EFFECT OF WORK PLACE ENVIRONMENT ON EMPLOYEE RETENTION IN SELECTED SUPERMARKETS IN KENYA.

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Abstract

Purpose: The purpose of the study was to establish the effect of work place environment on employees’ retention in selected supermarkets in Kenya. The study specifically sought to determine the effects of job satisfaction, employee relations, employees occupational health and safety and working conditions on employees’ retention in selected supermarkets in Kenya.

Methodology: The study will adopt a descriptive research design. The study was undertaken in three selected supermarkets in Kenya notably; Tuskys supermarkets; Naivas supermarkets and Choppies supermarkets. The target population comprised of a total of 1500 staff working in the three selected supermarkets in Kenya. These included; 640 staff at Tuskys supermarkets 560 staff at Naivas supermarkets and 300 staff at Choppies supermarkets. The study adopted a stratified random sampling technique to select 316 respondents as the sample size for the study. Questionnaires were used as the main data collection instruments and a pilot study was conducted to pretest questionnaires for reliability. Descriptive statistics and multiple regression analysis were used to analyze the gathered data and the results were presented on tables, figures and graphs.

Results: The study findings indicated that, job satisfaction, employee relations, employees’ occupational health and safety and working conditions were the key effects of work place environment that affected employees’ retention in selected supermarkets in Kenya. The study concluded that, commitment, employees’ motivation and rewards are key aspects of employee job satisfaction which influences employee turnover rates in supermarkets. The study further concluded that job satisfaction the key factor that affects employee’s retention most in supermarkets, followed by occupational health and safety, then working conditions with and lastly employee relations.

Contribution to policy and practice: The study recommended that to improve on the level of employee job satisfaction, the supermarket management should offer the employee with good remuneration packages, recognize and reward the high performing employees. The supermarket management should adopt effective employee relations strategy through application of effective communication channel, use of effective conflict resolution methods, encouraging team building activities and providing better working conditions. The supermarket management should implement effective work safety procedures, increase the level of compliance with health and safety policies, implement effective work hazards and risks control methods and implement safety measures to avoid employee exposure to illness and accidents. The finally recommended
that the supermarkets management should provide employees with favorable hours of work, provide flexible work schedule, increase on the employee work life balance and provide good work facilities.

Key Words: Job Satisfaction, Employee Relations, Employees Occupational Health and Safety, Working Conditions and Employees’ Retention.

1.0 INTRODUCTION

In today’s dynamic and competitive business world, a healthy workplace environment plays a major role in determination of the rate of employee retention in many organizations. In the supermarket industry, work place environment has been a major challenge on employee retention. According to Tripathi (2014) the work environment can be defined as the environment in which people work that include physical setting, job profile, culture and market condition. Each aspect of work place environment is inter linked and impacts on employee retention, employees overall performance and productivity. It is the quality of the employees’ workplace environment that most impacts on their level of motivation subsequently rate of retention and performance. Work place environment can also be thought of simply as the environment in which people work (Briner, 2010) as such; it is a very broad category that encompasses the physical setting (like; heat, equipment), characteristics of the job itself (like; workload, task complexity). Work place environment also encompasses broader organizational features (like; culture, history) and even aspects of the external organizational setting such as local labor market conditions, industry sector and work life balance. Chandrasekar (2011) asserts that the type of workplace environment in which employees operate determines whether employee will stay for a long time working in the organization and this determines the employee retention and turnover rates. According to Armstrong (2010) good work place environment leads to increased employee retention rates since employee fell more satisfied with their jobs, employee health and safety issues are well catered, there is good employee relations and employee work life balance is maintained. According to Becton, Wysocki & Kepner (2009), employee retention refers to the necessary measure put in place by management of an organization to encourage workers to remain in the establishment for a maximum period of time. The retention of employee therefore results in the reduction of all the consequences generated by turnover: it reduces financial costs, operating costs, recruitment and training costs; it prevents loss of the productivity and the impact on the performance of other employees of the team; it reduces the time invested in the development of a new professional.

Global Perspective on Work Place Environment

In many organizations worldwide, the nature employee work place environment has been identified as key employee motivating factor and determines the rate of employee retention rates and turnover rates (Clark, 2010). Toledo (2012) identified that in many organizations in USA are striving to provide the best work environment as a strategy to improve the rate of employee retention and performance. According Toledo (2012) good work environment has demonstrated to improve the rate of employee retention in many USA firms and this has led to improved organization competitive advantage in the target market. In USA retail sector, major supermarkets such as Safeway, Bakers, City Market, Dillions, Food4less and Fred Meyers, work place environment plays a significant role in determining the rate of employee retention and
performance of the supermarkets, increased retention leads to continuous delivery of quality services and realization of greater customer satisfaction (Rice, 2012). The American Society of Interior Designers (ASID, 2010) carried out an independent study and revealed that the physical workplace design is one of the factors, which affect job satisfaction thus organization performance. The study results showed that 31 percent of people were satisfied with their jobs and had pleasing workplace environments. Fifty percent of people were seeking jobs and said that they would prefer a job in an institution where the physical and psychosocial environment is good. In Canada, provision of good work place environment is a major priority for many employers since most employees are conscious of work environment and firms that do not offer good work environment experiences high staff turnover rates and low retention, this leads to increased turnover costs in terms of recruitment, training and loss of customers. Major retail outlets in Canada such as Budget Foods, Buy Low Foods, Nesters Market Shop’n Save and Coopers Foods have managed to dominate the retail sector as result of high level of employee retention, which can be attributed to good employee work place environment (Clark, 2010).

