Journal of Economics, Management Sciences and Procurement *Volume 3, Issue I, 2024*

pp. 109-124

Human Resource Management Practices and Employee Retention at Kenya Women Finance Trust, Migori County

Article history: *Revised format: 18th June 2024, Available online: 10th July 2024*

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Abstract:

Purpose: *The primary objective of this study is to determine the impact of various human resource management practices on employee retention at Kenya Women Finance Trust in Migori County. Specifically, it aims to assess how different HRM strategies influence the retention rates among the employees of the organization.*
Material/methods: *The study utilized a descriptive research design, focusing on the entire workforce of Kenya Women Finance Trust in Migori County, which comprises 42 employees. A census approach was employed to include all employees in the study, ensuring comprehensive coverage across all departments. Data were collected using Likert-structured questionnaires, a method chosen for its ability to quantify the perceptions and behaviors of respondents in a systematic manner. The reliability of the questionnaires was confirmed through Cronbach Alpha values, while validity was assessed using face and construct validity methods. The analytical approach combined descriptive statistics (percentages, frequencies, mean, standard deviations) and inferential statistics (Pearson correlation, multiple regression models).*
Findings: *The results from the regression analysis indicated that while work-life balance did not significantly affect employee retention, both career development and compensation were found to have a significant positive impact on retention rates at Kenya Women Finance Trust. This highlights the varying effectiveness of different HRM practices in influencing employee retention.*
Conclusion*: The study concludes that career development and compensation are essential factors in retaining employees at Kenya Women Finance Trust. These findings suggest that HRM practices that focus on professional growth and competitive remuneration are more likely to sustain employee commitment and reduce turnover.*
Value: *By identifying which HRM strategies are most effective, the study provides actionable insights for Kenya Women Finance Trust and similar organizations aiming to enhance their retention strategies. This can guide HR policies to invest more in professional development and competitive compensation to retain valuable employees and ensure organizational stability.*

Keywords*: Human Resource Management Practices, Employee Retention, Kenya Women Finance Trust, Work-Life Balance, Career Development, Compensation*

Paper Type: *Research Article*
Recommended citation: Onyango, R. A., & Omwenga, J. (2024). Human resource management practices and employee retention at Kenya Women Finance Trust, Migori County. *Journal of Economics, Management Sciences and Procurement*, 3(1), 109-124.

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1. Introduction

Employee retention, as indicated by professionals in the field of human resource management, refers to the various strategies and techniques employed to encourage employees to remain in their positions for an extended period of time (Abbas & Arief, 2023). Employee retention refers to an organization's ability to retain those employees that it desires to retain for a longer duration compared to its competitors (Kamau & Omondi, 2020). According to Yeswa and Ombui (2019) employee retention can be described as the act of retaining the individuals who contribute to the sustained functioning of the firm. These individuals might be identified as the proficient, well-matched, motivated, advancing, or resilient workforce members. These individuals are deemed indispensable to an organization, representing the personnel whose loss would pose a significant financial burden, given their critical roles and the challenges associated with finding suitable replacements. An increasing number of firms are strategizing on how to effectively compete in the battle for talent. The organization demonstrates a strong commitment to retaining its valuable personnel, recognizing their pivotal role in sustaining its operations. It is understood that individuals who remain in a particular setting for a prolonged duration have an improvement in their work performance. Additionally, they establish more robust connections with their esteemed clientele, resulting in sustained success within the organization's primary service domain. According to Yeswa and Ombui (2019), organizations that excel in attracting and retaining talented individuals are more likely to succeed in competing for customers, market share, profitability, and long-term value. Consequently, human resources practitioners remain deeply interested in identifying which human resources practices are most effective in enhancing employee retention.

According to Sitati, et al., (2019), human resource management practices are acknowledged as a crucial source of competitive advantage and employee retention. According to Wairimu and Ndeto (2019) the implementation of a strategic approach to human resource management methods may necessitate making significant adjustments to the alignment of employees. He argues that compensation serves as the central factor in employee motivation and hence retention. Muyela and Kamaara (2021) conducted a study on the factors influencing the retention of academic staff in Public Universities in Kenya. The study hypothesized that compensation, work life balance, and career development had an impact on the intention to quit an organization.

