



**INFLUENCE OF INTERNAL ORGANIZATIONAL FACTORS ON EMPLOYEE RETENTION: A CASE OF MOUNT KENYA UNIVERSITY, KENYA**

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**ABSTRACT**

*This focused on establishing the extent to which internal organizational factors may affect employee retention in an organization in Kenya. The population under study comprised of the employees at Mount Kenya University (MKU) that is, management, academic and support staff in the University. Validity and reliability of the research instrument i.e. questionnaire, was pre-tested through a pilot study undertaken before the data was collected. The sample size was 150 employees from Mount Kenya University. The Primary data was collected using structured and unstructured questionnaires administered through the Registrar, Administration and Planning office in the campus which is a representative of the Human Resource office in the campus. Secondary data was obtained from published documents in the university. Data collected was processed both qualitatively and quantitatively. Regression analysis was undertaken on the data aided by the Statistical Package for Social Scientists (SPSS). This study would benefit many stakeholders such as the employers, human resource managers, researchers as well as scholars as they interact with employees and seek to have a high retention rate in their organizations. The study found out that there was a strong positive association concerning culture, leadership, strategy, and structure and retention of employees. The study recommended that: There is need for Organizations to develop a culture that is flexible and adopt a decentralized approach of management that creates room for employees at the lower cadres of management to make decisions that affect them directly in line the authority accorded to them. Those leadership positions ought to be receptive to the issues affecting the staff, because by doing so would make the staff to feel cared for by their leaders thus making them to endear to the organization and stay longer. Mt. Kenya University ought to pay more attention to communication by enhancing it, fair distribution of rewards, work autonomy, job security and a role in organization decision making. Mt. Kenya University need to have in place effective retention strategies so as to ensure that employee's performance is not affected.*

**Key Words:** Organizational Culture, Leadership, Structure, Strategy, Employees Retention

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## INTRODUCTION

Many organizations are faced by the dilemma on whether to put-in more resources in improving their staffing policy or to enhance the retention of the talent they already have (Yazinski, 2009). In addition, employers should think of retention as re-recruiting their workforce. Organizations should strive to ensure that good staffs stay in the organization as the process of recruiting new staff is usually costly (Main, 2008); candidates for a job are attracted by different aspects to a job that what makes them stay in it, a factor that employers should put into consideration. Remuneration alone may not hold employees to a job, though it is an essential factor for potential employees (Straz, 2014).

Beneficial aspects to employees, apart from strictly pay, attract quality employees than most others keep them in the organization. The trend is that workers seek for professional reward, in addition to an accommodative balance at work and life, company culture that is comfortable, varied responsibilities, and a clear career progression (Linnenluecke & Griffiths, 2010). In-house business environment is comprised of other factors that are intrinsic but affects the success and approach of operations within the organization. Unlike the external environment, the company has control over these factors.

According to ILO (2011), high employee turnover rate among those on their first employment in the institutions of learning in the United States of America stands at 51.7% whereas in Asia it accounts to 30 percent and in the United Kingdom at 42 percent. The High rate of employee turnover significantly affects the performance and profitability of the institution negatively. According to a number of studies carried out in USA, controlling the turnover and retention rates among the institutions in United States of America is very difficult.

Kusluvan (2010) notes that a number of jobs being offered by institutions particularly those that are

considered to be of lower cadres (non-teaching/support staff) often don't have good working conditions and terms of service. Most of these jobs are characterized by long working hours, poor pay, and limited promotional opportunities including poor management of staff. This is one of the causes that exacerbate high staff turnover. United States of America has one of the highest staff turnover rates of 154 percent to 240 percent per year (Kuria, Wanderi & Ondigi, 2012).

Turnover in Nigeria has been is a burning issue that affects the stability of organizations in terms of performance. It is therefore imperative to retain a workforce that skilled even though it is hard to control the rate of turnover among the organizations. For a significant number of years the issue of employee turnover has remained as a difficult challenge for the management of both private and public institutions in. These institutions have witnessed the outflow of workers which has really affected their performance and profitability. The mass exodus of employees has been associated with poor working environment, lack of work satisfaction, payment related issues and the desire for career advancement. The circumstances have intensified worries related to the management of the institutions (Ibrahim, Usma & Bagudu, 2013).

Retention of employees in higher institutions of learning is a major concern in many countries. The high rates of staff turnover pose a serious challenge to institutions, especially in a private university. Powell (2010) notes that turnover is likely to cause serious problems since it affects students and outstanding academic staff who struggle to provide as well as receive in return quality services. This is especially occurs when staff who have left are replaced with incompetent employees. High rates of turnover can impact negatively on a client's trust and satisfaction about an organization, and can discourage staff from remaining in or even venturing into their area of specialization.