In UK, work place environment is a key determinant of employee intention to leave an organisation, most firms where employee are dissatisfied with work environment experience high staff turnover rates and this affects overall organization performance. However, most firms in UK are credited in providing good work place environment and this contributes to increased level of employee retention. In Britain retail sector, supermarkets such as Tesco, Sainsbury and Morrisons have managed to achieve competitive advantage in the target market as result of good work place environment which results in increased level of staff retention (Davies, 2011). In China, Chen and Silverthorne (2015) identified work place environment determines the level of employee job satisfaction and the nature of working conditions in many organization, Chen and Silverthorne (2015) posited that firms that provide good work environment are able to retain productive work force and this leads to increased firms performance, major supermarkets in China such as Auchan, CitySuper and Lotte mart have an effective employee retention strategies and the key one is provision of good work place environment. In Brazil, Leandro (2016) noted that turnover in retailing trade is high and has grown in recent years, from 55.2% in 2007 to 64.2% in 2013. High turnover rates is as result of employee dissatisfaction with working condition and work environment and this bring several negative impacts, making the management of companies more complicated and burdening their costs. In India, Chandrasekhar (2011) identified work place environment as key determinant of employee retention in many Indian firms. In India, major supermarkets such as Big Bazaar, Central and Hypercity, Chandrasekhar (2011) noted that provision of good work place environment led to increased retention rate of experienced staff and this resulted in good customer care service and improved performance.

Regional Perspective on Work Place Environment

In Africa, employees in many organizations are encountering with working problems related to workplace environmental and physical factors. It has been argued by Pech and Slade (2012) that employee turnover is increasing, and it has become important to make workplaces that positively influence high workforce retention. In Many African firms’ employees’ comfort on the job, determined by workplace conditions and environment, has been recognized as an important factor determining employee retention and employee productivity (Leblebici, 2012). In today’s
dynamic and competitive business world, managers in African firms should not just focus on the employees’ pay packet with the assumption that it is proportionate to performance but should also consider on provision of good work environment (Helath, 2013). According to Abdulla et al. (2010) in Egypt environmental factors represent the immediate job environment that contains skills required to perform a job, authority, autonomy, relationship with supervisors and co-workers and other working conditions. It is important for the employer to know how its work environment impacts greatly on the employee’s level of motivation and performance. A well-designed office signals the values and objectives of the organisation and the use of design in office interior communicates an organisation values and identity. Office design therefore should be one of the factors in affecting employee’s productivity.

In Ghana, work place counseling can act as a strategy to improve employees work stress management, increase employees job satisfaction, employee’s retention, employees well-being and employees relations. However, not many human resource managers in many organizations in Ghana and West Africa have given much emphasis on the importance of employees work place counseling programs hence making it difficult for many employees to cope with work related stress and personal problems (Ebarefimia, 2012). In Nigeria, a study by Oshagbemi (2008) showed that one of the major advantages of open work environment is that it makes the most use of available space. It allows you to spend less of your budget on office space (which is ridiculously expensive in most major cities) and more on other aspects of your business. Open offices are a lot more egalitarian than traditional office plans. There is no corner office to fight over since everybody works in the same space. The hierarchy is less obvious as your position on the corporate totem pole depends on the work that you put out rather than place where you work. It encourages employees to focus more on their work and less on one-upping their coworkers.

Local Perspective on Work Place Environment

In Kenya, today’s work environment is different, diverse and constantly changing. The combination of factors has created an environment where the business needs its employees more than the employees need the business. It is the quality of the employee’s work environment that most impacts on the level of employee’s motivation and subsequent performance. In today’s competitive business environment, organizations can no longer afford to waste the potential of their workforce (Odhiambo, 2012). In many Kenyan organizations including supermarkets, the management’s new challenge is to form an environment that attracts, retain and motivate its workforce. The responsibility lies with managers and supervisors at all levels of the organization. They have to create a working environment where people enjoy what they do, feel like they have a purpose, have pride in what they do and can reach their potential. The work environment affects employee job satisfaction, employee relation, employee health and safety issues and employee working condition, morale, productivity and engagement—both positively and negatively. In an effort to motivate workers, firms have put into practice a number of activities such as performance-based pay, employee involvement, recruiting agreements, practices to help balance work and family life as well as various forms of information sharing, (Kiragu, 2013).

According to Kenneth (2010), employees in many Kenyan organizations will always be contended when they feel that their immediate environment states are in tandem with their obligations (Farh, 2012). The workplace environment consists of physical factors which include the office layout and design among other factors; while the psychosocial factors include working
conditions, role congruity and social support. Other aspects of the workplace environment are the policies which include employment conditions. A satisfied, happy and hardworking employee is biggest asset of any organisation. Effective work environment encourage the happier employee with their job that ultimately influence the growth of an organisation as well as growth of an economic. According to Chandrasekar (2011) there are key factors in the workplace environment that could give a great impact towards the motivation and retention level. The business environment is becoming very competitive, dynamic and complex. Management should therefore find ways to ensure that workplace environment is conducive enough to encourage high rate of retention in order to remain competitive. In the Kenya Supermarkets sector, there is cut throat competition; supermarkets are faced with the challenge of attracting, retaining and motivating the employees. These employees are faced with a myriad of problems in relation to their work environment. This is especially in terms of the working hours, mobility at the workplace and compensation. In order to reach their performance goals, retail outlets must be able to create a workplace environment where employees are motivated to work. In Kenyan Supermarket industry, employee work place environment remains as key problem to employee retention in many supermarkets. For the past five years, major supermarkets in Kenya such as Tuskys, Naivas and Choppies supermarkets have continued realizing high staff turnover rates, an indication that retention rates are very low.