Microfinance institutions play a crucial role in the socioeconomic development of a nation. They significantly contribute to economic growth, job creation, poverty reduction, and the establishment of an industrial base. In Kenya, microfinance institutions provide credit services to individuals with limited financial resources who lack the assets and collateral typically required by conventional banks. Despite their importance, many microfinance institutions face significant challenges in employee retention, particularly in the highly competitive financial sector. Retaining employees has become an increasingly difficult task for organizations (Mwangi & Kombo, 2023). According to Ng'ang'a (2019), a substantial number of staff members at Kenya Women Finance Trust reported dissatisfaction with the working policies, highlighting a critical area of concern. This dissatisfaction underscores the need for microfinance institutions to address employee retention issues to maintain a stable and motivated workforce, which is essential for their continued success and impact on socioeconomic development

Therefore, to ensure the retention of their personnel and sustain their competitive edge, microfinance institutions must establish and execute suitable human resource management practices that facilitate the effective management and retention of highly skilled individuals. According to Mati (2020), the utilization of human resource management (HRM) methods holds significant importance for microfinance institutions operating in Kenya, particularly in relation to staff retention (Wairimu & Ndeto, 2019). Previous research studies have empirically established associations between different dimensions of Human Resource Management (HRM) practices, including training and development, compensation, and work-life balance, and variables like as performance and productivity. However, previous researches have not specifically shown a connection between the characteristics of human resource practices and employee retention. Therefore, the study sought to assess the relationship between human resource management practices and employee retention with reference to Kenya Women Finance Trust, Migori County.

2. Theoretical and Literature Review

The Hierarchy of Needs Theory by Abraham Maslow (1943) posits that individuals must satisfy a series of hierarchical needs, starting with basic physiological needs and progressing to safety, social, esteem, and ultimately self-actualization. In a professional setting, addressing these needs—such as ensuring financial rewards, job security, professional advancement, and recognition—is crucial for employee satisfaction and retention (De Silva & De Silva Lokuwaduge, 2021; Tarar, 2021). Firms need to adopt strategies that enhance employee motivation and career progression, as unmet needs can lead to dissatisfaction and increased turnover (Hassan, 2022).

Herzberg's Two-Factor Theory (1959) differentiates between factors that cause job satisfaction (intrinsic motivators like achievement, recognition, and responsibility) and those that prevent dissatisfaction (extrinsic hygiene factors like salary, company policies, and work environment). Addressing both types of factors is essential for fostering job satisfaction and reducing turnover (Malik et al., 2020). Effective HR practices, such as career development, work-life balance, and intrinsic motivation, align with these theories and are crucial for enhancing employee retention by creating a motivated and satisfied workforce (Hassan, 2022).

2.1. Empirical Review

The notion of work-life balance has evolved in the corporate landscape due to the growth and complexity of organizations, leading to increased responsibilities for employees both at work and in their personal lives. This has necessitated the development of innovative strategies to help workers achieve a balance between their professional and personal obligations (Abu Sultan, 2015). In the 1980s, work-life balance primarily focused on women's dual roles in the workforce and at home, prompting measures such as flexible working hours, maternity leave, and childcare services (Korpunen & Nápravníková, 2007). Today, the concept is recognized across various industries as vital for employee satisfaction and productivity, with organizations designing methods to balance professional and personal life regardless of gender or race (Bird et al., 2006).

Achieving work-life balance enhances employee satisfaction, job security, and stability by aligning work demands with personal responsibilities (Forris, 2015). Avoiding overlap between work and personal roles helps prevent stress and performance issues. Modern work-life balance strategies, such as flexible work arrangements, remote work opportunities, and on-site childcare, promote employee well-being and reduce absenteeism and turnover (Agha et al., 2021). As technology integrates into business operations, the importance of work-life balance has grown, becoming a significant area of study in sociology, psychology, and organizational behavior (Kluczyk, 2013).

Research by Larasati and Hasanati (2019) on Indonesian employees demonstrated that work-life balance significantly influences employee engagement, accounting for 14.3% of overall satisfaction. Organizations prioritizing employee well-being in both personal and professional domains positively impact employee engagement. Shockley, Smith, and Knudsen (2017) found that work-life conflict affects retirement attitudes and organizational commitment, indicating the broader implications of work-life balance on workforce stability and performance.