These are the factors inside an organization which affect the ability of the organization to successfully apply various approaches to the operations that the organizations have control over (Abukhames, 2015). How well an organization is to achieve its objectives depends on internal factors. They might be seen as strengths if they have a favorable impact on a business, but as weaknesses if they have a deleterious effect on the business. Mukherjee (2017) highlights some internal firm factors as: Organizational values, organizational culture, mission and the objectives, structure of the organization, business culture, and management style of top management, the caliber of human resource, physical resources and technological know-how.

The study will be carried out at Mount Kenya University which was started as a Technical Training Institute in 2001 offering various certificates and diploma programmes. In 2009, the institute was granted interim authority to operate as a private university and later issued with Charter as a fully-fledged Private University in 2011. The University started at Thika Campus and later other campuses were established in other counties in Kenya and other East African Countries such as Rwanda, Uganda, Tanzania and Somali. Nairobi Campus where this study will be undertaken is one of these campuses. The Campus has about 241 employees ranging from the management to the support staff.

### **Statement of the Problem**

One of the most challenging matters in business is employee turnover (Surji, 2013). It has shown that it is one of the most expensive and ostensibly stubborn human resource challenges facing most of the institutions internationally. High staff turnover rate in institutions of higher learning is a worldwide phenomenon (ILO, 2011). There may be many internal factors in an organization that may prompt an employee to leave employment. Some reasons may be known while others are not known, nor considered by the employer as affecting the

employees to consider exit. Turnover intention is a choice made voluntarily by an employee on whether to leave or stay in an organization (Ng'ethe, 2013).

Staff turnover is a major challenge facing organizations; and therefore retaining staff in an organization is a key asset (Malik, 2013). An organization can realize sustainable advantage more than their rivals by keeping its employees through various ways (Noe 2013). Boxall (2011) opines that the biggest question to ponder is which policies and practices on human resources stand a better chance of contributing to sustainable competitive advantage especially touching on safe retention in organizations life cycle.

According to Hausknecht (2009), there is little known about what makes employees to stay in an organization. In the current dynamic market pace, private Universities in Kenya faces many challenges (Munyoki, 2011). This is in contrast with the public universities who recruit through the Government and get their customers that is, students through the Kenya Universities and Colleges Central Placement Service (KUCCPS). However in 2017, private universities were able to source for some students through KUCCPS.

Various studies have been carried out on employee retention. Some of these include: Nyanjom (2013) carried out a study on factors affecting employee retention in state corporations in Kenya. Maliku (2014) did a study on correlation between Kenya National Oil Corporation performance and retention of employees, while Ng'ethe (2013) sought to establish the determinants owing to retention of academic staff in Kenyan public universities.

Shubaka (2014) did a study on the link between Kenyan insurance companies' commitment and retention of employees, while Igella (2014) undertook a study in Civil Aviation Authority by examining factors that influenced employee retention and commitment. These studies have mainly emphasized

on the factors that may lead to employees to leave an organization generally and based on performance and commitment. This study is focused on the internal firm factors that may influence employees' retention in a firm.

### **The Study Objectives**

The study purposed as establishing the influence of internal firm factors on employee retention at Mount Kenya University, Kenya. The specific Study objectives:-

- To determine to what extent organizational culture may influence on employee retention in Mount Kenya University, Kenya.
- To identify the influence of organizational leadership on employee retention in Mount Kenya University, Kenya.
- To determine the influence of organizational structure on employee retention in Mount Kenya University, Kenya.
- To establish the influence of organizational strategy on employee retention in Mount Kenya University, Kenya.

## **LITERATURE REVIEW**

### **Theoretical Review**

#### **Cultural Effectiveness Theory**

To establish the influence of culture on retention of employee within an organization, the study adopted the Cameron and Quinn's Cultural Effectiveness theory. The theory was developed by Cameron and Quinn's in 1999 and was founded on Competing Values Framework model. The framework examines the dominant organizational culture that is based on following culture types; underlying assumptions, expectations, collective memories, and definitions present in an organization (Schein, 1992; Cameron & Quinn, 1999).

This model refers to whether an organization has a predominant internal or external focus and whether it strives for flexibility and individuality or stability

and control. The model looks at four types of organizational cultures i.e. clan, hierarchy, adhocracy and market cultures. The faction culture, the association focuses on inner support with adaptability, worry for individuals (workers), and affectability for clients. Chain of command culture the association centers around inward upkeep with requirement for steadiness and control in the association. In the adhocracy culture an association focuses on outer situating with high level of adaptability and uniqueness, while in the market culture, an association centers around outside upkeep with a requirement for solidness and control. This study will consider the clan and adhocracy cultures as they are based on commitment to teamwork and innovativeness as factors that may influence employee retention in an organization.

