



**INFLUENCE OF HUMAN RESOURCES MANAGEMENT STRATEGIES ON
EMPLOYEE RETENTION IN THE MEDICAL INSURANCE INDUSTRY, IN KENYA**

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Abstract

The most important assets in any institution are the human resources. Retention of experienced and efficient employee in a firm is important since it reduces hiring costs. The objective of the research was to determine the link between human resources management strategies and retention of employees in the medical insurance industry in Kenya. The specific objectives were; to examine the effects of recruitment and selection, training and development, employee relations and reward and compensation strategies on retention of workers in the medical insurance industry in Kenya. The study design was the descriptive method. The unit of observation was the medical insurance industry. The unit of analysis was the staff at the medical insurance companies. The study targeted 150 top level managers and 300 HR managers in the medical insurance firms in Nairobi County. The stratified random sampling was used in selecting the sample for the study. 212 respondents formed the study sample size. Primary data was collected by use of questionnaires. The questionnaires were administered by the researcher with the help of trained study assistants. Descriptive analysis was used in analyzing descriptive data. MS Excel and Statistical Package for Social Sciences (SPSS version 21) were used to describe the data. Frequencies, percentages, means and other central tendencies were used. The results were presented by use of tables and charts. Mean scores and standard deviation were used to analyze Likert scale. Open-ended questions were analyzed by use of content analysis. A multiple regression analysis was carried out to find out the association between human resources management strategies and employee retention. To determine the significance level of the model ANOVA was adopted. The study found that recruitment and selection, training and development, employee relations and reward and reward and compensation had significant positive relationship with staff retention in the medical insurance industry in Kenya. The study recommends medical insurance companies to use recruitment agencies and internal staff recommendations in recruiting and selecting employees; this ensures that the firm hires committed and productive workers. The management of insurance companies should invest more in training activities to ensure they are effective and should ensure that training and growth are used as strategies for motivation. The insurance company management should adopt strategies that create an environment in which employees feel a sense of voice encouraging employee development.

Keywords; Compensation, Development, Employee relations, Employee retention, Human resources management strategies, Recruitment, Reward systems, Selection, Training.

Introduction

Human resources make up a company and are considered as the most essential resources in organizations today. Human resources and the mode of their management are very essential since many methods of ensuring competitiveness are not as important as before. In organizations human resources are very essential. Further, the function of human resource managing is rising up in the firm hierarchy. The goal of employee management is to ensure that the firm acquires and retains, committed, motivated and skilled workforce. To achieve this, the organization needs to take steps to examine and ensure future employee satisfaction, improve and develop individual innate capacity their contribution, potential and usage through the provision of continuous opportunities for learning and development. It comprises activities such as recruitment and selection and training and development management linked to the business needs (Armstrong, 2008).

One of the major functions in a firm is the management of the human resources. Human resource management involves the integration of decisions to create employment associations. It is also the development of employees to ensure maximum utilization of their potential to improve the organization and individual performance. Armstrong and Baron (2004) argued that individual's shared skills, capabilities and experience, deployed by a hiring organization interests through human resource management strategies, are today known to make vital contribution to the success of an organization and a main source of a firm competitiveness.

HRM strategies involve the management of human resources in today's organization based on the knowledge that the major organization resource is the human resource. Therefore, the management of human resources develop practices which influence flexibility, teamwork and help workers feel that they important and the contribution they make is vital for organization growth and development (Wright, 2005). According to Armstrong (2009), HRM strategies emphasize on the importance of formulation of human resource plan in line with the overall firm goals and strategies and should be able to respond to the dynamic business environment. This method needs practitioner's interpretation and adaptation to be make sure that the human resource plans and firm strategies fit.

In professional groups, the strategies adopted in HRM assist in ensuring that the member's career needs, and professional development are achieved. The behavior of workers is very vital in achieving goal and enhancing productivity (Pattanayak, 2008). Torrington *et al* (2005) notes that, firms that value service and quality offer training opportunities, review the firm, improve communication and reward and appraisal employees. Strategies for HRM direct, guide and ensure improved employees job performance. Skilled managers create work group hoping that peer pressure will influence good performance.

Sandhya and Kumar (2011) referred to employee retention as a situation in which there is total encouragement to the workers to remain with the organization for a long time. Armstrong (2008) asserts that employee retention refers to policies and programmes whose goal is to ensure that

productive staff are kept in the organization for a long time. Therefore, programmes on retention are designed to make sure that workers are committed to the company. It requires favorable HRM practices and policies that ensure that workers remain committed in the firm. Therefore, the retention of skilled staff is advantageous to a firm since the skills and knowledge of employees is essential in ensuring that the firms remain competitive. Inability of the organization to keep its workers affects its ability to fully utilize human resources in the company. (Jong & Hartog, 2010). Retention is seen as a whole module of a firm's HR strategies. It starts by hiring the right individuals and continuous programs to ensure their engagement and commitment to the company (Freyermuth, 2004).