Studies by Kurnia and Widigdo (2021) and others show that work-life balance positively influences employee performance and satisfaction, while job demands and job insecurity can have adverse effects. Hassan and Teng (2017) found a significant correlation between work-life balance and job satisfaction in Malaysia, moderated by gender and race. Similarly, Abdirahman (2018) and Mungania (2017) highlighted the positive relationship between work-life balance, job satisfaction, organizational commitment, and performance in different sectors, emphasizing the importance of motivation and conflict management in achieving organizational goals. Therefore, the study hypothesized that:

H_{01}: There is no significant influence of work-life balance on employee retention in Kenya Women Finance Trust, Migori County

Career development is a crucial aspect for employees within any organization, significantly influencing motivation, retention, and job security (Armstrong, 2016). Evans, et al., (2002) highlight that organizations face intense competition due to political, economic, global, and technological changes, necessitating enhanced workforce skills through training. Gilley, et al., (2002) define career development as a structured, collaborative effort between a company and its employees aimed at career advancement. White and Hollingsworth, (2018) describes it as a progression from lower to higher levels of prestige, responsibility, and compensation. Businesses recognize that lacking personal and organizational career management strategies can hinder optimal workforce performance (Agba et al., 2017). To maintain a competitive edge, organizations need skilled, productive personnel and opportunities for career advancement (Prince & Jenkins, 2005).

Armstrong (2016) posits that career strategies are based on enhancing careers to meet organizational and individual needs, maximizing employee effectiveness and well-being during transitions. Self-development contributes to organizational success, and providing development opportunities increases job satisfaction and organizational commitment (Gachunga, et al., 2016). A career is seen as a series of work-related experiences spanning a lifetime, with effective career management ensuring fair promotions, job mobility, and employee autonomy in career advancement (Gachunga, et al., 2016).

Numerous studies have examined career development's impact on organizational outcomes. Binu Raj, (2021) found a strong correlation between career growth and organizational service delivery. Abeeha and Bariha (2012) noted a significant link between career growth and competitive advantage. Sangaran and Jeetesh (2015) identified salary and career growth as key factors in job satisfaction and turnover in the hotel industry. Mapelu and Jumah (2013) found a significant relationship between career development and turnover in medium-sized hotels in Kisumu, Kenya. Koech (2022) emphasized the importance of investing in employee training and career development to enhance engagement and reduce turnover rates.

Comprehensive training and career development are essential for improving employee performance and productivity (Mwangi & Kombo, 2023). Robbins and Judge (2015) highlighted the strong correlation between career progression and employee performance. Bari, Arif, and Shoaib (2013) identified factors such as career development plans, learning opportunities, and strong supervisory relationships as beneficial to employee attitudes and productivity. Karanja et al. (2017) and Mwangi & Kombo **(**2023**)** found positive associations between training, employee abilities, and performance in the public and education sectors in Kenya, respectively. These findings underscore the importance of career development in fostering employee engagement and achieving organizational goals. Therefore, the study hypothesized that;

$H_{02:}$ There is no significant influence career development on employee retention in Kenya Women Finance Trust, Migori County?

Lussier and Hendon (2018) assert that remuneration is a pivotal factor in attracting and retaining employees within an organization. They highlight that salary has now become the primary driver of job satisfaction, even surpassing traditional factors like job security. Compensation, defined as the recognition provided by an organization in monetary or non-monetary forms, is critical for aligning employee contributions with organizational goals (Sutrisno, 2021). Wibowo and Lasdi, (2021) found a direct correlation between the effort employees invest and the recognition they receive, which can significantly influence their motivation and job satisfaction. Proper compensation can thus serve as a powerful motivator, encouraging employees to perform better and stay committed to the organization's objectives.

Compensation, both direct and indirect, is essential for motivating employees and ensuring their well-being (Masruroh, et al., 2012). Direct compensation includes regular wages, salaries, bonuses, and incentives, while indirect compensation encompasses non-monetary benefits such as healthcare coverage and pension programs (Indriyani & Heruwasto, 2017). Manurung (2017) further categorizes these benefits, noting that direct compensation provides immediate financial rewards, whereas indirect compensation improves overall employee well-being. Together, these compensation types play a crucial role in employee satisfaction and retention, influencing their perception of job security and organizational commitment.