1.1 Statement of the Problem

For the past decade, employee retention has become a major challenge affecting the performance of many organizations worldwide. According to Murphy (2012), over 30% of high rate of employee turnover and low retention rates in organizations can be attributed to work place environment related problems. According to Armstrong (2012) over 43% of employees in UK retail firms expressed dissatisfaction with work environment compelled them to leave their jobs and 53% of retails firms managers expressed to face employee retention challenges. According to Edward (2013) work place environments in retail outlets like supermarkets is generally associated with greater employee stress, poorer co-worker relations and reduced satisfaction with the physical environment. In Kenya Retail sector, Charles (2013) study confirmed that 67% of employees indicated that their work place environment is characterized by much noise, excessive employees’ movement, unfitting lighting, insecurity and long standing hours, these affects employee health issues leading to intention to leave their jobs. Employees use about 50 percent of their existence within work environments, which extremely affect their status of mind, aptitudes, and actions in addition to their performance (Sundstrom, 2012). In the Kenya retail sector, there is cut throat competition; supermarkets are faced with the challenge of attracting, retaining and motivating the employees. These employees are faced with a myriad of problems in relation to their work environment. This is especially in terms of the working hours, mobility at the workplace and compensation. In order to reach their performance goals, retail outlets must be able to create a workplace environment where employees are motivated to work (Robert, 2013). Despite the significance contribution of work place environment on employee retention in retail supermarkets, previous studies on employee retention have failed to explain how work place environment affects employee retention in supermarkets in Kenya. Gitahi (2014) study looked at the Effect of Workplace Environment on Performance of Commercial Banks Employees in Nakuru Town. Nanzushi (2015) did a study on the effect of workplace environment on employee performance in the mobile telecommunication firms in Nairobi City.
County and Gitonga (2015) study looked on the influence of work environment on organizational performance in government ministries in Kenya. To the researcher’s knowledge, these studies conducted do not establish the effect of workplace environment on employee retention in Kenya supermarkets. The studies do not also exhaustively discuss the relationship between workplace environment and employee retention thereby leaving and evident knowledge gap. This study therefore aims to fill the noticeable gap in literature by establishing the effect of workplace environment on employee retention in Kenya supermarkets.

1.2 Research objectives

i. To establish the effect of job satisfaction on employees’ retention in selected supermarkets in Kenya.

ii. To determine the effect of employee relations on employees’ retention in selected supermarkets in Kenya.

iii. To establish the effect of employees occupational health and safety on employees’ retention in selected supermarkets in Kenya.

iv. To assess the effect of working conditions on employees’ retention in selected supermarkets in Kenya.

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Herzberg’s Two-Factor Motivational Theory

Frederick Herzberg developed the two-factor theory of motivation based on satisfiers and dissatisfiers. Satisfiers are motivators associated with job satisfaction while dissatisfiers are motivators associated with hygiene or maintenance. Satisfiers include achievement, responsibility, advancement, and recognition. Satisfiers are all intrinsic motivators that are directly related to rewards attainable from work performance and even the nature of the work itself. Dissatisfiers are extrinsic motivators based on the work environment, and include a company’s policies and administration such as supervision, peers, working conditions, and salary. Herzberg believed providing for hygiene and maintenance needs could prevent dissatisfaction but not contribute to satisfaction (De Croon, 2015). Herzberg also believed that satisfiers hold the greatest potential for increased work performance. Work-life programs are a form of satisfier that recognizes the employee’s life outside of work which, in turn, helps motivate the employee (Silberstein, 2012). The Herzberg two-factor theory states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction such as pay, working conditions and benefits. This theory is relevant in establishing the effect of job satisfaction on employees’ retention in selected supermarkets in Kenya.

2.1.2 Social Exchange Theory

Social Exchange Theory (SET) is among the most influential conceptual paradigms for understanding workplace behavior. Its venerable roots can be traced back to the 1920s, bridging such disciplines as anthropology, social psychology and sociology. Social exchange involves a series of interactions that generate obligations (Baron, 2012). These interactions are usually seen
as interdependent and contingent on the actions of another person (Cromwell & Kolb, 2014). One of the basic tenets of SET is that relationships evolve over time into trusting, loyal, and mutual commitments. The general presumption is that workers can form distinguishable social exchange relationships, however operationalized, with their immediate supervisor and employing organizations. According to Vischer (2010) these relationships have an impact on employee behaviour. Individuals (employees) return the benefits they receive, they are likely to match goodwill and helpfulness toward the party with whom they have a social exchange relationship (Cromwell and Kolb, 2014). Perceived organizational support has long been conceptualized in SET terms. The benefits of perceived organizational support often are understood in reciprocal terms an employee who sees the employer as supportive is likely to return the gesture. When perceived organizational support is high, workers are more likely to engage in organizational citizenship behavior, higher job performance and reduced absenteeism. Adding supervisory support which posits that support leads to commitment raises interest in a supervisory focus as a manifestation of the exchange process. Although evidence is sparse, this dynamic does seem likely. Supervisory support and perceived organizational support are consistently related (Clark, 2010). The social exchange theory states that working environment determines the employees workplace behavior which affects the employees relation in an organizations. Social exchange involves a series of interactions that generate obligations amongst employees and these influences employees’ relations. The social exchange theory therefore is relevant for the study as it provides a basis for understanding how the work environment influence employee relations while reducing instance of absenteeism. The study thus applies this theory to determine the effect of employee relations on employees’ retention in selected supermarkets in Kenya.