A study by Milman (2002, 2003); Milman & Ricci, (2004) in Central Florida revealed that employee retention on hourly basis was forecasted by work conditions, self-fulfillment and monetary rewards. The study further indicated that staff that had a good experience on job fulfillment, working hours and high job satisfaction levels is likely to remain in the firm for long. Wildes (2007) study of servers in the food restaurant found that though monetary rewards highly motivates retention of employees, a fun work environment and flexible work schedule were also essential source of motivation.

The main goal of retaining employees is to ensure that employees remain in the organization as employee turnover adversely affects profitability and productivity (Samuel & Chipunza, 2009). But there is a great challenge in attracting, keeping and people motivation (Punia & Sharma, 2008). In many firms strategic staffing is becoming a vital issue, this is because retaining great employee talents is very crucial for the survival of the organization in the future. Retention of staff is beneficial in many ways because the development of regional economic blocs have led to the increase in mobility of labour across countries. Further, firms that have been able to retain their staff gain competitive advantage since they are able to reduce the labour costs and enhance productivity. Retention of highly skilled individuals is recognized by firms as essential in attaining growth and building competencies in the organization.

The link of using HRM strategies like compensation, career development, training and balance in work life serves as essential element to enhance retention of employees. Whereby, the strategies for HRM impacts on retention of staff by influencing and adjusting staff activities. On a human capital perspective, management of human resources is seen to add to staff skills, capacities and information, which are referred to as unique valuable firm resources (Lahkar & Baruah, 2013). HRM strategies and policies should be reliable and related to the firm context and strategy (Jiang & Lepak, 2012; Wood, 2000).

The scope of HRM strategies compensation, career development, training and work flexibility is essential in retaining important staff in a firm who support one another, good work relationships, staff engagement and inclusion in making decision, empowerment and autonomy. Hailey (2010) revealed that HRM strategies, like performance management, appraisal system, training and development and remuneration positively affect the firm innovation ability. Therefore, motivation

is associated with occupation composition, attainment of goals, rewards and sense of decency. This is affected by management of performance and framework of payments and determining appropriate work organization, representatives and training.

Medical insurance in Kenya is a great tool that can protect the insured from high costs arising out of an illness or an accident provided they are covered on a health policy. This way, it is a great tool for financial planning. The policy is divided into two main categories: in-patient cover which is termed as treatment to a patient who is admitted to a hospital for treatment that requires at least one overnight stay. Outpatient covers treatment to a patient who attends a hospital or clinic for treatment without staying there overnight. The joining age for most medical insurance policies in Kenya new members is from new born babies at the time of Hospital discharge to 75 years old depending on the health insurance company one opts for. Eligible candidates have the freedom to choose the plan they want it can be Inpatient cover alone or Outpatient cover alone or even both (Insurance Regulatory Authority (IRA), 2017).

There are factors to take into consideration when shopping for a medical cover, one should look for a cover that meets most if not all of his/her basic need when it comes to treatment for example if it will take care of day care treatment, Maternity, antenatal and post-natal care for young ladies who are looking forward to having a child, pre-existing and chronic conditions, dental and optical not forgetting laboratory test and prescribed drugs among others. There are waiting periods on most medical policies and they vary with different health insurance companies, this is an initial period of membership during which no benefit is payable for a certain procedure or service. Waiting period can also apply to additional benefits when you upgrade from one package or provider to another (IRA, 2017).

The majority of medical insurance companies in Kenya have opted to partner with hospitals, clinics and specialist providers outside the country for their clients, it is reliable and affordable compared to the local hospitals, clinics and providers. This has in away changed the dynamics in the industry with every company running to that direction to ensure they are better placed and keep their current clients. There are 30 medical insurance companies in Kenya they include; Acropolis Insurance Brokers, Afrocentric Health Solutions, AON Kenya Insurance Brokers, Armchair Insurance Brokers, Bahari Insurance Brokers, Bhanji & Associates, BTB Insurance Brokers, Changamka Micro insurance, Chester Insurance Brokers, Clarkson Insurance Brokers, Eagle Africa Insurance Brokers, Executive Healthcare Solutions, Goldfield Insurance Brokers, Goldstar Healthcare Limited, H. S. Jutley Insurance Brokers Limited, Health line Solutions Limited, Indemnity Insurance Agents Limited, J.W. Seagon And Company Limited, Jani Insurance Brokers Limited, Ken bright Healthcare Administrators, Liaison Healthcare, Life care International Insurance Brokers, MIC Global Risks (Insurance Brokers), Mutual Trust Insurance Agencies, Pacific Insurance Brokers (EA), Pelican Insurance Brokers, Plan & Place Insurance Brokers, Planned Health Care Limited, Sedgwick Kenya Insurance Brokers Limited, Sobhag Insurance Brokers

Limited, Spire Insurance Brokers Limited and Waumini Insurance Brokers Limited; (Insurance Regulatory Authority report, 2017).