#### **Contingency Theory of Leadership**

This study was also based on the contingency theory on leadership by Fred Edward Fiedler in 1964. This leadership theory highlights the significance of both the leader's operation situation in as well as the personality of the leader in his study entitled "Contingency Model of Leadership Effectiveness".

Fiedler and his partners examined pioneers in an assortment of settings however generally in military setting and their model depends on their exploration discoveries. They outline relationship-motivated and task-motivated as the two leadership styles. Relationship-motivation denotes the interpersonal affiliations, while the task-motivation denotes the accomplishment of tasks. Measurement of leadership style by fielder using with the Least Preferred Co-Worker Scale (LPC scale.) was carried out. Those that scored high on this scale are relationship inspired and those scoring low are errand spurred (Northouse, 2017).

#### **Principles of Management Theory**

This study was based on Henri Fayol's principles of management theory to establish the influence of



organizational structure on the retention of employees in a firm. The theory is by Henri Fayol (1861 – 1925), and was founded on fourteen principles of management. These principles are: division of labour, authority, discipline, unity of command, unity of direction, subordination of individual interest, remuneration, centralization, scalar chain, order, equity, stability of tenure of personnel, initiative and spirit de corps. According to Henry Fayol's principles of management theory, management takes place within a structured organisational setting with prescribed roles. It is directed towards the achievement of aims and objectives through influencing the efforts of others.

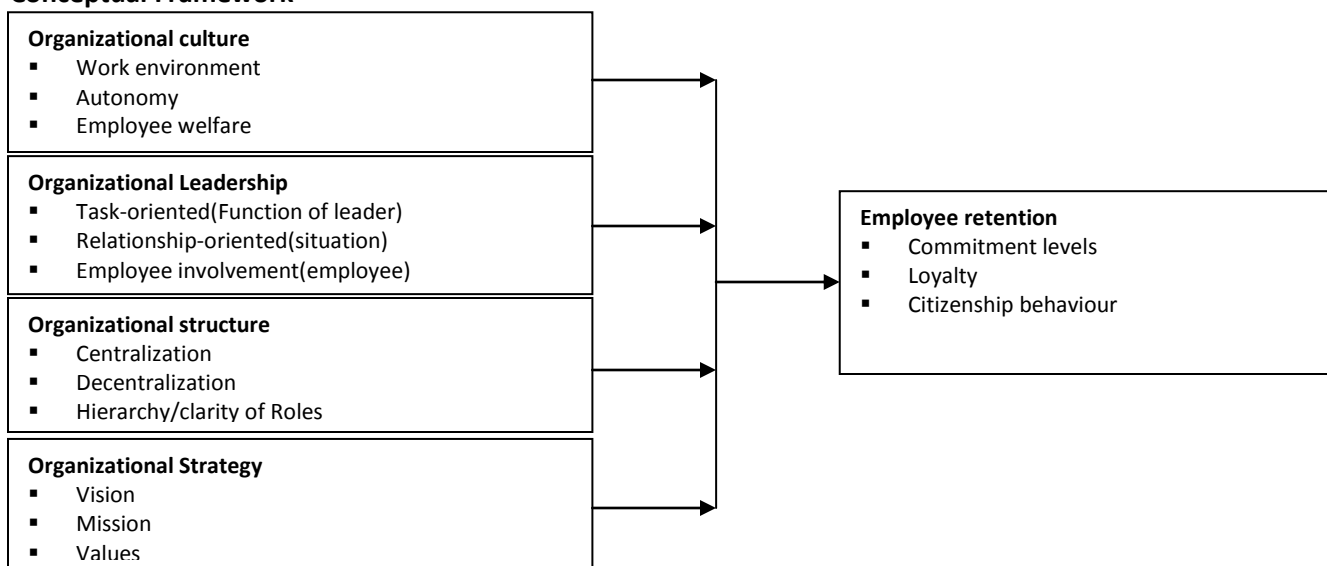
This theory shares a common ground on efficiency and logical organization with the thinking of Weber (1864). In particular, features such as scalar chain, specialization, authority and definition of jobs which were so essential to successful management. To establish the influence of structure on employee retention in an organization, the research will be guided by Henry Fayol's Principles of Management theory. Fayol was the first person to give a definition

of management which entails ' forecast and plan, to organize, to command, to co-ordinate and control' These principles describe the structure of formal organizations (Vliet, 2009).The critical management task is to align the formal structure and human resource systems so that they drive the strategic objectives of the organization' (Armstrong, 2014)

### Resource Based Theory

The study was based on Jay Barney's Resource Based theory in 1991. According to Jay Barney's Resource Based Theory, the application of collectively of either tangible valuables or intangible resources at the firm's disposal mainly contributed to the competitive of a firm (Mwailu& Mercer, 1983). According to Torrington and Hall (2008), human capital signifies the combined intelligence and experience of staff as a source of competitive advantage that cannot be imitated by rivals. The Resource-Based theory asserts that an organization has a golden opportunity to grow their competitive advantages over its competitors through possession of strategic resources. An asset that is hard to imitate, valuable, non-substitutable and rare is a resource that is strategic.