2.1.3 Economic Theory

An employer will determine whether to prevent workplace accidents or illness by comparing the cost of prevention with the cost of not taking such action. Employers that fail to reduce workplace hazards can expect to pay increased labor costs because workers will demand additional compensation for enduring occupational safety and health risks (Tzafrir, 2012). For a given level of workers' compensation, workers will demand a wage premium that compensates for any inadequacies in ex-post compensation. In other words, assuming workers are fully informed about job risks, they will seek compensation equal to the expected cost of an injury or illness not covered by workers' compensation. In addition, the employer may have to pay for the cost of recruitment and training of additional workers to replace those persons who are injured or killed and other related costs. To avoid these expenses, an employer will make safety and health improvements until the cost of additional precautions is more than paying wage premiums and other related costs (Tzafrir, 2012). In this manner, labor markets should produce the abatement of some safety and health hazards and workers should be compensated (ex ante and ex post) for the risks that remain. The employer's assumption of these costs will make the market for the employer's product or service more efficient. Because the employer assumes these costs, the price of the product or service will reflect the cost to society of the production of the good or service, including the cost of occupational illnesses and injuries. The theory is relevant in establishing the effect of employees’ occupational health and safety on employees’ retention in selected supermarkets in Kenya.
2.1.4 Person-Environment Fit Theory

One of the prominent theories used in psychosocial research to explain illnesses related to working conditions is the Person-Environment Fit (PE fit) model that was developed at the beginning of the 1970’s. The Person-Environment fit theory was developed among others by French and colleagues through later developments and refinements by Harrison (1978, 1985), and Edwards & Cooper, 1990. This theory concerns the interaction between the individual and his/her environment where it is assumed strain arises when there is a gap between personal motives (involvement, economic benefit and self-development) and work feedback, or between job demands (work load and complexity) and the individual’s ability to deal with these requirements (Temessek, 2010). The core premise of Person-Environment fit theory is that stress arises not from the person or environment separately, but rather by their fit or congruence with one another. According to Amir and Sahibzada (2010) strain increases when there is a misfit in the interaction between people and their work environment. The individual’s perceived well-being is maximized when the actual job characteristics are aligned with his/her preferences.

One set of outcomes comprises psychological, physical, and behavioral strains, defined as deviations from normal functioning. This implies that an individual wellbeing is compromised when there is a mismatch between the person and the environment and will inversely have an impact on their productivity. For instance, sick off days may reduce the output of employee and thus have an effect on the performance of their duties. Conversely, sustained good Person-Environment fit can produce positive health outcomes (Enock and Nyamwamu, 2013). The theory is the most applicable as it discusses the interaction between the person and the environment and the strategies that employees deal with a positive of negative working environment which can result to health issues. The person-environment fit theory is used to explain illnesses related to working conditions. The theory states that an individual wellbeing is compromised when there is a mismatch between the person and the environment and will inversely have an impact on their productivity and these affects employees health. The theory is relevant in assessing the effect of working conditions on employees ‘retention in selected supermarkets in Kenya.

2.1.5 Psychological System Climate Theory

Psychosocial safety climate (PSC) as shared perceptions of organizational policies, practices, and procedures for the protection of employee psychological health and safety that emanates largely from management practices (Cromwell and Kolb, 2014). The PSC theory extends that the job demands-resources framework and suggests that organizational level PSC influences work conditions and subsequently, psychological health problems and work engagement. According to Clark (2010) the conceptual theory of psychological safety climate draws upon perspectives from the work of stress, psychological risk, and organizational safety climate. In their study, Dollard and Bakker (2010) noted that PSC is a facet-specific component of organizational climate relating to freedom from psychological harm at work. It is further said that it reflects management commitment to workers’ psychological health and the priority they give to safeguarding psychological health as opposed to production demands. PSC is likened to organizational climate, in that it is conceived as a property of the organization, consisting of aggregated perceptions of individuals within that organization regarding management commitment to protecting their psychological health and safety (Thompson and Phua, 2012).
theory is relevant in assessing the effect of working conditions on employees’ retention in selected supermarkets in Kenya.

2.2 Conceptual framework

Independent variables

Job Satisfaction
- Contentment
- Commitment
- Employees motivation

Employee Relations
- Communication process
- Interpersonal interactions
- Work disruption

Occupational Health and Safety
- Safety Procedures
- Health and Safety Policies
- Work hazards and risks control

Working Conditions
- Hours of work
- Work schedule
- Work life balance

Employee Retention
- Turnover rates
- Employees performance
- Quality of customer service

Figure 1: Conceptual Framework

2.3 Employee Job Satisfaction

Employee satisfaction is the extent to which employees are happy or content with their jobs and work environment. Employee’s job satisfaction is determined by working the nature of work place environment among many other factors (Richard, 2012). Employee job satisfaction is how content an individual is with his or her job, in other words, whether or not they like the job or individual aspects or facets of jobs, such as nature of work or supervision (Vischer, 2010). Job
satisfaction is also “the pleasurable emotional state resulting from the appraisal of one’s job as achieving or facilitating the achievement of one’s job values and “the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs (Armstrong, 2010). Employee job satisfaction is the term used to describe a situation when employees are satisfied and contented with his job and the work place environment. Employee job satisfaction is determined by contentment, commitment, level of employees motivation and employee rewards and these affects employee retention in organizations.

2.4 Employees relations

According to Armstrong (2014) employee relations is to manage relationship between employer and employees with ultimate objectivity of achieving optimum level of productivity in terms of goods and services. Work place environment plays a major role in determining the nature of employee relations in and organization. Rice (2012) revealed that employees do not put up their best performances at workplaces when they are un-happy with management, government, or even their fellow colleagues. Bad employee-employer relationship results in strike actions and lockouts. All these actions taken by employees to display their grievances only do the organization harm than good as productivity will be reduced drastically. An organization with a good employee relations programs provides fair and consistent treatment to all employees to attain their commitment and loyalty to the organization (Stephen, 2014). Employee relations is determined by communication process, interpersonal interactions, work disruption and supervision (Chandrasekhar, 2011).