Statement of the Problem

Human resources are vital assets in an organization. Retention of experienced and efficient employee in a firm is vital since it reduces hiring costs. Equally the organization cannot undervalue human resource maintenance, administration and development (Gurbuz & Mert, 2011). Although the retention of competent employees assists firms to attain the set goal, nowadays retention is seen by many organizations as a challenge since satisfying staff and ensuring that they stay in a company for long is a difficult activity (Mwasaru & Kingi, 2015).

The medical insurance companies play a great role in providing medical covers for individuals all over Kenya. Therefore it is vital for the firms to retain qualified staff so as to ensure that they provide quality services to their clients. Empirical studies include; Mburu (2015) did an evaluation the effects of strategies of HRM on staff employees in deposit-taking microfinance institutions (MFIs) in Kenya. Tonui (2017) researched on the impact of HRM practices on staff retention in real estate companies in Nairobi County. From the empirical review the research studies were conducted in different organization, this study aimed to fill the contextual gap by establishing the influence of human resources management strategies on employee retention in the medical insurance industry in Kenya.

Objectives of the Study

The general objective of the study was to establish the influence of human resources management strategies on employee retention in the medical insurance industry in Kenya.

Specific objectives are;

- i. To assess the effect of recruitment and selection strategies on employee retention in the medical insurance industry in Kenya.
- ii. To evaluate the effect of training and development strategies on employee retention in the medical insurance industry in Kenya.
- iii. To examine the effects of employee relations strategies on employee retention in the medical insurance industry in Kenya.
- iv. To assess the effects reward and compensation strategies on employee retention in the medical insurance industry in Kenya.

Significance of the Study

The study might be important to the following stakeholders;

The managers in the medical insurance industry might be able to understand the influence of human resources management strategies on retention of workers. They might be able to understand the reasons as to why employees leave or stay in the organization. This might help the managers to apply the most suitable strategies to improve their retention status

The human resource managers might be able to understand how human resources management strategies influence employee retention. They might be able to make decisions on how they can apply the strategies identified in the study to ensure that they retain their employees hence reducing hiring costs. The study might also be essential to researchers and academicians as they can use the study as a reference on their future studies about the strategies of human resources management and employee retention. The study might also add to the body of knowledge on human resources management strategies.

Theoretical Review

The study was ground on the social exchange theory, Stacey Adam's equity theory, Herzberg's motivation theory and affective events theory as it sought to establish the influence of human resources management strategies on employee retention in the medical insurance industry in Kenya.

Social Exchange Theory

The Social Exchange Theory was proposed by Blau (1964). The theory is based on the following perspectives; sociological and social psychological that describes social stability and change is a process of negotiated chats among parties. The theory of social exchange postulates that relationships between human are created by usage of subjective cost-benefit examination and comparing alternatives. The origin of the theory is in sociology, economics and psychology. The features of the theory are found in structuralism and rational choice major assumptions. It is mostly applied in the business environment to mean a two side, jointly contingent and worthwhile process comprising simply exchange or transactions. Retention of employees in an organization has also been described by the exchange theory. From the exchange viewpoint, workers exchange their attachment, identification and loyalty to the firm in exchange for incentives offered by the firm. This means that a person's choice to remain in affirm is dependent on their view of the balance of fairness between firm inducements and contribution of workers. Meyer and Smith, (2009) note that employees' perception of unfair treatment adversely affects their commitment to an organization. This theory explains the effect of training and development strategies on employee retention.

Stacey Adam's Equity Theory

This theory was advanced in 1960s by J. Stacy Adams. Adams is a behavioural and workplace psychologist, who stated that workers want to uphold equity between the job inputs they bring to work and what they receive against the supposed other people input and outcome (Adams, 1963). It is believed that individuals highly value fair treatment which motivates them it in the relationships of an organization and co-workers. The theory helps to understand why employees may leave or stay in organization. They make comparisons with others in the same professional network to determine whether there is a balance between the input-outcome ratios. This theory helps in explain the effects of employee relations strategies on employee retention.

