INFLUENCE OF HUMAN RESOURCE MANAGEMENT STRATEGIES ON EMPLOYEE RETENTION IN PHARMACEUTICAL COMPANIES IN NAIROBI CITY COUNTY, KENYA

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ABSTRACT

In Kenya, Pharmaceutical Companies face the challenge of fulfilling the ever-increasing technical need for pharmacists therefore shortage of qualified technical personnel. These companies are faced by the challenge of ever-increasing need of qualified technical personnel; therefore, employee retention becomes a critical strategy for these firms in Kenya. This study sought to establish the influence of HRM strategies on employee retention in pharmaceutical companies in Nairobi City County. The research design adopted was descriptive. Targeted respondents were 42 human resource managers in Pharmaceutical Manufacturing Companies. The study selected a sample of 42 respondents. Questionnaire was the selected data collection tool. Collected data was screened, cleaned, coded, and entered. Analysis of quantitative data was done with the use of descriptive statistics and findings presented using tables, graphs and pie charts. A multiple regression analysis was performed with the aim of establishing the relationship of response and predictor variables. From the findings of the study, it was established that employee recruitment, training, employee engagement, and employee recognition are positively related to employee retention. The study also found that organizations provides clear job descriptions on advertised vacant job positions, all the received applications are reviewed and the suitable candidates are called for interviews, based on the interview and their experience. Job training help employees to clearly understand what fellow employees in other departments do and employer is able to understand the skill base of their staff. Employees who are engaged get involved and interested in their job and there is less likelihood that they will leave their job. Employee recognition promotes great job satisfaction and work enjoyment shown with more time spent on work and less complaints and negative effects like absenteeism and stress are lower. The study recommends pharmaceutical companies to have and establish an employee recruitment process that is used for recruitment purposes. Pharmaceutical companies should ensure that they have established training policies; this ensures training takes place in the organization. Further, each employee should be given an opportunity to be trained. Pharmaceutical companies should put in place strategies of recognizing their employees. Employees should be appreciated for their work from time to time; this helps them to work under minimum supervision to achieve organization’s goals. In addition, pharmaceutical companies need to engage employee in different organization activities such as decision making, this makes employees feel that they matter in the organization hence, enhances employee retention.

Key Words: human resource management strategies, employee retention, pharmaceutical companies, Nairobi City County, Kenya

INTRODUCTION

Retention of employees is a strategy that has been embraced by organizations with the aim of maintaining workforce that is effective while meeting the operational needs (Mehta, Kurbetti
While human resource management strategy is the practice of attracting, developing, rewarding, and retaining employees for the benefit of both the employees as individuals and the organization as a whole (Phillips & Connell, 2013).

Mehmood, Ramzan and Akbar (2013b) indicate that the long-term winners are those organizations providing flexible and challenging work environment along with recognition of employees and rewarding that will motivate employees to remain in the organization. This is because as indicated by Sinha and Shukla (2013) high levels of retention leads to few issues that are related with operations, leads to increased productivity and soaring morale, it also saves cost for the company and for these reasons, retention of employees is a strategy that has been focused on and is considered to be a necessity and businesses as well as firms that haven’t considered it are doing so at their own risk. This is because retention of employees is vital source of attaining competitive advantage in any company (Dessler, 2017).

During this 21st century, competitive advantage is the main focus in the business environment and a business that has attained it will survive and be able to attain its mission as well as vision and also the social mission which is to give back to the society. As explained, retention of employees does not suggest the number of employees who stay in a company at a particular given time (Phillips & Connell, 2013), but rather, its numbers and productivity where company staff are productive and therefore the company is able to attain sustainable competitive advantage. It’s inclusive of policies as well as the practices that are applied by a company to avoid those employees that are productive from leaving the organization but rather remain in the company for as long as possible (Sinha & Shukla, 2013). The factors contributing to loyalty of employees and their commitment to their work are things like work security, flexibility in work environment, and a pay that is competitive (Mehta, Kurbetti & Dhankhar, 2014a).

Pharmaceutical Companies important source of competitive advantage is on its employees (Maxwell, 2015). Therefore, Pharmaceutical Companies should implement HRM strategies that will motivate and ensure its human resource is well taken care of. Retaining competent employee is more important than going through the process of recruiting and selecting in order to identify talented employee (Bhatnagar, 2014).

Companies are in continuous search for qualified employees to allow them have returns in the future. When an individual resigns from an organization, they take with them information regarding the company, details of the employees, clients and history. Additionally, when hiring there is some extra cost that are incurred. Therefore, it’s very important to select employees with potential because they’ll help the company improve their performance and they won’t incur the loss that is associated with loosing these employees (Haider et al. 2015).