Job satisfaction, as defined by Robbins and Judge (2015), involves the combination of employees' positive or negative feelings toward their work environment. This emotional response is influenced by employees' expectations of tangible recognition and is closely linked to their behavior in the workplace. Lestari, et al., (2020) describe job satisfaction as a subjective response arising from the alignment of perceived and desired outcomes. Factors contributing to job satisfaction include effective interaction with colleagues and leaders, and adherence to organizational norms and policies (Fadli, 2023). Employees' expectations of job satisfaction are critical for meeting performance standards and thriving in a supportive work environment.

According to Lussier and Hendon (2018), employee performance is crucial for organizational productivity, as it enhances effectiveness and efficiency, thereby boosting overall productivity (Nugraha, et., 2017). Evaluating employee performance is essential, as successful task completion and high-performance levels can lead to job satisfaction and a sense of pride (Calvin-Edwards, 2021). Conversely, poor performance may indicate personal shortcomings and dissatisfaction. Organizations often provide cash incentives to reward high performance, which can lead to promotions and better career opportunities, further motivating employees to maintain or improve their performance. Thus, the study proposed that:

$H_{03:}$ There is no significant influence of compensation on employee retention in Kenya Women Finance Trust, Migori County?

3. Material and methods

3.1 Sampling

The study adopted descriptive research design. The study targets 42 employees of Kenya Women Finance Trust, Migori County. Purposefully, the researcher analysed all departments of the organization. This enabled the researcher collect data on the relevant information. The researcher used a complete census and all the members was involved in the study. According to Sibley, (2021) a census is appropriate for a small population. Therefore, a census was used to select all the units for the study hence the 42 employees were selected as respondents.

3.2 Data collection and Instrumentation

The researcher used questionnaires as the research instrument. Both open ended and closed ended questionnaire was used for data collection. Questionnaires was preferred because they are easily administered and they are reliable in data collection as the respondents were not be interrupted in any way during the process of filling in the questionnaires.

The research instrument was pretested at Homabay County so as not to interfere with the study sample. A pilot group of ten (6) respondents was targeted. The findings of the pilot study were used to improve the data collection instruments. In the initial stages of constructing the questionnaire for this study, face validity was implemented. This involved subjecting the questionnaire to scrutiny by supervisors and experts, who provided feedback and suggestions. Adjustments were made to the items based on their insights to ensure alignment with the study's objectives. Middleton (2019) explains that face validity assesses how well the content of a test aligns with its stated goals on a surface level. Criterion validity, also known as concrete validity, gauges the extent to which data derived from an instrument accurately represents a theoretical concept (Creswell & Creswell, 2017). In this study, to assess criterion validity, items related to work-life balance, career development, compensation and employee retention was adapted from previous studies and theories (e.g., Agha et al. 2021, Larasati & Hasanati, 2019, Karanja, et al., 2017, Lussier & Hendon, 2018, Indriyani & Heruwasto, 2017). These items were carefully chosen to align with the specific constructs under examination in the present study.

To assess the reliability of the research instruments, the study employed Cronbach's alpha, following the recommendation by Leech et al. (2013). They proposed that a Cronbach's alpha coefficient exceeding 0.90 is considered outstanding, values around 0.80 are deemed very good, and coefficients around 0.70 are considered adequate. According to Creswell & Creswell, (2017), a general guideline suggests that a pilot test should involve up to 10% of the sample. According to the findings presented work life balance programs exhibited the highest Cronbach's alpha value at 0.986, while employee retention showed the lowest value at 0.836. The remaining variable, namely career development and compensation had Cronbach's alpha values of 0.953 and 0973, respectively. In the assessment, all average inter-item correlation values exceeding 0.70 were considered, aligning with prior research by Bougie and Sekeran, (2019), and other scholars who advocate for a reliability criterion of 0.7. The results of this investigation affirm the validity of the research tool and the appropriateness of the collected data for further scrutiny.