Herzberg's Motivation Theory

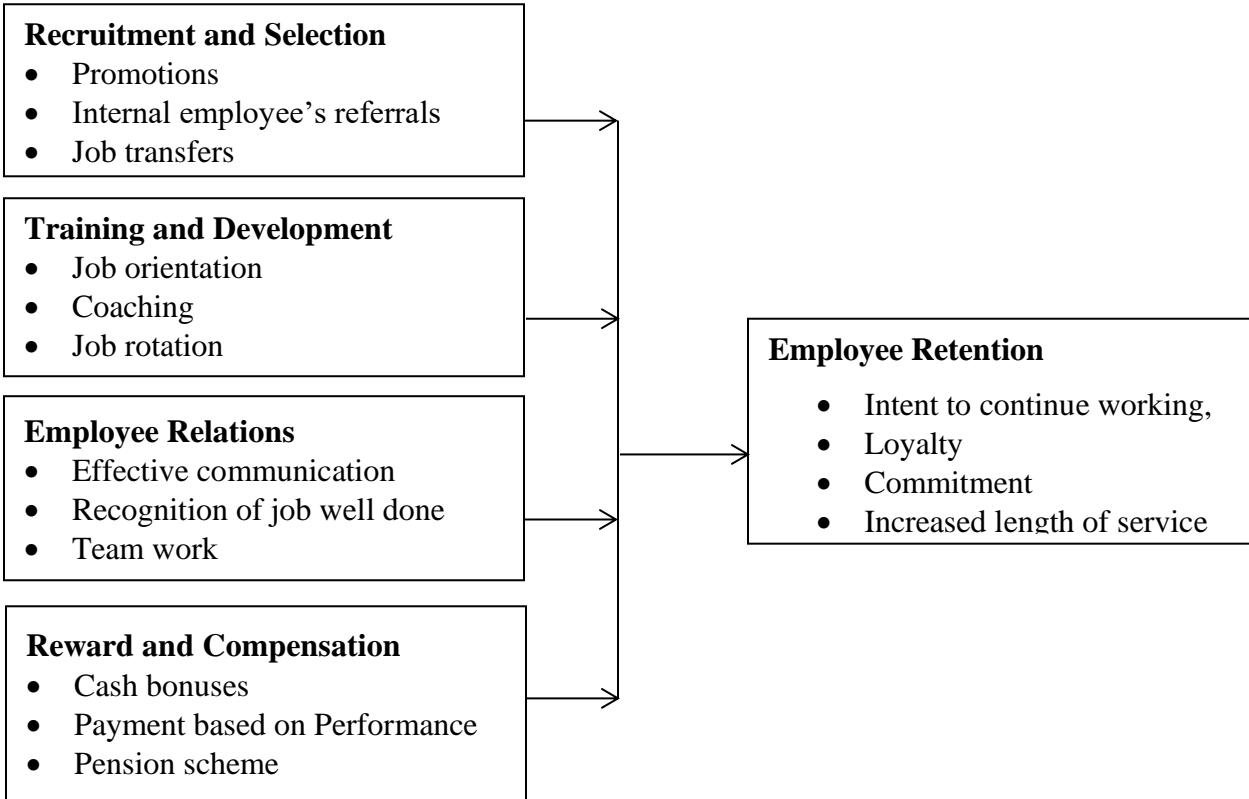
This theory was advanced by Frederick Herzberg in 1959; the behavioural scientist came up with two theories; motivator-hygiene and two-factor theory. Herzberg's view is that there are job factors that lead to satisfaction while other factors prevent dissatisfaction. Herzberg proposed two factors: first the hygiene factors; these factors are important in ensuring motivation in an organization. However, they do not provide a long-term positive satisfaction. The absence of these factors in the workplace results in job dissatisfaction. Hygiene factors represent an individual's physiological needs which are needed and expected to be achieved. Some of the hygiene factors are compensation, firm and administration policies, job security, fringe benefits, physical working conditions and interpersonal relationships (Herzberg, 1965). The second factor is the motivational factor. Herzberg asserts that the hygiene aspects cannot be referred to as the motivators. Motivators bring about positive fulfillment. This theory explains the effects of reward and compensation strategies on employee retention.

Affective Events Theory

Weiss and Cropanzano (1996) advanced this theory. The theory explains the relationship between workers' internal inspirations and the way they react to activities that take place in the workplace that impact on their performance, commitment at work and work satisfaction. It suggests that positive induction and negative emotional occurrences at the workplace have a major psychological effect on job satisfaction of employees. The effect leads to enduring responses displayed through work satisfaction, commitment in the organization and work performance hence the inclination to stay in the firm (Phua, 2012). The theory asserts that these occurrences at the workplace impact on an employee's well-being thus influencing their decision to leave or stay in the organization. This theory helps in explaining the effect of recruitment and selection strategies on employee retention.