### Conceptual Framework



**Independent variable**

**Dependent variable**

**Figure 1: Conceptual Framework**

**Source: Author (2019)**

## **Empirical Review**

### **Organizational Culture and Employee Retention**

Nyanjom (2013) undertook a study that sought to explain factors that seen to influence the retention of employees in State Corporation's in Kenya. The study findings established that retention of employees is a major challenge that faces many organizations in today's work environment. It is therefore imperative for the organizations to start valuing people that work in the organization. Establishing the influences that affect retention of employees in Kenya's State Corporations was the objective of the study in Awuor's(2015) study.

The study undertaken sought to establish the impact of organizational culture on performance in merged organizations in Kenya. In trying to link the organizational culture and performance, the response showed that success achievement of goals and objectives was because of the organizational culture that employees had developed. A study by Makhoulk and Shevchuk (2008) found out that through a strong organizational culture, the primary vision was accomplished and there was a focus on productivity at Liquid Telecom Kenya.

### **Organizational Leadership and Employee Retention**

Maina (2014) while studying on how Kenyan higher learning institutions are affected by practices on managing human resources at Kenyatta University noted that turnover among the employees in higher institutions of learning in Kenya was a major serious issue. The environment that Universities operate in an environment which is characterized with cut throat competition for highly qualified staff and hence these institutions ought to retain their core if they have to remain competitive.

Long, Ismail & Jusoh (2012) undertook a study that involved academic staff of community in Malaysia. The study focused on the relationship that was there between styles of leadership and turnover desire

among the academic staff in the community college. Najim 2010; Kahumuza&Schlechter (2008) concurred that it's possible to reduce turnover substantially if those in leadership positions were to behave in a manner that reflect employees expectation of quality leadership.

### **Organizational Structure and Employee Retention**

Mokaya (2014) undertook a study on retention of employees influence over performance at Power and Lighting Company Ltd in Kenya. The study was aimed at investigating how the strategies on retention of employees influence the Kenyan Power and Lighting Company Ltd performance. The literature is mainly on theoretical foundation of the study, employee retention, organizational performance and effects of employee retentions on organizational performance.

Igella (2014) did a study on factors influencing employee commitment. The study's objectives were focused on determining factors which influence commitment of employees to organization with the main focus being Kenya Civil Aviation Authority (KCAA). The study noted that the commitment of employees encouraged retention of employees.

### **Organizational Strategy and Employee Retention**

Shubaka (2014) did a study to establish the link between commitment at Kenyan insurance companies and the strategies on retention of employees. A descriptive research design was adopted for this study, while all the 46 insurance companies constituted the population of the study. The research found out that the insurance firms have adopted some staff retention strategies which have led to employee commitment.

Yego (2012) argues that most commercial banks in Kenya use promotions as a retention strategy and that promotions positively enhance employee productivity. Training opportunities availed to employees may to a large extent determine the employees stay in an organization. On the other hand, Nyabwondo (2012) opines that some policies

on training in some organizations prevent employees from enrolling in such training programmes because of the bonding clauses that make employees to feel confined within an organization. The focus of the study is on the links that exist between training opportunities offered by organization with employee retention. In another study carried out by Kabera (2011) established that in security firms in Nairobi, the working conditions and security of individuals were some of the that influenced employee retention.

### METHODOLOGY

Research design provides a framework for planning and conducting a study. A descriptive research design was adopted by the researcher. The population of this study consisted of all 241 employees of Mount Kenya University as at December 2017 (MKU Nairobi Campus Quarterly report). The respondents included Director, Lecturers, Section heads, clerical staff and the support staff. The sampling frame included all employees in the Nairobi Campus of Mount Kenya University. A list of all the 241 staff from Nairobi Campus were requested from the office of the

Deputy Director Administration and Planning who was the representative of the Human Resource office at the campus level. Questionnaires were used as the instrument or tool for collecting data in this study. The data collected was both qualitative and quantitative. Qualitative data was analyzed by first aligning the research questions to the research objectives. A Statistical Package for Social Scientists (SPSS) and spread sheet was used to analyse the data. The employee retention was regressed against four variables. The equation applied is as shown below:-

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where;

Y = Employee retention,

$\beta_0$  = Constant (coefficient of intercept)

$X_1$  = Organizational culture

$X_2$  = Organizational leadership

$X_3$  = Organizational structure

$X_4$  = Organizational strategy

$\epsilon$  = Error term

$\beta_1, \beta_2, \beta_3, \beta_4$  = Coefficients of the determinants of employee retention.