2.5 Occupational health and Safety

Occupational health and safety is a multidisciplinary field concerned with the safety, health, and welfare of people at work. Occupational health and safety encompasses the social, mental and physical well-being of workers (Davies, 2011). Occupational Health and Safety Management Systems help organizations to continually improve their safety performance and compliance to health and safety legislation and standard. The objectives of occupational safety and health are to ensure that the workplaces are safe for operations and that the operations do not impact negatively on the workers. An OSHMS is targeted to continuously improve occupational safety and health (OSH) performance through the effective management of OSH risks and activities in the workplace (Armstrong, 2010). The system provides a framework that allows organizations to consistently identify and control their occupational safety and health risks, reduce the potential for accidents and aid in legislative compliance (David, 2015). Occupational safety and health management systems includes provisions for systematic identification, evaluation and prevention or control of hazards and goes beyond specified requirements of the law to address all hazards (Nyameh, 2013).Occupational health and safety is determined by; safety procedures; health and safety policies; work hazards and risks control and exposure to illness and accidents in the organization (Thompson and Phua, 2012).

2.6 Working Conditions

Working conditions refers to the working environment and all existing circumstances affecting labor in the workplace, including job hours, physical aspects, legal rights and responsibilities (Chen and Silverthorne, 2015). Working conditions are at the core of paid work and employment relationships. Generally speaking, working conditions cover a broad range of topics and issues,
from working time (hours of work, rest periods, and work schedules) to remuneration, as well as
the physical conditions and mental demands that exist in the workplace (Armstrong, 2010).
Working conditions is determined by; hours of work; work schedule; work life balance and work
facilities (Temessek, 2010).

2.7 Employee Retention

Employee retention refers to the ability of an organization to retain its employees. Employee
retention involves application of measures to prevent valuable employees from leaving their
jobs. It involves taking measures to encourage employees to remain in the organization for the
maximum period of time. Employee retention refers to the ability of an organization to retain
its employees (Calark, 2010). Employees’ retention is determined by, turnover rates, customer
service quality and customer satisfaction (Davies, 2011).

3.0 RESEARCH METHODOLOGY

The study adopted a descriptive research design and targeted 1500 staff working in three selected
supermarkets (Tusks, Naivas and Choppies supermarkets). The study adopted Israel (1992)
formula to derive a sample of 316 respondents who were proportionately distributed in each
stratum. The study used questionnaires with open and close ended questions to collect data
captured through a 5-point likert scale. Inferential and descriptive statistics was used to analyse
data. Results of the analysis were presented by use of tables and figures. Inferential statistics was
used to establish the association between independent variables and dependent variable. The
study used the following regression model:

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

Where \( \beta_0 \) = constant of regression, \( Y \) = Employee retention, \( X_1 \) = Job Satisfaction, \( X_2 \) = Employee
Relations, \( X_3 \) = Employees Occupational Health and Safety, \( X_4 \) = Working Conditions and \( \epsilon \) =
error term.

4.0 RESULTS

The study administered 316 questionnaires where 166 questionnaires were filled and returned.
This represented a response rate of 53%. This response rate is satisfactory given the argument by
Graham (2002) that a response rate above 30 to 50% of the total sample size contributes towards
gathering of sufficient data that could be generalized to represent the opinions of respondents in
the target population on the sought study problem.

4.1 Descriptive statistics

Job Satisfaction

The study sought to establish the effect of job satisfaction on employees’ retention in selected
supermarkets in Kenya. Respondents were requested to indicate their level of agreement on key
statements in relation to effect of job satisfaction on employee retention in the supermarket.
Using a scale of 1-5 where 1 = strongly disagree, 2 = disagree, 3 = moderately agree, 4 = agree, 5 =
strongly agree. According to the study findings in Table 4.1, respondents disagreed that
contentment with job influences many employee to remain working in the supermarkets as
indicated by a mean of 2.511 and a standard deviation of 1.5169, the respondents also agreed that commitment influences many employee to remain working in the supermarkets as shown by a mean of 4.321 and a standard deviation of 0.8375. The respondents agreed that employees motivation influences many employee to remain working in the supermarkets as shown by a mean of 4.333 and a standard deviation of 0.98584 and finally respondents strongly agreed that rewards offered makes many employee to remain working in the supermarkets as shown by a mean of 4.238 and a standard deviation of 0.97708. Standard deviation and variance are both measures of variation for interval-ratio variables and both describe how much variation or diversity there is in a distribution (Sekeran, 2003). Standard deviation provides an indication of how far the individual responses to a question vary or deviate from the mean. It tells the researcher how spread-out the responses are from the mean, and explains if the respondents’ responses are concentrated around the mean, or scattered far and wide (Graham, 2002). If the standard deviation and variance are each greater than 1 it means that the respondents had divergent views and if they are each less than 1, then this means that the respondents had similar opinions on the issues concerned (Ramsey, 2003). These findings indicates that majority of the respondents disagreed on contentment with job influences many employee to remain working in the supermarkets. However, majority of the respondents agreed on the commitment, employees’ motivation and rewards to influence retention of most of the employee in the supermarkets. These findings are in agreement with findings by Chay and Bruyold (2012) where they found out that high level of employee commitment, high level of employee motivation and good rewards leads to increased level of employee retention in organizations. The findings are also in agreement with findings by Field (2011) where he identified that high level of employee commitment and motivation leads to increased level of employee retention. However the findings disagree with Gill (2012) where he opined that in contentment with job influences many employee to remain working in organizations. The study therefore deduced that contentment, commitment, employees’ motivation and rewards are key aspects of employee job satisfaction which influences employee turnover rates in supermarkets.