Conceptual Framework

According to Smith (2014) a conceptual framework is a hypothesized model identifying the model under study and the relationship between the dependent and independent variables. It is a representation of the variables explored by this study.



Independent Variables

Dependent Variable

Figure 1: Conceptual Framework

Research Methodology

The study adopted a descriptive research design. According to Creswell (2013) descriptive study describes a condition, subject, behaviors or phenomena. It is helps in answering queries on who, what, when, where, and how that is linked to certain research problem or question.

The unit of observation for the study was the medical insurance industry. The unit of analysis was the staff at the medical insurance companies. According to the insurance regulatory of Kenya there are 30 medical insurance companies in Nairobi County. The study targeted the 5 top level managers and 10 Human resource managers at each of the medical insurance organizations in Nairobi County. The target population is a shown in Table 1

Table 1: Target Population

Target Population	Frequency	Percent
Top level managers	150	33%
Human resource managers	300	67%
Total	450	100%

The stratified random sampling was used to select the sample of the study. The aim of stratification is to minimize the standard error by having some control over variance. In stratification technique the population is divided in various subgroups known as strata and choosing subjects from each stratum proportionately. Yamane formula for determining sample size was used to determine the study sample size

The formula is $n = N / [1 + N (e)^2]$

Where n = sample size,

N = population size

e = error term (0.05)

Hence, $n = 450 / [1 + 450 (.05)^2] = 212$

The sample size of the study was 212 respondents this was 47% of the target population.

Table 2: Sample Size

Target Population	Frequency	% sample	Sample Size
Top level managers	150	47%	70
Human resource managers	300	47%	141
Total	450	47%	212

The study collected primary data by use of questionnaires. Piloting was conducted to test for the research instruments validity and reliability. In this study, the researcher sought experts’ opinions in this areas of study more so the lecturers in the school of business and the study supervisors. This facilitated the needed revisions and modifications of the study instrument to improve validity. The numerical values for a reliability coefficient range from 0 to 1. In this study, a reliability coefficient of greater than 0.7 is recognized as reliable (Cooper & Schindler, 2008).

Descriptive analysis was used in analyzing descriptive data. The tools for descriptive statistics that is MS Excel and Statistical Package for Social Sciences (SPSS version 21) assisted to describe the data. In analysis of data frequencies, percentages, means and other central tendencies were used. The results presentation was by use tables and figures. The mean scores and standard deviation were used in the analysis of Likert scale questions. Open-ended questions analysis was by use of content analysis. A multiple regression analysis was conducted to determine the influence of human resources management strategies on employee retention. The regression equation was;

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

Where:

Y= Employee retention

β_0 = Constant term, X_1 = Recruitment and Selection, X_2 = Training and development, X_3 = Employee relations, X_4 = Reward and compensation, ϵ =error term , $\beta_1, \beta_2, \beta_3$ and β_4 are coefficients of

determination and ϵ is the error term. To determine the significance level of the model ANOVA was adopted.

Research Findings and Discussion

The study sought to collect data from 212 respondents but only 182 of the administered questionnaires were received back forming 85.8% response rate. Reliability was determined by computing Reliability analysis where selected acceptable alpha value for reliability was 0.7. Table 3 presents the findings. From the findings, recruitment and selection had Cronbach alpha value of 0.745, training and development had alpha of 0.798, employee relations had alpha value of 0.762, reward and compensation has 0.811, and employee retention had 0.784. The findings showed that the Cronbach alpha values for all variables were greater than 0.7 and hence they were all reliable.

Table 3: Reliability Analysis

Scale	Cronbach's Alpha	Number of Items
Recruitment and Selection	0.745	7
Training and Development	0.798	7
Employee Relations	0.762	7
Reward and Compensation	0.811	7
Employee Retention	0.784	4

Descriptive Statistics

In this section, the study presents findings on the Likert scale questions on each objective. The questions used 5- point Likert scale with 1- strongly disagree, 2-disagree, 3-moderate, 4- agree 5- strongly agree.

Recruitment and Selection Strategies

Respondents were requested to indicate their level of agreement with statements about the effect of recruitment and selection strategies on employee retention in the medical insurance industry in Kenya. The results were as presented in Table 4.