### FINDINGS

#### The Organizational Culture

The degree to which the respondents agreed to the statements below was sought about a firm's culture that enhanced employee retention in an organization. They were to respond to them on a five point scale where: Extent (ESE) – 1, Small Extent (SE) - 2, Fair Extent (FE) – 3, Large Extent (LE) – 4 and Extremely Large Extent (ELE) – 5 in view of their relevance to Mount Kenya University. The results are displayed on the table 1.

**Table 1: Firm Culture**

Statement	Mean	Standard deviation
The organization provides for a smooth transition by conducting induction for new employees.	4.09	1.21
The organization provides a transparent and honest working environment. The environment is also safe and healthy for employees to work in.	4.01	1.20
The organization upholds human dignity and diverse culture; assistance is provided for individual employees with their personal problems	4.13	1.23
The organization permits employees to undertake their duties with accountability and autonomy	4.20	1.23
<b>Average mean</b>	<b>4.11</b>	



As shown by an average mean of 4.11 the respondents agreed that organizational culture affects retention of the employees. On specific statements respondents agreed that: the organization provides for a smooth transition by conducting induction for new employees (mean=4.09), the organization provides a transparent and honest working environment (mean=4.01), the organization upholds human dignity and diverse culture; assistance is provided for individual employees with their personal problems (mean=4.13) and the organization permits employees to undertake their duties with accountability and autonomy (mean=4.20). The findings further indicated that organizations with culture that is innovative, taking high risk, dynamic and creative.

Those that manage these organizations seem have adopted flexibility and adaptability in managing their

**Table 2: Organization Structure**

	Mean	Standard deviation
The specific roles and responsibilities for my job are clear as well as the reporting structures.	3.89	1.21
My supervisor acts like a coach, good counselor, is impartial and is approachable.	3.71	1.20
The organization promotes teamwork and Coordination in undertaking job requirements.	3.93	1.23
The organization provides effective communication channels and constant feedback to all levels of employees.	3.90	1.23
<b>Average mean</b>	<b>3.86</b>	

The average mean of 3.86 indicated that respondents agreed moderately that Organization Structure affected employee's retention. Specifically respondents agreed that: The specific roles and responsibilities for my job were clear as well as the reporting structures (mean=3.89), my supervisor acts like a coach, good counselor, was impartial and was approachable (mean=3.71), the organization promoted teamwork and Coordination in undertaking job requirements (mean=3.93) and the organization provided effective communication channels and

employees thus creating an environment that makes employees to remain committed and be an integral part of the organization thus achieving employee retention.

Findings by Patel (2017) support the current findings that an organizational culture is essential in recruitment and retention of employees.

**Organization Structure**

The extent to which the respondents agreed to the following statements was requested to indicate about Organization Structure that enhance employee retention in an organization. They were to respond to them on a five point scale where: Extent (ESE) – 1, Small Extent (SE) - 2, Fair Extent (FE) – 3, Large Extent (LE) – 4 and Extremely Large Extent (ELE) – 5 in view of their relevance to Mount Kenya University. The results were as displayed on the table 2

constant feedback to all levels of employees (mean=3.90).

The current findings support findings by Half (2017) who notes that employees have certain expectations for the structural properties of work; These factors may include friendly communication, equitable rewards, work autonomy, job security and a role in organization decision making.

This posits that when these structural expectations are met, employees will report higher levels of job satisfaction and stronger commitment to the

employing organization which in turn strengthen the intent to stay and vice versa.

### Organizational Leadership

The degree to which the respondents agreed with the following statements was sought by indicating about an organization's leadership that enhances employee

retention in an organization. They were to respond to them on a five point scale where: Extent (ESE) – 1, Small Extent (SE) - 2, Fair Extent (FE) – 3, Large Extent (LE) – 4 and Extremely Large Extent (ELE) – 5 in view of their relevance to Mount Kenya University. The results were displayed on the table 3.