3.3 Data Analysis and Model Specification

Qualitative data collected from the field was organized into significant patterns to reveal the essence of data (Kenny, et al., 2020). Before the actual data analysis, questionnaires were checked for completeness. Then data was analysed both qualitatively and quantitatively according to the study objectives. Qualitative data was presented in a descriptive form while quantitative data through statistical tables of percentages and frequency. Inferential statistics was done to draw conclusions and a generalization concerning the population, The simple linear regression model is as shown below

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

Whereby

Y = Employee Retention, X_1= Work life Balance**,** X_2= Career Development**,** X_3= Compensation**,** B_0, β1, β_2, and β_3 are coefficients of determination **ε** is the error term.

4. Findings and Discussion

This section presents the findings of the study on the influence of human resource management practices on employee retention at Kenya Women Finance Trust. Out of the total 42 questionnaires that were administered to the respondents, 42 questionnaires were completed and returned, representing a response rate of 100%. These questions were usable questionnaires and crucial for obtaining reliable and accurate data. The response rate obtained in this study (100%) surpassed the minimum response rate of 50% suggested by Sekaran and Bougie (2020) that indicated a response rate of 30% is acceptable for surveys.

4.1 Sample characteristics

The sample characteristics of employees at Kenya Women Finance Trust show a gender distribution of 45.2% male and 54.8% female, with the largest age group being 31-40 years (35.7%). This age group, in the prime of their careers, brings a mix of experience and adaptability. The 20-30 years age group constitutes 31% of the respondents, indicating a significant presence of younger individuals, while the 41-50 years and 50 years and above groups represent 19% and 14.3%, respectively. Notably, 40.5% of respondents fall within the 6-10 years tenure bracket, suggesting a significant number of moderately experienced individuals who likely hold positions of responsibility.

4.2 Descriptive Analysis

The descriptive results indicated that the original categorical Likert scale data had been transformed into interval data represented by means. This transformation allowed for a quantitative analysis of the variables. Each variable corresponded to a different concept being measured. The means represented the average rating on the transformed interval scale, while the standard deviations indicated the dispersion of the responses around the means.

The findings from Table 1 indicate that employees have positive perceptions of work-life balance initiatives within the organization, with mean scores ranging from 3.905 to 4.119, suggesting high levels of agreement on the effectiveness of policies such as workplace flexibility (Mean=4.071), flexi-time (Mean=4.095), and paid time off (Mean=4.119). These initiatives align with literature emphasizing their importance in enhancing employee well-being and organizational performance (Agha et al., 2021; Larasati & Hasanati, 2019). However, opportunities for remote work received a lower mean score (Mean=1.929), indicating room for improvement. This contrasts with the growing trend and importance of remote work in achieving work-life balance (Abu Sultan, 2015; Forris, 2015). Additionally, the perception of workload balance received a moderate mean score (Mean=3.952), suggesting that while efforts exist to manage workloads, some employees still face challenges. Addressing these areas could further enhance job satisfaction and retention, as supported by studies emphasizing the significance of balanced workloads and flexible work arrangements (Mungania, 2017; Agha et al., 2021). Overall, while the organization shows strong support for work-life balance, enhancing remote work options and workload management could yield further benefits.

Table 1: *Descriptive Analysis on Work life Balance*

	Mean	Std. Dev
The organizations offer workplace flexibility	4.071	0.921
The organizations offer employees flexi time	4.095	0.821
The organizations offer employees paid time off	4.119	0.861
There is workload balance for employees	3.952	0.825
The organizations provide opportunities for remote work	1.929	0.894