For these reasons, retention of employees is a very important strategy in Human resource and therefore managers and leaders in organizations should make sure that they promote various HR practices to promote and improve the levels of retention. As a result of increase in the level of competition in the market, companies are getting more interested in retaining their skilled than in hiring.

Employers should consider some factors when wanting to employ staff members with the potential of being retained in the company (Anita & Begum 2016). Rose (2016) indicated that
sufficient programs of HR result to contentment of employees in their job and the result is increase in obligation to the company and therefore affecting retention. Companies that want to retain their staff need to have HR strategies that increase the level of commitment of employees and their loyalty and therefore, communication plays a very huge role in notifying staff members about the roles and the way these roles affect the objectives and the goals of the company. The companies should continuously motivate their staff members, provide them with the training they need, coach them and guide them in regard to what they have accomplished. Also rewarding them with appropriate packages will increase their level of satisfaction (Hassan, 2016).

Nankervis (2016) notes that organizations that use fair employee recruitment have a positive reputation and therefore enhances its ability of attracting employees using benefits and incentives and therefore enhancing retention. Retention of talented employees starts with the process of recruitment of competent and talented individuals. Villegas (2016) found that retention and hiring are directly related. Through training, a company can increase retention of its employees and reduce turnover rates. When an organization offers training to its employees, it makes them feel valued and want to enhance their career. They feel valuable and capable to the organization and that is why the company invests on them.

Schaufeli (2013) explained that engagement of employee is one of strategic management practices of human resource that is being adopted by organizations in an effort to improve their relationship with employees. Research have shown that high engagement level relates with low levels of absenteeism and high levels of employee retention, increased employee effort and productivity, increased in shareholder value, improved customer satisfaction and loyalty, fast growth of business and increase chances of business.

Fisher (2015) explained that positive reinforcement is type of recognition providing employees with encouragement. It ensures job satisfaction and enhances the association among employees, supervisors and managers and also enhances their self-esteem (Fisher, 2015). With positive reinforcements, the attitude of employees tends to be positive and are highly satisfied and feel self-worthy and are involved actively in making businesses successful.

STATEMENT OF THE PROBLEM

The Pharmaceutical Companies face the challenge of fulfilling the ever increasing technical need for pharmacists therefore shortage of qualified technical personnel. Employees may choose to leave the organization because of low pay, unsatisfactory performance appraisals, unequal or substandard wage structures on individual performing similar tasks and lack of opportunity for advancements or promotions (Phillips & Connell, 2013). According to Wangai (2014), the average employee turnover rate is approximately 15% a year; rates vary depending on the industry. it is approximated that the cost a company incurs from employee turnover is 70-300 times more than the salary of that employee. In addition, the cost of replacing an employee is approximated to cost 250 percent of employee salary. Increase in employee turnover in organizations demand that organizations devise strategies which will increase employee retention (Haider et al., 2015). Several researches have been carried out on
retention of employees such as Wambui (2014) who evaluated the impact of HRM activities on retention of employees among higher institutions of learning in Kenya: a case study of KU. Tonui (2017) reviewed impacts HRM activities have on retention of employees in real estate companies in Nairobi County. Akala (2012) researched on the impacts of retention of employee among non-teaching staff at the University of Nairobi. Kataike (2012) studied the association between retention of employees and management of talent in Kenyan banking sector. Karemu, Kahara and Josee (2014) analyzed the impacts of strategies of recruiting employees on retention of employees at Equity Bank, Kenya. The above researches focused on various concepts of HRM. Nevertheless, the study results also varied and the studied were conducted in different industry other than pharmaceutical companies hence the gap in the research. The aim of this study was to fill the research gap by carrying out a study on the influence of HRM strategies on retention of employees in pharmaceutical companies in Nairobi City County.

GENERAL OBJECTIVE

The general objective of the study was to establish the influence of human resource management strategies on employee retention in pharmaceutical companies in Nairobi City County.

SPECIFIC OBJECTIVES

1. To establish the influence of employee recruitment strategy on employee retention in pharmaceutical companies in Nairobi City County
2. To examine the influence of training strategy on employee retention in pharmaceutical companies in Nairobi City County
3. To assess the influence of employee engagement strategy on employee retention in pharmaceutical companies in Nairobi City County.
4. To determine the influence of employee recognition strategy on employee retention in Pharmaceutical companies in Nairobi City County.

THEORETICAL REVIEW

Theories are formulated to explain, predict, and understand phenomena and, in many cases, to challenge and extend existing knowledge within the limits of critical bounding assumptions. The theoretical framework is the structure that can hold or support a theory of a research study. The theoretical framework introduces and describes the theory that explains why the research problem under study exists (Abend, 2013). The study will be based on attraction-selection-attrition (ASA) theory, human capital theory, self-determination theory and Herzberg’s two factor theory.