Employee Relations

The study sought to determine the effect of employee relations on employees’ retention in selected supermarkets in Kenya. Respondents were requested to indicate their level of agreement on key statements in relation to employee relations on employees’ retention in selected supermarkets in Kenya. According to the study findings in Table 4.2, respondents agreed that the employed communication process influences many employee to remain working in the supermarkets as indicated by a mean of 4.0476 and a standard deviation of 1.3378; respondents also agreed that existence of good interpersonal interactions influences many employee to remain working in the supermarkets as indicated by a mean of 4.3571 and a standard deviation of 1.0234; respondents further agreed that work disruption discourages many employee to remain working in the supermarkets as indicated by a mean of 4.1905 and a standard deviation of 0.9441. Finally, respondents agreed that the employed supervision methods influence the likelihood of employee to leave their jobs as indicated by a mean of 4.2857 and a standard deviation of 0.7884. The findings implies that majority of the respondents agreed that the employed communication process, existence of good interpersonal interactions, work disruption and the employed supervision methods influences the likelihood of employee to leave their jobs which affects the level of employee retention in supermarkets. These findings are in agreement
with Dery and Wiblen (2010) where he found out that communication process, interpersonal interactions, work disruption and the employed supervision methods affects the level of employee retention in many organizations. The findings are also in line with those by Musyoki (2012) where he identified that good employee relations in terms of good communication process, good interpersonal interactions, and the good supervision methods leads to increased level of employee retention in many organizations.

Table 4.1: Job Satisfaction Mean, Standard Deviation and Variance Results

<table>
<thead>
<tr>
<th>Job Satisfaction</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contentment with job influences many employee to remain working in the supermarkets</td>
<td>166</td>
<td>2.511</td>
<td>1.5169</td>
<td>2.301</td>
</tr>
<tr>
<td>Commitment influences many employee to remain working in the supermarkets</td>
<td>166</td>
<td>4.321</td>
<td>0.8375</td>
<td>0.679</td>
</tr>
<tr>
<td>Employees motivation influences many employee to remain working in the supermarkets</td>
<td>166</td>
<td>4.333</td>
<td>0.98584</td>
<td>0.972</td>
</tr>
<tr>
<td>Rewards offered makes many employee to remain working in the supermarkets</td>
<td>166</td>
<td>4.238</td>
<td>0.97708</td>
<td>0.955</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>166</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2: Employee Relations Mean, Standard Deviation and Variance Results

<table>
<thead>
<tr>
<th>Employee Relations</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The employed communication process influences many employee to remain working in the supermarkets</td>
<td>166</td>
<td>4.0476</td>
<td>1.3378</td>
<td>1.790</td>
</tr>
<tr>
<td>Existence of good interpersonal interactions influences many employee to remain working in the supermarkets</td>
<td>166</td>
<td>4.3571</td>
<td>1.0234</td>
<td>1.047</td>
</tr>
<tr>
<td>Work disruption discourages many employee to remain working in the supermarkets</td>
<td>166</td>
<td>4.1905</td>
<td>0.9441</td>
<td>0.891</td>
</tr>
<tr>
<td>The employed supervision methods influences the likelihood of employee to leave their jobs</td>
<td>166</td>
<td>4.2857</td>
<td>0.7884</td>
<td>0.622</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>166</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Employee Occupational Health and Safety**

The study sought to establish the effect of employee’s occupational health and safety on employees’ retention in selected supermarkets in Kenya. Respondents were requested to indicate their level of agreement on key statements in relation to the effect of employees’ occupational health and safety on employees’ retention in selected supermarkets in Kenya. From the results in table 4.3; respondents agreed that the employed work safety procedures influences many employee to remain working in the supermarkets as indicated by a mean of 4.415 and a standard deviation of 0.8460; respondents agreed that compliance with health and safety policies influences many employee to remain working in the supermarkets as indicated by a mean of 4.507 and a standard deviation of 0.9444; respondents agreed that many work hazards and risks control methods influences many employee to remain working in the supermarkets as indicated...
by a mean of 4.285 and a standard deviation of 0.8658; respondents agreed that lack of exposure to illness and accidents influences many employee to remain working in the supermarkets as indicated by a mean of 4.261 and a standard deviation of 0.9564. The results in table 3 shows that all the standard deviation and variance results were less than 1 and this indicates that most of the respondents gave similar responses and not many respondents had divergent views. Graham (2002) affirms that standard deviation and variance are both measures of variation for interval-ratio variables. They describe how much variation or diversity there is in a distribution (Crossman, 2003). If the standard deviation and variance are each greater than 1 it means that the respondents had divergent views and if they are each less than 1, then this means that the respondents had similar opinions on the issues concerned (Kombo & Tromp, 2009). These findings indicates that work safety procedures, compliance with health and safety policies, work hazards and risks control methods and lack of exposure to illness and accidents influences many employee to remain working in the supermarkets which leads to increased level of employee retention. According to findings by Chay & Bruvold (2013) application of effective work safety procedures, compliance with health and safety policies, use of effective work hazards and risks control methods and lack of exposure to illness and accidents influences many employee to remain working in organizations which leads to increased level of employee retention.

**Table 4.3: Occupational Health and Safety Mean, Standard Deviation and Variance Results**

<table>
<thead>
<tr>
<th>Occupational Health and Safety</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The employed work safety Procedures influences many employee to remain working in the supermarkets</td>
<td>166</td>
<td>4.515</td>
<td>0.8460</td>
<td>0.716</td>
</tr>
<tr>
<td>Compliance with Health and Safety Policies influences many employee to remain working in the supermarkets</td>
<td>166</td>
<td>4.507</td>
<td>0.9444</td>
<td>0.892</td>
</tr>
<tr>
<td>Work hazards and risks control methods influences many employee to remain working in the supermarkets</td>
<td>166</td>
<td>4.285</td>
<td>0.8658</td>
<td>0.750</td>
</tr>
<tr>
<td>Lack of exposure to illness and accidents influences many employee to remain working in the supermarkets</td>
<td>166</td>
<td>4.261</td>
<td>0.9564</td>
<td>0.915</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td></td>
<td>166</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Working Conditions**