Table 4: Effect of Recruitment and Selection Strategies on Employee Retention

Statements	Mean	Std. Dev.
Employees are hired in line with their qualifications	3.728	0.986
Recruitment and selection is usually a free and fair process	3.553	0.857
The management encourages internal promotions to boost employee's morale	3.649	0.909
Promotion prevents the organization from losing its valuable employees	3.519	0.832
Internal employee's referrals ensures that talented employees remain in the organization	3.585	0.749
Job transfers in the organization helps to avoid monotony hence improving employee productivity	3.699	0.958

Job transfers improves employees' skills and knowledge in the organization 3.626 0.879

From the findings in Table 4, the respondents were in agreement that employees are hired in line with their qualifications as shown by a mean of 3.728, job transfers in the organization helps to avoid monotony hence improving productivity of the employees as shown by a mean of 3.699, the management encourages internal promotions to boost employees morale as shown by a mean of 3.649, job transfers improves employees skills and knowledge in the organization as shown by a mean of 3.626, internal employee's referrals ensures that talented employees remain in the organization as shown by a mean of 3.585, recruitment and selection is usually a free and fair process as shown by a mean of 3.553, and promotion prevents the organization from losing its valuable employees as shown by a mean of 3.519. These findings relate with Chandrasekara and Perera (2016) who evaluated on how recruitment strategies impacted on the retention of workers in Sri Lank large-scale firms and established that recruitment initiatives has a positive significant link with the retention of employees in the firms.

Training and Development

Respondents were asked to indicate their level of agreement with statements about the effect of training and development strategies on employee retention in the medical insurance industry in Kenya. The results were as shown in Table 5.

Table 5: Effect of Training and Development Strategies on Employee Retention

Statements	Mean	Std. Dev.
New employees are guided on their new roles and responsibilities	3.603	0.880
Job orientation assists new employees to adopt faster in their new roles	3.671	0.950
Coaching in the organization is mainly undertaken by the supervisors	3.711	0.962
Coaching in the workplace typically focuses on an improvement in individual performance	3.620	0.930
Job rotation in the organization helps employees to learn about different jobs	3.739	0.984
Job rotation in the organization helps employee to improve the skills and knowledge about jobs	3.705	0.974
Job rotation expose employees to a wider range of operations and assist managers in exploring hidden talents	3.603	0.889

From the findings, the respondents were in agreement that job rotation in the organization helps employees to learn about different jobs as shown by a mean of 3.739, coaching in the organization is mainly undertaken by the supervisors as shown by a mean of 3.711, job rotation in the organization helps employee to improve the skills and knowledge about jobs as shown by a mean of 3.705, job orientation assists new employees to adopt faster in their new roles as shown by a mean of 3.671, coaching in the workplace typically focuses on an improvement in individual performance as shown by a mean of 3.620, new employees are guided on their new roles and responsibilities as shown by a mean of 3.603 and job rotation expose employees to a wider range of operations and assist managers in exploring hidden talents as shown by a mean of 3.603. These findings agree with Chen (2014) who evaluated the effect of training on employee retention in

China and found that training played a significant role in firm performance and it was the major strategy in the firm that influenced the retention of workers and growth of human capital.

Employee Relations

Respondents indicated their level of agreement with statements about the effects of employee relations strategies on employee retention in the medical insurance industry in Kenya. The results were as presented in Table 6.

Table 6: Effects of Employee Relations Strategies on Employee Retention

Statements	Mean	Std. Dev.
Communication in the organization flows from top to down and down to top	3.739	0.982
Communication is effective between the organization departments	3.598	0.887
Employees are appreciated for their outstanding performance	3.733	0.972
Teamwork helps employees to feel that their work is valued	3.711	0.997
Teamwork in the organization creates a system to make sure that deadlines are achieved and that the job is of high quality	3.750	1.027
Collaboration within groups in the organization helps to solve difficult problems.	3.586	0.901
Departments collaborate to achieve the set goals	3.660	0.935

From the results, the respondents agreed that teamwork in the organization creates a system to make sure that deadlines are achieved and that the job is of high quality as shown by a mean of 3.750, communication in the organization flows from top to down and down to top indicated by a mean of 3.739, employees are appreciated for their outstanding performance as indicated by a mean of 3.733, teamwork helps employees to feel that their work is valued as shown by a mean of 3.711, departments collaborate to achieve the set goals as shown by a mean of 3.660, communication is effective between the organization departments as shown by a mean of 3.598, and collaboration within groups in the organization helps to solve difficult problems as shown by a mean of 3.586. These findings concur with Rahman and Taniya (2017) who studied the influence of management of staff relations on their performance and revealed that all staff relation management factors like the HR strategies, style of leadership as well as shared values/goals have a high significant effect on the performance of workers. Also trust and communication moderated the effects of staff performance in the organization. Therefore, the components of staff relations management should be integrated in the organization strategy to enhance staff performance.

Reward and Compensation

Respondents indicated their level of agreement with statements about the effects reward and compensation strategies on employee retention in the medical insurance industry in Kenya. The results were as presented in 7.