Attraction-Selection-Attrition (ASA) Theory

This theory is a psychological theory and was introduced by Schneider in 1995 and it describes why companies look and feel the way they do. The theory is person-based aimed at comprehending etiology of the behavior of a company through the consideration of personal effect as cause of structure, technology of the company and processes. This theory
specifically elaborates on the way people join and exit a company indicating that individuals are function of three interrelated processes: attrition, attraction, and selection. People get attracted to, get selected by, and retained in companies that its members are the same to them in regard to psychological traits. This theory established the type of people in the company, which also explains the nature of the company, its structure, process and culture (Wilson, 2016).

Aykac and Metin (2012) posit that a company has the ability of finding and employing the right employees who possess the right knowledge, ability as well as skills and in the right number, the company becomes well prepared for any opportunity and threat that comes their way in their operating environment compared to their competitors who struggle to build and maintain their employees. Giffen (2015) agreed that in order to have strategies that are successful the first things to do is acquire, retain and develop resources of threshold standards applicable in both resources and people. Allen and Shanock (2013) insisted that recruitment is the act of searching for individuals who are qualified for a vacant position or a position that has been created.

Allen and Shanock (2013) also indicated that recruiting process is very crucial. Recruiting process only starts once the company has determined the number of employees needed and what type. Furthermore, based on ASA theory, a selection system that is effective should result to high fit for person-organization, improving the attachment of the employees to the organization. In addition, when employees are aware of the rigorous practice involved in hiring it might improve their precision as well as personal competence, and it has been proven that perceived competence has a strong relationship with commitment; suggesting that employee recruitment can improve retention of employees. This theory explains that the company recruitment process should be fair so as to get competent employees. Therefore, the theory explains the influence of employee recruitment strategy on employee retention in pharmaceutical companies in Nairobi County.

**Human Capital Theory**

This theory was created in 1993 by Becker and is mainly used in studies relating with training and development (T&D). The area of emphasis in this theory is ways through which T&D influences employees’ level of efficiency and productivity through the development of their cognition levels in their functions of productivity (Tan, 2014). According to the theory, economic advantaged is gained by people and society investing in each other (Sweetland, 2013). Investing in human capital is of great importance for the purpose of increasing commitment levels of workers in a company; qualitative and quantitative development of employees is possible because a qualified workforce results to increased entrepreneurship investment and productivity. Fitzsimons (2017) explained that the most important aspects of human capital investment are T&D and that the income of an individual who is educated and trained well is more than the average wage rate.

This theory informs organizations that they should be focusing of development of their workforce because it results in improved skills and knowledge. Furthermore, employee development makes them feel that they are part of the organization, this would improve
employee retention. This theory supports the influence training strategy has on retention of employees in pharmaceutical firms in Nairobi County.

**Self-determination Theory**

This theory developed from the work of Deci and Ryan’s in the 70s and 80s on motivation. This theory of Self-Determination provides a link between personality, motivation of humans and optimal functioning. It states that there exists two forms of motivation; intrinsic and extrinsic and both of them have powerful force in shaping our behavior and who we are. Deci and Ryan (2014), indicate that extrinsic motivation is a force of behaving in a particular manner and its source is external factors and the outcome is external rewarding. Some of those sources are evaluation of employees, grading systems, award and accolades, and admiration and respect of others. The source of intrinsic motivation is from within. Internal drives exist and they motivate an individual to behave in a particular way, which includes our core values, interests and personal morality.

Through this theory we are able to explain engagement with psychological states as well as repercussions of a behavior resulting to failure of work engagement. In this theory, engagement in work is classified based on their aspect of motivation; they can be either intrinsic or extrinsic. When an individual is motivated to work out of their will and love for the task and because they find that task enjoyable is what is termed as intrinsic motivation. When an individual is motivated to perform a task because of instrumental reasons its said to be Extrinsic motivation. The predominating form of motivation in majority of work places in the extrinsic (Fernet, 2013). In this theory, it is explained that workers who get engaged to their work are reporting improved wellness both physically and psychologically as compared to those who aren’t engaged (Fernet, 2013).

The theory explains about employee motivation. Employees can be motivated by giving them incentive, rewards, trainings and also involving them in organization decision making. This theory supports the influence of employee engagement strategy on their retention in pharmaceutical companies in Nairobi City County.