The study sought to assess the effect of working conditions on employees’ retention in selected supermarkets in Kenya. From the results in table 4; respondents agreed that long hours of work influences the likelihood of employee to leave their jobs as indicated by a mean of 4.484 and a standard deviation of 0.8268; respondents agreed that the employed work schedule influences the likelihood of employee to leave their jobs as indicated by a mean of 4.373 and a standard deviation of 1.0713; respondents also agreed that lack of work life balance influences the likelihood of employee to leave their jobs as indicated by a mean of 4.365 and a standard deviation of 0.8447 and respondents finally agreed that lack of good work facilities influences the likelihood of employee to leave their jobs as indicated by a mean of 4.349 and a standard...
deviation of 0.8130. The findings indicates that long hours of work, the employed work schedule, lack of work life balance and lack of good work facilities influences the likelihood of employee to leave their jobs. These findings concurs with findings by Abraham (2012) where he identified that working conditions which leads to long hours of work, lack of flexible work schedule, lack of work life balance and lack of good work facilities influences the likelihood of employee to leave their jobs and this lead to low level of employee retention in organizations.

Table 4.4: Working Conditions Mean, Standard Deviation and Variance Results

<table>
<thead>
<tr>
<th>Working Conditions</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Hours of work influences the likelihood of employee to leave their jobs</td>
<td>166</td>
<td>4.484</td>
<td>0.8268</td>
<td>0.684</td>
</tr>
<tr>
<td>The employed Work schedule influences the likelihood of employee to leave their jobs</td>
<td>166</td>
<td>4.373</td>
<td>1.0713</td>
<td>1.148</td>
</tr>
<tr>
<td>Lack of Work life balance influences the likelihood of employee to leave their jobs</td>
<td>166</td>
<td>4.365</td>
<td>0.8447</td>
<td>0.714</td>
</tr>
<tr>
<td>Lack of good Work facilities influences the likelihood of employee to leave their jobs</td>
<td>166</td>
<td>4.349</td>
<td>0.8130</td>
<td>0.661</td>
</tr>
</tbody>
</table>

Employee Retention

The study sought to establish factors that determine employee retention in supermarkets in Kenya. From the results in Table 5; respondents agreed on low turnover rates as indicated by a mean of 4.674 and a standard deviation of 0.6043; respondents also agreed on employees performance as indicated by a mean of 4.603 and a standard deviation of 0.6582; respondents agreed on quality of customer service as indicated by a mean of 4.531 and a standard deviation of 0.6534 and lastly respondents agreed on customer satisfaction as indicated by a mean of 4.436 and a standard deviation of 0.6752. These findings indicates that the level of employee retention in supermarkets was determined by; low turnover rates, employees performance, quality of customer service and level of customer satisfaction.

Table 4.5: Employee Retention Mean, Standard Deviation and Variance Results

<table>
<thead>
<tr>
<th>Employee Retention</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee retention causes low turnover rates.</td>
<td>166</td>
<td>4.674</td>
<td>0.6043</td>
<td>0.365</td>
</tr>
<tr>
<td>Employee retention contributes to Improved employees performance</td>
<td>166</td>
<td>4.603</td>
<td>0.6582</td>
<td>0.433</td>
</tr>
<tr>
<td>Employee retention influences Quality of customer service</td>
<td>166</td>
<td>4.531</td>
<td>0.6534</td>
<td>0.427</td>
</tr>
<tr>
<td>Employee retention increases Customer satisfaction</td>
<td>166</td>
<td>4.436</td>
<td>0.6752</td>
<td>0.456</td>
</tr>
</tbody>
</table>

4.2 Regression Analysis

The study further carried out regression analysis to establish the statistical significance relationship between the independent variables notably (X₁) job satisfaction; (X₂) employee relations ; (X₃) employees occupational health and safety and (X₄) working conditions and
dependent variables Y = employees’ retention. According to Green & Salkind (2003) Regression analysis helps in generating equation that describes the statistics relationship between one or more predictor variables and the response variable. The regression analysis results were presented using regression model summary table, Analysis Of Variance (ANOVA) table and beta coefficients table. The model used for the regression analysis was expressed in the general form as given by Y = a + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + e. In interpreting the results of multiple regression analysis, the three major elements considered were: the coefficient of multiple determinations, the standard error of estimate and the regression coefficients. R squared was used to check how well the model fitted the data. R squared is the proportion of variation in the dependent variable explained by the regression model. These elements and the results of multiple regression analysis were presented and interpreted accordingly in table 4.6, table 4.7 and table 4.8. From the findings in table 6, the regression model coefficient of determination (R Square) is 0.734 and R is 0.833 at 0.05 significance level. This is an indication that the four independent variables notably; job satisfaction, employee relations, employee’s occupational health and safety and working conditions are significant in determining the dependent variables Y = employee retention.

The coefficient of determination thus indicates that 73.4% of the variation in employee retention in supermarkets can be attributed to job satisfaction, employee relations, employee’s occupational health and safety and working conditions. The remaining 26.6% of the variation on employee retention can be explained by other variables not included in the model. 26.6% implies that there are factors not studied in this study that determines employees’ retention in supermarkets. Therefore, further research should be conducted to investigate those other factors which contribute to 26.6%. This shows that the model has a good fit since the value is above 50%. This concurred with Graham (2002) that (R^2) is always between 0 and 100%. 0% indicates that the model explains none of the variability of the response data around its mean and 100% indicates that the model explains all the variability of the response data around its mean. In general, the higher the (R^2) the better the model fits the data.