**Table 3: Organizational Leadership**

	Mean	Standard deviation
My supervisor presents my needs to the management. The employee concerns are attended to timely.	4.07	1.21
The management operates on open-door policy allowing employees a chance to interact with them. Employee suggestions and ideas are considered in decision-making.	4.15	1.22
The leadership/management in the organization often informs the staff on matters that are important to them.	3.99	1.21
The management treats everyone fairly in the organization; The management provides a conducive working climate hence promotes timely accomplishment of tasks and better performance of the organization	3.91	1.20
<b>Average Mean</b>	<b>4.03</b>	

According to the findings the average mean was 4.03. This implied that respondents agreed that Organizational Leadership affected employee's retention. Specifically respondents agreed that: My supervisor presents my needs to the management. The employee concerns are attended to timely (mean=4.07), the management operates on open-door policy allowing employees a chance to interact with them. Employee suggestions and ideas are considered in decision-making (mean=4.15), the leadership/management in the organization often informs the staff on matters that are important to them (mean=3.99) and the management treats everyone fairly in the organization; the management provides a conducive working climate hence promotes timely accomplishment of tasks and better performance of the organization (mean=3.91).

The findings concur with Purkastha, (2016) who concluded that leadership style has an impact on retention.

According to the findings, democratic and participative leadership is supportive to innovation

while an autocratic style prefers things to remain on the status quo. The ability of a leader to select the best strategy suited to his or her style will enhance the innovativeness of the organization, thus it is vital for a leader to understand their own leadership style and make a proper adjustment so that it will ensure the competitiveness of their organization.

### Organization Strategy

The level at which the respondents agreed to the following statements was sought by requested to indicate about organization's strategy that enhance employee retention in an organization. They were to respond to them on a five point scale where: Extent (ESE) – 1, Small Extent (SE) - 2, Fair Extent (FE) – 3, Large Extent (LE) – 4 and Extremely Large Extent (ELE) – 5 in view of their relevance to Mount Kenya University. The results were displayed on the table 4.

**Table 4: Organization Strategy**

	Mean	Standard deviation
The organization has a clear plan on how to achieve the set targets.	4.22	0.20
The organization recruits and places staff according to their qualifications and provide opportunities for career growth.	3.92	0.19
The organization provides job security to employees by reviewing its human resource practices annually.	4.03	0.26
The organization allows job rotation, new assignments as well as flexible working schedules	3.89	0.23
<b>Average Mean</b>	4.015	

Averagely respondents agreed that Organization Strategy affects retention of employees at Mt. Kenya University (average mean = 4.015). Specifically respondents agreed that: The organization had a clear plan on how to achieve the set targets (mean = 4.22), The organization recruits and places staff according to their qualifications and provide opportunities for career growth (mean=3.92), The organization provided job security to employees by reviewing its human resource practices annually (mean= 4.03) and that the organization allowed job rotation, new assignments as well as flexible working schedules (mean=3.89).

Finding by Half (2017) support the current findings that organization strategy affects retention of employees. The organization had a clear plan on how

to achieve the set targets training provided from the start sets the employee's tenure at the company and enhances job satisfaction and hence retention of the employee.

The vision, mission and the values of an organization should be clearly spelt out. A well-reviewed strategy of an institution accommodate all staff hence retention.

#### **Employee retention in Mount Kenya University**

Respondents were asked to tick as appropriate the category that relate to organization's procedures in reference to employee retention. They were required to rank the factor as to the extent it would influence them to remain in the organization. The results were as shown on the table 5.

**Table 5: Employee retention in Mount Kenya University**

Statement	Rate				
	<20%	21-40%	41-60%	61-80%	81-100%
Culture of the organization: the work environment, employee welfare	0	5	15	66	43
Leadership/management of the organization with employee involvement	0	0	80	13	36
The structure of the organization: open communication, job security and autonomy to undertake tasks.	5	10	76	10	28
The strategy of the organization: the alignment of job to qualifications, clarity of roles and growth opportunities.	0	10	79	30	10

Based on the findings, 66 respondents who fall between 61-80% were influenced most by culture. 80 respondents who fall between 41-60% were

influenced most by leadership, 76 of the respondents who fall between 41-60% were influenced by

structure and 79 who fall between 41-60% were influenced by strategy.

This finding implied that all factors were of much importance in relation to employee's retention. Employees considered culture as the most important factor followed by Leadership, the strategy and then the structure in relation to their effect on retention.

According to Tith (2010), while retention strategies across different occupational groups and industries

have many common features, for instance, Culture, Leadership, strategy and structure for them to be more effective, they need to be context-specific and evidence-based. Thus, an appropriate understanding of employee's expectations of their work environment is a critical issue in higher education institutes' ability to retain their employees. Also, by understanding the nature of the retention problems, an institution can decide whether to adopt targeted retention initiatives to ensure there is enough labour.