Work life balance	**3.905**	**0.698**

The findings from Table 2 indicate that respondents generally endorse the organization's efforts in career development, with mean scores ranging from 3.738 to 3.905, reflecting moderate to high levels of agreement across various measures. Studies by Abeeha and Bariha (2012) and Gachunga et al., (2016) emphasize the strategic importance of investing in employees' professional development, highlighting the correlation between employee career growth and organizational competitiveness. These findings suggest that prioritizing career development can provide organizations with a strategic edge in the market. Moreover, respondents positively rated training programs aimed at enhancing day-to-day work effectiveness (Mean = 3.738, SD = 0.939), mentorship programs supporting career growth (Mean = 3.833, SD = 0.986), and career guidance initiatives (Mean = 3.881, SD = 0.889). These findings are consistent with Sangaran and Jeetesh (2015), who emphasize the role of career growth in influencing job satisfaction and reducing employee turnover, suggesting that organizations prioritizing career development are likely to experience higher levels of employee engagement and retention. Furthermore, the organization's emphasis on career growth through regular employee exchange programs (Mean = 3.857, SD = 0.977) and opportunities to work in other member firms (Mean = 3.905, SD = 0.983) received positive ratings. These findings align with insights from Robbins and Judge (2015), highlighting the correlation between employee performance and career progression within organizational settings. The findings, supported by previous research, underscore the importance of career development initiatives in fostering employee satisfaction, engagement, and retention.

***Table 2**: Descriptive Analysis on Career development*

	Mean	**Std. Dev**
The organization provides employees training programs enabling me carry out my day-to-day work effectively	3.738	0.939
The organization offer sufficient mentorship programs to support employees' career growth	3.833	0.986
The organization offers career guidance	3.881	0.889
the organization prioritizes career growth by offering regular employee exchange programs,	3.857	0.977
The organizations give opportunities to work in other member firms are likely to have high morale and are more efficient	3.905	0.983
Career development	**4.060**	**0.710**

The findings in Table 3 indicate generally positive sentiments among respondents, with mean scores ranging from 3.738 to 3.976 and standard deviations reflecting moderate to high levels of agreement across different measures. Employees perceive fair compensation practices within the organization, as evidenced by mean scores of 3.857 for equitable pay practices and the presence of a formal employee merit review process. These findings align with literature emphasizing the crucial role of remuneration in attracting and retaining talent, as highlighted by Lussier and Hendon (2018). Moreover, employees value performance-based pay, as indicated by a mean score of 3.976, and appreciate incentives for exceptional performance, with a mean score of 3.738. These findings are consistent with insights emphasizing the importance of direct pay indicators in motivating employees and enhancing performance, supported by studies such as those by Masruroh, Thomas, & Latifah (2012), Indriyani and Heruwasto (2017), and Manurung (2017). Furthermore, employees perceive opportunities for incremental salary growth based on performance, reflected in mean scores of 3.976 for yearly merit increases and 3.929 for general salary increases. These perceptions indicate that employees recognize the organization's efforts in adjusting salaries to market trends and inflation rates.

Table 3: *Descriptive Analysis on Compensation*

	Mean	Std. Dev
Employees are paid based on job performance	3.976	0.897
Employees are given incentives after posting impressive results	3.738	0.939
There is an average merit increase yearly	3.976	0.950
Employees are fairly remunerated	3.857	0.751
The organization has a formal employee merit review process	3.857	0.926
The organization gives a general salary increase	3.929	0.997
Compensation	**3.865**	**0.574**

The findings from Table 4 indicate a strong level of commitment among employees towards Kenya Women Finance Trust, with mean scores ranging from 3.691 to 4.024 and standard deviations reflecting moderate to high levels of agreement across various measures. Employees demonstrate a high level of loyalty and dedication to the organization, as evidenced by their intentions to remain with Kenya Women Finance Trust in the near future, with mean scores of 4.024 and 4.000 for statements regarding loyalty and desire to continue working for the organization, respectively. These sentiments align with the literature, as Ghani et al. (2022) and Yeswa and Ombui (2019) emphasize the importance of employee retention strategies in fostering long-term commitment and retaining proficient and motivated workforce members. Furthermore, employees express satisfaction with their job and a commitment to staying with Kenya Women Finance Trust, with mean scores ranging from 3.714 to 3.833. These findings underscore the organization's ability to create a conducive work environment that encourages employee satisfaction and retention. Moreover, employees perceive Kenya Women Finance Trust as a company where they can thrive in the long run, indicating opportunities for growth and development within the organization. Additionally, employees have confidence in the organization's commitment to their professional development, suggesting that Kenya Women Finance Trust invests in enhancing their skills and fostering career advancement. Overall, the findings highlight the strong commitment and loyalty of employees towards Kenya Women Finance Trust, reflecting the organization's efforts in creating a supportive and conducive work environment.