Table 4.6: Regression Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.833(a)</td>
<td>0.734</td>
<td>0.703</td>
<td>.25836</td>
</tr>
</tbody>
</table>

a Predictors: (Constant), X_4, X_1, X_2, X_3

The study further used one way Analysis of Variance (ANOVA) in order to test the significance of the overall regression model. Green & Salkind (2003) posits that one way Analysis of Variance (ANOVA) test whether the model is important in predicting the significant effect of independent variable on dependent variable. From the results in Table 7, (0.05 level of significance) the ANOVA test indicated that in this model the independent variables namely; job satisfaction, employee relations, employees occupational health and safety and working conditions are significant in predicting employees retention in supermarkets as indicated by significance value=0.000 which is less than 0.05 level of significance (p=0.000<0.05). Therefore, there is significant relationship between independent variables and dependent variable. Table 4.7
also indicates that the value of F calculated (83.451) is greater than the value of F critical (2.3719) at 5% level of confidence thus confirming the statistical significance of the model. This implies goodness of fit of the model and thus the variables can be carried on for further analysis to determine with significance the level of influence of each variable.

Table 4.7: Analysis of Variance (ANOVA)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>22.281</td>
<td>4</td>
<td>5.570</td>
<td>83.451</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>8.076</td>
<td>161</td>
<td>0.067</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>30.357</td>
<td>165</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a Predictors: (Constant), X₄, X₁, X₃, X₂
b Dependent Variable: Y

Table 4.8 further presents the results of the test of beta coefficients which shows the extent to which each independent variable affect employee engagement in supermarkets. From the findings in Table 8, at 5% level of significance, job satisfaction was a significant predictor of employees retention in supermarkets where (P=0.000<0.05). Employee relations was a significant predictor of employees retention in supermarkets where (P=0.004<0.05). Employees occupational health and safety was a significant predictor of employees retention in supermarkets where (P=0.003<0.05). Working conditions was a significant predictor of employees retention in supermarkets where (P=0.002<0.05). Where, Y is the dependent variable (employees’ retention), (X₁) job satisfaction; (X₂) employee relations; (X₃) employees’ occupational health and safety and (X₄) working conditions.

Table 4.8: Coefficients

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.854</td>
<td>0.216</td>
<td>3.950</td>
<td>0.000</td>
</tr>
<tr>
<td>X₁-Job satisfaction</td>
<td>0.511</td>
<td>0.611</td>
<td>9.531</td>
<td>0.000</td>
</tr>
<tr>
<td>X₂-Employee relations</td>
<td>0.091</td>
<td>0.104</td>
<td>1.427</td>
<td>0.004</td>
</tr>
<tr>
<td>X₃-OHS</td>
<td>0.123</td>
<td>0.152</td>
<td>2.270</td>
<td>0.003</td>
</tr>
<tr>
<td>X₄-Working conditions</td>
<td>0.098</td>
<td>0.133</td>
<td>2.319</td>
<td>0.002</td>
</tr>
</tbody>
</table>

The optimal model therefore becomes:

Employees’ Retention =0.854+0.511(job satisfaction) +0.091(employee relations) +0.123(employees’ occupational health and safety) + 0.098(working conditions)

According to the equation taking all factors constant; the level of employee retention in supermarkets is 0.854. A unit increase of job satisfaction would lead to a 0.511 increase in employee retention; a unit increase of employee relations would lead to a 0.091 increase in
employee retention; a unit increase of employees occupational health and safety would lead to a 0.123 increase in employee retention and unit increase of working conditions would lead to a 0.098 increase in employee retention in Supermarkets in Kenya. These findings thus implies that that job satisfaction the key factor that affects employees retention most in supermarkets with a coefficient of 0.511, followed by occupational health and safety with a coefficient of 0.123, then working conditions with a coefficient of 0.098 and lastly employee relations with a coefficient of 0.091. These findings are in agreement with findings by Chay&Bruvold (2013) where they found out that job satisfaction, employee relations, employees occupational health and safety and working conditions affects employee retention in many large retail outlets firms.

5.0 CONCLUSION AND RECOMMENDATION

5.1 Conclusion

Based on the study findings, the study drew conclusions that job satisfaction, employee relations, employees occupational health and safety and working conditions were the key effects of work place environment that affected employees’ retention in selected supermarkets in Kenya. The study also concluded that, commitment, employees’ motivation and rewards are key aspects of employee job satisfaction which influences employee turnover rates in supermarkets. The study further concluded that job satisfaction the key factor that affects employees’ retention most in supermarkets, followed by occupational health and safety, then working conditions with and lastly employee relations. These findings agree that job satisfaction, employee relations, employees occupational health and safety and working conditions affects employee retention in many large retail outlets firms.

5.2 Recommendations

To improve on the level of employee job satisfaction, the supermarket management should offer the employee with good remuneration packages, recognize and reward the high performing employees. The supermarkets management should provide regular employee mentorship programmes, employee should be empowered to undertake their jobs without much consultation, employee should be continuously trained and offered career development opportunities. The supermarket management should also formulate and implement effective employee compensation strategy through regular review employee salary structures, provision of good benefits, implementation of effective merit pay methods; provision of effective employees bonuses and recantation of hire performing employees for promotion. These will lead to increased level of employee job satisfaction leading to increased level of employee retention. To improve on employee’s relations, the supermarket management should adopt effective employee relations strategy through application of effective communication channel, use of effective conflict resolution methods, encouraging team building activities and providing better working conditions. This will help in promoting employees relations played a strategic role in increasing the level of employee retention in the supermarkets. To improve on employee occupational health and safety, the supermarket management should implement effective work safety procedures, increase the level of compliance with health and safety policies, implement effective work hazards and risks control methods and implement safety measures to avoid employee exposure to illness and accidents. The supermarket management should also provide all employees with more flexible working hours. To improve on working conditions, the
supermarkets management should provide employees with favourable hours of work, provide flexible work schedule, increase on the employee work life balance and provide good work facilities.

6.0 ACKNOWLEDGEMENT

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