Table 7: Effects Reward and Compensation Strategies on Employee Retention

Statements	Mean	Std. Dev.
Employees are paid their salaries at the right time	3.541	0.861
Employees are given cash bonuses on their exceptional performance	3.722	1.035
Employees are given non-cash rewards	3.660	0.935
Rewarding high performance assists in retaining staff	3.598	0.867
The contribution an employee makes is recognised with a tangible reward	3.603	0.887
Pension schemes help employees get prepared for their retirement	3.660	0.951
Employees are advised to save for their retirement	3.705	1.008

The findings showed that the respondents were in agreement that employees are given cash bonuses on their exceptional output as indicated by a mean value of 3.722, employees are advised to save for their retirement as indicated by a mean value of 3.705, employees are given non-cash rewards as indicated by a mean value of 3.660, pension schemes help staff get prepared for their retirement as indicated by a mean value of 3.660, the contribution an employee makes is recognised with a tangible reward as indicated by a mean value of 3.603, rewarding high performance assists in retaining staff as indicated by a mean value of 3.598, and employees are paid their salaries at the right time as indicated by a mean value of 3.541. These findings concur with Wangari (2014) who studied the impact of reward initiatives on the retention of employees and established that remuneration, career development, training and work-life balance significantly impacted staff retention. However, unavailability of career growth opportunities and poor compensation adversely affects staff retention.

Employee Retention

Respondents indicated their level of agreement with statements about employee retention. The results were as shown in Table 8.

Table 8: Employee Retention

Statements	Mean	Std. Dev.
Hiring talents ensures employee loyalty	3.711	0.975
Training and development gives employees intent to continue working	3.603	0.899
Reward and compensation increases employee commitment in the organization	3.575	0.881
Good working relation ensures that employees are committed to their work	3.603	0.874

The findings reveal that hiring talents ensures employee loyalty as indicated (mean = 3.711), training and development gives employees intent to continue working as shown by a mean of 3.603, good working relation ensures that employees are committed to their work as shown by a mean of 3.603 and reward and compensation increases employee commitment in the organization as shown by a mean of 3.575. These findings suggest that loyalty and retention of employees can be ensured through hiring of talented individuals and through their training and development. Also, commitment can be increased by reward and compensation and that good working relations ensured employee commitment.

Multiple Regression Analysis

Model Summary

Model summary is used to determine the variation in dependent variable that can be explained as a result of changes in the independent variables. In this study, the variation of employee retention as a result of changes in recruitment and selection, training and development, employee relations and reward and compensation were analyzed. The results were as presented in Table 9.

Table 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.811 ^a	0.658	.653	.0421589

From the findings in Table 9, the adjusted R² value was 0.653 which implies that 65.3% variations in employee retention may be attributed to variations in recruitment and selection, training and development, employee relations and reward, and compensation were analyzed. The remaining 34.7% imply that there exist other human resource management practices that can explain the variations in employee retention that were not discussed in this study. The results also suggest that the variables that were being investigated were strongly and positively related as shown by correlation coefficient value (R) of 0.811. The findings concur with Tarus (2016) who found that staff compensation and commitment were significantly and positively correlated. It was also noted that compensation and empowerment were significantly correlated.

Analysis of Variance

Analysis of variance helps to determine if the data used in the study is significant. The selected significance level was 0.05 which suggests that the model is significant if the p-value obtained is less than 0.05. Table 10 presents the findings.

Table 10: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	67.761	4	16.940	15.058	.008 ^b
Residual	199.125	177	1.125		
Total	266.886	181			

From the analysis, the p-value was 0.008 which is less than the selected level of significance 0.05 (i.e. $0.008 < 0.05$). This hence implies that the model was significant. The value of F calculated was 15.058 while the value of f critical obtained from the f critical tables was 2.423. Since the value of critical was less than the f calculated value ($2.423 < 15.058$) it was concluded that recruitment and selection, training and development, employee relations and reward, and compensation significantly influence employee retention in the medical insurance industry in Kenya. The findings concur with Wangari (2014) who established that career development, proper remuneration and work life balance positively affected the decision of employees to remain in a

firm. Lack of a good structure for compensating workers and failure to provide career development opportunities negatively affects retention of employees.

Beta Coefficients of the Study Variables

Beta values were fitted in the regression equation model to $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$ to form the regression equation used in predicting employee retention as a result of changes in recruitment and selection, training and development, employee relations and reward and compensation. The results were as presented in Table 11.