### Regression Analysis

**Table 6: Correlations table**

	Retention		Culture	Leadership	structure	Strategy
Retention	Pearson Correlation	1				
	Sig. (2-tailed)					
Culture	Pearson Correlation	0.591	1			
	Sig. (2-tailed)	.002				
Leadership	Pearson Correlation	0.551	.670**	1		
	Sig. (2-tailed)	.031	.003			
structure	Pearson Correlation	0.517	.655*	.689**	1	
	Sig. (2-tailed)	.000	.028	.007		
Strategy	Pearson Correlation	.541	.520*	.625**	.657**	1
	Sig. (2-tailed)	.06	.032	.024	.006	

**Table 7: Summary of Regression Model**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.814a	.663	.660	.08823

**Table 8: Analysis of Variance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.329	3	3.77633	3.1469	.0038b
	Residual	153.6	128	1.2		
	Total	164.929	131			

**Table 9: Regression Model Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	Constant	2.361	0.307		7.691	0
	Leadership	0.327	0.16	0.1855	2.044	0.010
	Strategy	0.138	0.152	0.008	0.908	0.024
	Culture	0.338	0.114	0.031	2.965	0.002
	Structure	0.112	0.129	0.161	0.865	0.030

Based on this table, the equation for the regression line was:  $Y = 2.361 + 0.327X_1 + 0.138X_2 + 0.338X_3 + 0.112X_4$ . According to the intercept ( $B_0$ ), when the four independent variables were held constant, the value of employee retention at Mt. Kenya University will be 2.361. In addition, holding all the variables that are independent constant, an increase of a unit in culture would cause an increase of 0.338 in employee retention. This relationship was significant as shown by a p-value of 0.002. Further, holding on the other variables that are independent constant, an increase in a unit in Leadership would cause an increase of 0.327 in employee retention in Mt. Kenya University. The relationship was significant as shown by p-value of 0.01. In addition, holding all the other variables constant, an increase of a unit in Strategy would cause an increase by 0.138 in employee retention at Mt. Kenya University. The relationship is significant as shown by a p-value of 0.024.

Finally, an increase of a unit in Structure (while the other variables are held constant) would cause an increase of 0.112 in employee retention at Mt. Kenya University. The relationship is significant as shown by a p-value of 0.030.

From these findings it can be inferred that culture was the most influential factor on employee retention in Mt. Kenya University, followed by leadership, strategy and then structure. A response rate of 86% was realized in the study from the 129 respondents, who filled-in and returned the questionnaires, out of the sample size of targeted 150 respondents. These results were achieved through dropping off the questionnaire to respondents, followed by phone calls reminding them of the timelines and then collecting the questionnaires. The rate of response acted as a good representative of the population, thus it was satisfactory to allow making conclusions for this study. According to Baruch and Holton (2008), a rate of response at 50% is sufficient to analyze and make a report on; a rate of response at 60% is good while a rate of response at

70% and beyond is termed excellent. Therefore, this rate of response is excellent based on this assertion. Majority of those who responded were male accounting for 65% of the population whereas the female accounted for 35%, (34.9%) of the respondents was aged between 36 to 45 years, 38% had master's degree, (41.1%) of the respondents in this study were of teaching department and (74.4%) had worked at the university for over 11 years.

On descriptive analysis; an average means of 4.11 showed that the respondents agreed that firm culture affects retention of the employees. The average mean of 3.86 indicates that respondents agreed moderately that organization Structure affected employee's retention. According to the findings the average mean was 4.03. This implied that respondents agreed that organizational Leadership affected employee's retention.

Averagely respondents agreed that organization strategy affects retention of employees at Mt. Kenya University (average mean = 4.015). Based on the findings, 66 respondents who fall between 61-80% were influenced most by culture. 80 respondents who fall between 41-60% were influenced most by leadership, 76 of the respondents who fall between 41-60% were influenced by structure and 79 who fall between 41-60% were influenced by strategy. This finding implies that all factors were of much importance in relation to employee's retention. Employees considered culture as the most important factor followed by leadership, the strategy and then the structure in relation to their effect on retention.

On regression analysis, responses received from the respondents on each variable were used to measure the four independent variables. From the findings, there is a strong positive association between culture, leadership, strategy, structure and employee retention as shown by correlation coefficients (0.591, 0.551, 0.517 and 0.541) respectively with all p-values less than 0.05 indicating significance. In addition



there was strong positive relationship between independent variables. The adjusted R-squared in this study was 0.663, which shows that the four independent variables (culture, leadership, structure and strategy) can explain 66.0% of the dependent variable. This shows that the other factors not studied in this study explain 34.0% of the dependent variable (Employee retention in Mt. Kenya University). The analysis of variance in this study was used to determine whether the model is a good fit for the data. From the findings, the p-value was 0.0038 which is less than 0.05 and hence the model is good in predicting how the four independent variables (culture, leadership, structure and strategy) influence employee retention in Mt. Kenya University. Further, the F-critical of 2.158 that is less than the F-calculated (3.029) demonstrates show fit this model was to predict the degree to which the dependent variable would be influenced by the four independent variables.

