Based on the results from this table, there is a significant effect of career development practices, training and work-life balance practices on employee retention. This can be seen from the significance of $F(3, 101) = 8.474$, which is $p\text{-value} = 0.000$. Therefore, the overall model in this analysis has statistical significance. In addition, the results imply that for the INGOs in Nairobi



County to improve employee retention, they need to focus on improving career development practices, training and work-life balance practices.

3.3.3 Model Coefficients

Table 6 provides the coefficients of the model and the significance values of every variable within the model.

Table 6
Model Coefficients

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.062	.417		4.940	.000
	Work_Life_Balance	.059	.095	.068	.616	.539
	Career_Development	.167	.094	.177	1.766	.080
	Training	.315	.111	.305	2.848	.005

a. Dependent Variable: Employee_Retention

Based on these regression coefficients, the obtained regression model can be written as follows;
 $Employee\ Retention = 2.062 + 0.167(Career\ Development) + 0.315(Training) + 0.059(Work\text{-}life\ Balance)$

From the formulated equation, the Y-intercept is 2.062. It can be interpreted as the value that would predict employee retention rate when there are no work environment practices that are considered. It is expected that the average employee retention rate to be 2.062 when the INGOs have not established workplace practices. The value can be said to have a meaningful interpretation if it is reasonable for INGOs to fail to have workplace practices put in place. If neither of the assumptions is true, then the value of 1.895 has a meaningless interpretation in this analysis.

The remaining model coefficients have a greater impact on the model. It can be asserted that the coefficient of the work-life balance practice indicates the difference in predicted employee retention rate when all other variables remain constant. In this model, on average, the employee retention rate will change by a margin of 0.059 for every unit change in work-life balance while holding other variables constant. On the other hand, the retention rate will change by 0.167 units for every unit change in career development while holding other variables constant. Finally, the employee retention rate will change by 0.315 units for every unit change in training practices while holding other factors constant.

From the table, when compared with a 5% level of significance, the p-value of work-life balance ($p=0.539$) and that of career development ($p=0.080$) indicates that these two variables fail to have a statistical significance within the model but are assumed to have a practical significance



employee retention rate within the INGOs in Nairobi County. However, training ($p=0.005$) indicates that the variable is significant within the model. Within the INGOs in Nairobi County, training practices play a crucial role in employee retention. The retention of employees can be increased by the INGOs focusing more on the employees' training practices. Therefore, it can be speculated that the above regression analysis reveals the extent to which work-life balance, career development, and training significantly predict employee retention rates within the firms. The beta coefficients of this model determine the supremacy in prediction. As it can be seen, these workplace practices have a great effect on employee retention rates within the INGOs.

4. DISCUSSION

The study findings revealed that there exists a statistical significant association between career development and employee retention at the INGOs in Nairobi County. This is in support of Mule et al. (2020) where the researchers established that employees are more likely to work for long in organizations where there are workplace practices that create a work and life balance. Employees have identified opportunities for promotions, management support, mentoring and an effective Career development policy as key career development enablers which positively influence their intention to stay longer with their employer. In retrospect, contributors to their retention. On the same breath, the employees have identified succession planning as an area that needs improvement in order to achieve the intended impact on employee retention.

The study also revealed that there exists a direct and positive correlation between training and employee retention at the INGOs in Nairobi County. Employees perceive that proper performance management practices, adequate supervisor support, practical on-the-job and off-the-job training, and an effective organizational training policy contributes to their willingness to stay long at their current workplace and hence high retention.

The study findings further revealed that work life balance influences their retention. From the results, majority of the respondents agree that flexible leave plans and job sharing practices positively influence their intention to stay with their employer. However, the results point to need for the INGOs within Nairobi County to review the effectiveness of their overall work life balance policies, job schedules and career break practices as majority of the respondents were unsure of their effectiveness in improving employee retention.

5. CONCLUSION

Retention of high performing employees is a critical factor in the business continuity strategy of any organization. Recruiting employees who are highly skilled is important. The study concluded that training, career development and work-life balance are critical work environment practices that, when employed effectively, positively influences the rate of retention of employees in the INGOs in Nairobi County. The study therefore provided the following recommendations: Strengthening the three workplace practices to improve employee retention; Developing effective policies that satisfy employees and are in alignment with the organizational needs; NGO Coordination Board to develop policies that support such workplace practices through tax and other similar incentives that will motivate the INGOs to invest more effort in developing effective work place practices that improve employee retention; Review and implement



corrective measures aimed at improving the general effectiveness of the policies governing career development, training and work life balance.

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