Table 11: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.874	0.114		7.667	0.000
Recruitment and Selection	0.325	0.065	0.301	5.000	0.017
Training and Development	0.501	0.084	0.428	5.964	0.008
Employee Relations	0.465	0.067	0.378	6.940	0.013
Reward and Compensation	0.568	0.081	0.425	7.012	0.003

From Table 11, the fitted regression equation was;

$Y = 0.874 + 0.325 X_1 + 0.501 X_2 + 0.465 X_3 + 0.568 X_4$ (Y= Employee retention; X_1 = Recruitment and Selection; X_2 = Training and development; X_3 = Employee relations and X_4 = Reward and compensation).

The equation above revealed that recruitment and selection, training and development, employee relations and reward and compensation variables are held to a constant zero, employee retention will be at 0.874.

Recruitment and selection and employee retention were statistically significant ($\beta = 0.325$, $P = 0.017$). This indicates that recruitment and selection had significant positive relationship with staff retention in the medical insurance industry in Kenya. This implies that a unit increase in recruitment and selection will positively affect staff retention in the medical insurance industry in Kenya. The findings agree with Oayas, Ogbu and Remilekun (2015) who found that during recruitment and selection using a staffing agency and internal staff recommendations enables the firm to hire more committed and productive staff whereas recruiting through the influences of the results to efficiency in the organization.

Training and development was statistically significant to staff retention ($\beta = 0.501$, $P = 0.008$). This implies that training and development had a significant positive link with staff retention in the medical insurance industry in Kenya. This implies that a unit increase in training and development will positively affect staff retention in the medical insurance industry in Kenya. The findings concur with Chen (2014) who found that training was essential to the performance

of the firm and more so key to the strategy of the firm impacting on the retention of staff and growth of human capital.

Employee relations and reward and staff retention were statistically significant ($\beta = 0.465$, $P = 0.013$). This indicates that employee relations and reward had a significant positive association with staff retention in the medical insurance industry in Kenya. This implies that a unit increase in employee relations and reward will positively affect retention of staff in the medical insurance industry in Kenya. The findings concur with Rahman and Taniya (2017) who noted that HR practices, styles of leadership and common values/goals significantly impact on staff performance.

Reward and compensation and staff retention were statistically significant ($\beta = 0.568$, $P = 0.003$). This implies that reward and compensation had significant positive relationship with staff retention in the medical insurance industry in Kenya. This implies that a unit increase in reward and compensation will positively affect staff retention in the medical insurance industry in Kenya. The findings concur with Akhta (2015) who indicated a strong and positive relationship and influence of total reward on retention.

Conclusions

The study found that recruitment and selection and staff retention were statistically significant. The study also found that recruitment and selection had significant positive relationship with staff retention in the medical insurance industry in Kenya. In relation to the findings, the study concludes that a unit rise in recruitment and selection will positively affect staff retention in the medical insurance industry in Kenya.

The study revealed that training and development was statistically significant to worker's retention. The study also revealed that training and development had significant positive link with staff retention in the medical insurance industry in Kenya. In relation to the findings, the study concludes that a unit rise in training and development will positively affect employee retention in the medical insurance industry in Kenya.

The study revealed that employee relations and reward was statistically significant to worker retention. The study also revealed that employee relations and reward had significant positive relationship with worker retention in the medical insurance industry in Kenya. From these findings, the study concludes that a unit increase in worker relations and reward will positively affect employee retention in the medical insurance industry in Kenya.

The study found that reward and compensation was statistically significant to employee retention. The study also revealed that reward and compensation had significant positive link with staff retention in the medical insurance industry in Kenya. Based on the findings, the study concludes that a unit increase in reward and compensation will positively affect employee retention in the medical insurance industry in Kenya.

Recommendations

Since recruitment and selection was found to influence retention of employees. The research recommends medical insurance companies to use recruitment agencies and internal staff recommendations in recruiting and selecting employees; this ensures that the firm hire committed and productive workers. The study also recommends the insurance companies use strategic staffing practices such like the associations, psychometric exams, and webs, target particular professionals, use strategies on head hunting, provide incentives, rank potential applicants and the use of internet and technologies which impact staff recruitment.

Training and development was found to have a positive impact on retention of employees. The study recommends management medical insurance companies to offer training to their employees. The management of the companies should invest more in training activities to ensure they are effective and should ensure that training and growth are used as strategies for motivation.

Employee relations influence retention. The study recommends management of the insurance companies to properly address components of employee relations management factors like HR initiatives, styles of leadership and common values/goals. It's the responsibility of the management to ensure that the organizational structure is flexible by design and intent and can properly manage employer worker relations to fit strategic needs. The management should adopt strategies that create an ambiance in which employees feel a sense of voice encouraging employee development.

Rewards and compensation positively influence retention. The study recommends medical insurance companies to provide their employees with rewards in form of cash bonuses, payment based on performance and pension scheme. Offering employee's performance-based pay and recognizing their contribution greatly influences their retention decisions.

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