On coefficients as per the intercepts ( $B_0$ ), by constantly holding when four independent variables, employee retention value at Mt. Kenya University will be 2.361. This means that there are other factors that affected employee's retention in Mt. Kenya University. Additionally, keeping all the other variables that are independent constant, an increase in a unit of culture would cause an increase of 0.338 in employee retention. This relationship was significant as shown by a p-value of 0.002. Further, holding on the other variables that are independent constant, an increase in a unit of leadership would cause an increase of 0.327 in employee retention at Mt. Kenya University. The relationship was significant as shown by p-value of 0.01. In addition, holding all the other variables constant, an increase in a unit of strategy may cause an increase of 0.138 in employee retention at Mt. Kenya University. The relationship is significant as shown by a p-value of 0.024. Finally an increase in a unit of structure, while other variables are held constant would cause an increase of 0.112 in

employee retention at Mt. Kenya University. A p-value of 0.030 shows the significance of the relationship.

## CONCLUSION

Appreciation in whatever form, be it bottom up, up bottom or lateral, creates a sense of belonging and enhances employee morale and motivation hence retention. Lack of it can lead to dissatisfaction which could lead to employees leaving the organization/ employer. Organizations main concern should be on how to attract and retain the appropriate employees.

There are a number of factors that may influence employee's decision to want to stay in an organization or leave. However, other crucial factors should not be underestimated when coming up with policies aimed at retaining workers in an organization. It is important organizations that organizations take into consideration other factors that increase employee retention such as well thought out strategies designed to take care of employee's interest. As part of the strategies a reward scheme for employees should be go beyond the compensation and provide for other alternatives that may include productive point of views on employee's performance regularly. Implementation of flexible programmes that balance both work and life should be encouraged.

There is also need to polish management skills in application to ensure that employees are engaged while simultaneously taking them towards retention and improvement of performance. Personal issues of employees should also be considered by employers as employees carry out their functions.

## RECOMMENDATIONS

This study established that organizational culture is one of the critical elements that influence commitment of employees, satisfaction with their jobs and employees retention. As the organization continues to be affected by culture positively or contrarily on these three factors which are

considered as the base for the organizational performance. In the event that the organizational culture remains positive, it will improve worker's responsibility, work fulfillment and diminish staff turnover as well increase the performance.

Organizational strategies with respect to culture ought to be clear to be comprehended by employees. Employees conduct towards their work and organization are influenced by organizations approaches and culture. Organizations ought to have an adaptable culture and those in management should utilize decentralized method of the management with the goal that workers at low dimension have the power and capacity to take decisions in regards to any issue they look as per their power.

In future Mt. Kenya University should involve academic staff adequately in decision making and regular communication. Recommendation is thus made that those in authority in Mt. Kenya University ought to adopt best practices in leadership in order to enhance employee retention since those in leadership have an impact on excess of organizational elements which influence retention.

Creating alternative avenues of participating in decision making and keeping constant communication with staff will create opportunities for staff to provide the input on organizational policies and goals. Additionally it will create avenues for identifying staff issues which if not addressed may lead to staff turnover. It is imperative for leaders to be responsive of staff issues by addressing them immediately or whenever they come up. When leaders handle employee's issues promptly they will feel cared for and their intention to leave the organization will be reduced drastically and thus stay longer in an organization.

From this study, the organizational structure and employee retention were found to have a strong positive relationship. Mt. Kenya University should

pay more attention on how they communicate with their employees, equitable distribution of rewards, job autonomy, security of tenure as well as organizational decision making. This postulates that when all the highlighted structural expectations are fulfilled, there are chances that employees will exhibit high levels of job satisfaction and resilient commitment to the organization that employed them as well as reinforce the intention of staying and vice versa.

Mt. Kenya University ought to put in place retentions strategies that are effective so as to ensure that employee's performance is not affected. By establishing the needs of employees is one way of understanding them and coming up with ideas that can help in laying out strategies' that can be adopted to improve on performance.

When managers sit with employees during appraisal, the manager and the employee come up with objectives for the employee to accomplish during a certain time period which makes it the best time for the manager to converse with the employee on what is needed to help or ensure the employee perform better. The availability of measures to balance work and good life acts as a good strategy to improve employees' performance.

#### **Suggestions for Further Studies**

The focus of this study was on the influence of internal organizational factors on employee retention in Mt. Kenya University considering four independent variables. There is need to carry out a study in all private and public Universities for comparison purposes, taking into account more variables than the ones in this study. This would make it possible to generalize study findings. Future researchers can also replicate this study as well as introduce a variable moderator or intervening variables.

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