Table 4: *Descriptive Analysis on Employee Retention*

	Mean	Std. Dev
I plan to be loyal to Kenya women microfinance bank	4.024	0.880
I have a strong desire to continue working for Kenya Women Finance Trust in the near future.	4.000	0.855
I am satisfied with my job and feel committed to staying with Kenya Women Finance Trust.	3.833	1.080
I hold no intention of parting ways with Kenya Women Finance Trust.	3.714	0.970
I perceive Kenya Women Finance Trust as a company where I can thrive in the long run	3.691	1.179
I am confident in Kenya Women Finance Trust' commitment to employee development	3.691	1.220
Employee Retention	**3.264**	**0.977**

4.3 Correlation Analysis

The results from Table 5 reveal intriguing insights. While the correlation between Work-Life Balance and Employee Retention didn't reach statistical significance ($r = 0.294$, $p = 0.059$), indicating a moderate positive relationship, the correlations of Career Development and Compensation with Employee Retention yielded noteworthy findings. Career Development exhibited a robust positive relationship with Employee Retention, reaching statistical significance at the 0.01 level ($r = 0.719$, $p = 0.000$). This underscores the pivotal role of offering growth opportunities, skill development, and avenues for advancement in bolstering employee commitment and engagement within the organization. Furthermore, compensation demonstrated a similarly compelling positive correlation with employee retention, also attaining statistical significance ($r = 0.717$, $p = 0.000$). This underscores the critical impact of competitive pay packages in retaining talent effectively, as organizations offering higher compensation tend to witness enhanced employee satisfaction and motivation, ultimately fostering greater retention rates.

Table 5: *Correlation Analysis*

Correlation Analysis	**Employee Retention**	**Work Life Balance**	**Career Development**	**Compensation**
Employee retention	1			
Work life balance	0.294	1		
Career development	.719**	.377*	1	
Compensation	.717**	0.298	.223**	1

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

4.4 Multiple Regression Analysis

Regression analysis is a collection of statistical techniques that draw inferences about causal-effect relationships among interrelated variables (Sarstedt & Mooi, 2019). Findings from table 6 showed that the coefficient of determination (R Square) indicates that approximately 53.8% of the variance in employee retention can be explained by the predictors included in the model, which are compensation, work-life balance, and career development. In addition, the regression model's F-statistic of 14.762, coupled with a significant p-value of .000, underscores the model's robust goodness of fit. This indicates that the model is statistically significant at the 0.05 level, providing strong evidence that the predictors—compensation, work-life balance, and career development—collectively exert a notable impact on employee retention within the Kenya Women Finance Trust.

H_{01}, which posits that there is no statistically significant influence of work-life balance on employee retention, the regression coefficient ($B = 0.058$) with a p-value of 0.691 fails to reject the null hypothesis. This indicates that work-life balance does not have a statistically significant impact on employee retention within the organization. However, it's important to note that this finding contradicts existing literature. Larasati and Hasanati (2019) highlighted the influence of work-life balance on employee satisfaction, suggesting that organizations prioritizing employee well-being can positively affect engagement. Similarly, Shockley, Smith, and Knudsen (2017) found a correlation between work-life conflict and retirement attitudes, emphasizing the importance of work-life balance in employee attitudes and behaviors.

H_{02} examines the influence of career development on employee retention, the regression coefficient (B = 0.315) with a p-value of 0.000 indicates a statistically significant positive relationship. Thus, H02 is rejected, suggesting that career development has a significant influence on employee retention within Kenya Women Finance Trust. This finding is supported by existing research, such as Sangaran and Jeetesh (2015), who identified career growth as a significant determinant of job satisfaction impacting employee turnover. Additionally, Abdirahman (2018) found a positive relationship between employee performance, job satisfaction, and organizational engagement, further supporting the importance of career development initiatives.

H_{03}, which investigates the influence of compensation on employee retention, the regression coefficient (B = 0.356) with a p-value of 0.007 indicates a statistically significant positive relationship. Thus, H03 is rejected, suggesting that compensation plays a significant role in employee retention within the organization. This finding aligns with existing literature, as highlighted by Kurnia and Widigdo (2021), who noted the positive correlation between compensation, job satisfaction, and employee performance.

Table 6: *Multiple Regression Analysis*

	Unstandardized Coefficients		**Standardized Coefficients**		
	B	**Std. Error**	**Beta**	**t**	**Sig.**
(Constant)	0.758	0.563		1.348	0.186
Work life balance	0.058	0.146	0.048	0.400	0.691
Career development	0.315	0.263	0.357	1.194	0.000
Compensation	0.356	0.277	0.373	1.285	0.007
Model Summary statistics					
R	0.734				
R Square	0.538				
Adjusted R Square	0.502				
Std. Error of the Estimate	0.709				
ANOVA for goodness of fit					
F	14.762				
Sig.	0.000				

a Dependent Variable: employee retention

5. Conclusion

Based on the findings, career development and compensation are crucial for employee retention at Kenya Women Finance Trust, while work-life balance initiatives, such as workplace flexibility and paid time off, do not significantly impact retention. The organization should focus on enhancing remote work opportunities and addressing workload balance to improve retention. The positive reception of training programs, mentorship initiatives, career guidance, and regular employee exchange programs highlights the importance of professional development in retaining employees. Fair compensation practices, including equitable pay, formal merit review processes, and performance-based incentives, also play a key role in enhancing employee retention. Overall, investing in career development and compensation strategies, along with improving work-life balance initiatives, can help cultivate a motivated and committed workforce.

6. Recommendations

Based on the findings, it's evident that while Kenya Women Finance Trust has made strides in implementing work-life balance initiatives, there remains room for improvement to effectively enhance employee retention. Despite the presence of initiatives like workplace flexibility, flexi-time, and paid time off, which signify the organization's commitment to supporting employees in balancing work and personal life, they haven't significantly impacted employee retention. However, clear areas for enhancement have been identified, particularly in providing opportunities for remote work, as indicated by the lower mean score. Additionally, addressing the perceived imbalance in workload among employees is essential, as it could be negatively influencing employee retention. Therefore, focusing on bolstering these areas, such as by expanding remote work opportunities and addressing workload balance issues, is crucial to improving employee retention within the organization.

Conversely, career development initiatives have emerged as significant drivers of employee retention within Kenya Women Finance Trust. The positive reception of training programs aimed at enhancing employees' day-to-day responsibilities, coupled with favourable ratings for mentorship programs focused on fostering career growth, underscores the organization's commitment to nurturing talent. Similarly, the positive sentiments expressed towards career guidance initiatives highlight their pivotal role in shaping employees' career trajectories and contributing to improved employee retention. Furthermore, the organization's emphasis on career growth through regular employee exchange programs solidifies its dedication to fostering professional development. The perceived advantages of opportunities provided for employees to work in other member firms further underscore their positive impact on morale and efficiency, contributing to enhanced employee retention within the organization.

Moreover, compensation has emerged as a key determinant of employee retention within Kenya Women Finance Trust. Fairly compensating employees, coupled with the presence of a formal employee merit review process and a clear link between pay and job performance, indicates the organization's commitment to equitable pay practices. This plays a crucial role in enhancing employee retention. Additionally, providing incentives for outstanding performance and opportunities for yearly merit increases reinforces a culture that values and rewards employee contributions. Ultimately, these efforts contribute to improved employee retention within the organization by fostering a supportive and rewarding work environment where employees feel valued and motivated to stay for the long term.

7. Further Research

The study has undoubtedly made a significant contribution by identifying major HRM determinants of employee retention within Kenya Women Finance Trust. However, it's important to acknowledge several limitations that should be addressed in future research endeavors. Firstly, the study focused solely on three HRM practices, potentially overlooking other factors that could also impact employee retention. Future studies should consider exploring a broader range of HRM practices to gain a more comprehensive understanding of their influence on retention. Secondly, the study's small sample size of 42 employees may limit the generalizability of the findings. Conducting research with a larger and more diverse sample could provide more robust and representative results. Additionally, the study did not incorporate any moderator or mediator variables, which could have provided deeper insights into the mechanisms through which HRM practices affect employee retention. Future research should consider examining the role of moderators and mediators to uncover nuanced relationships between HRM practices and retention outcomes.

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