**Herzberg’s Two Factor Theory**

This theory has been cited by Bassett, Jones and Lloyd (2013). Herzberg did argue that staff members are encouraged by internal factors more than how the external factors motivate them. This simply means, as mentioned by Herzberg, that motivation is generated intrinsically. Some of the intrinsic variables are work itself, achievement, responsibility, recognition, growth, as well as advancement. There are those factors that can be dissatisfying to the experience of employees and they are related with extrinsic factors. Herzberg referred those variables as —hygiene factors and despite them not motivating workers they can be presented at work environment to enhance the happiness of the employees. Policies of the company, co-worker relationship, salary, and style of supervision are some of the dissatisfies (Bassett-Jones & Lloyd, 2013). Bexheti and Bexheti (2016) did argue further that doing away with those factors that cause dissatisfaction doesn’t necessarily mean that it will result to satisfaction; but rather it would lead to state of neutrality. Intrinsic factors are the only way
through which motivation can take place. Cogin (2012) applied the use of this variable in establishing how motivational variables affect retention of workers in South Africa.

Griffeth, (2012) established external factors are the main motivational variables affecting retention of staff in a company. This therefore suggests that the management need to depend more of intrinsic motivation to influence retention of employees; rather, combining intrinsic and extrinsic variables need to be put into consideration as effective strategy to retain employees. This theory supports the influence of recognition strategy on staff retention in Pharmaceutical companies in Nairobi City County.

**EMPIRICAL LITERATURE REVIEW**

**The Employee Recruitment Strategy on Employee Retention**

Chandrasekara and Perera (2017) studied the impact of recruitment practice on retention of staff in large scale apparel companies selected in Kandy District, Sri Lanka. The study focused on identifying the impact of recruitment activities on retention of workers in the selected companies. Mixed method approach was used. The study used 127 respondents from SMOs in large scale apparel firms. Questionnaire was the selected data collection tool and it comprised of questions of 5-poing Likert scale. From the findings, it was evident that recruitment practices and employee retention are significantly and positively related. Furthermore, it was established that retention of employees and strategies of recruitment were positively correlated.

Hossain, Rahman and Labony (2017) studied how turnover of employees is affected by the process of recruitment and selection and how the organizations profits are affected- a study on financial sector of Bangladesh. The study focused on pointing out the effect selection and recruitment has on turnover of employees and the way it affects profitability of the company. The study applied the use of multiple case study technique. Data used in the study was gathered by use of semi-structured interviews. It was evident from the findings that appropriate recruitment and selection process influenced employee turnover and therefore positively influencing company profitability.

Chukwuka and Nwakoby (2018) studied the effect of HRM on retention and performance of employees in Nigerian Insurance Industry. The study used a sample of 250 respondents who were selected from management levels from insurance company and the sample was selected using Taro Yamane’s formula. Questionnaire comprising of –point Likert’s questions was the data collection tool. It was established that practices of human resource management on employee retention were weak and not significant. In addition the practices of HRM had positive and significant effect on performance of employees.

Onyeaghala and Hyacinth (2016) researched on the effects of selection on productivity levels of both public and private industries: a case of Benue State. Researchers focus was to determine how productivity of employees from the selected company was affected by the selection process used. The research design that was adopted was the survey design whereby data was collected using questionnaires. Validation of the instruments was done using Content as well as face validity. The selected sample was 216 respondents from the company.
under investigation. Analysis was aided by SPSS software and data presentation was in tables and figures. Selection activities applied by private and public organizations were found to be significantly different at various levels of productivity. The study also revealed both institutions were facing similar challenges in their selection process.

Karemu, Kahara and Josee (2014) analyzed the impacts of strategies of recruiting employees on retention of employees at Equity Bank, Kenya. To achieve this, the researcher adopted descriptive survey design. The study targeted all management level employees at various branches who were hired or are employed for more than 2 years, categorized based on the recruitment strategy that has been applied. The secondary data was obtained from yearly report, documentary analysis and publications where background information was gathered by reviewing relevant literature. The results of the study established the strategies applied in employing employees positively and significantly affected retention of employees at Equity bank in Kenya.

Ramki (2015) researched the effects recruiting and selection had on retention of teachers in international primary schools located in the County of Nairobi. To achieve this, descriptive design was used; 50 schools in Nairobi formed the target population. The study selected a sample of 128 respondents holding various positions from high to low positions who were sampled proportionately. Questionnaires were the selected data collection tool. The results showed that recruitment channels significantly influenced retention of teachers. The main recruitment channels were personal connections, websites of the institution, Press media and public agencies. It was further established that the practice of selecting had significant effect on teachers’ retention mainly using the channels like IQ and personality test, interviews, job knowledge and work sample test.

The Influence of Training Strategy on Employee Retention

Omoikhudu (2017) reviewed ways through which T&D affects employee retention retail sector. Researchers focus was on duty performed by coaching in Mark and Spencer’s Store Dublin, Republic of Ireland. Researcher focused on determining how the process used by the company in training and development affected their turnover intentions. Questionnaire was the adopted data collection tool and analysis was done with the aid of SPSS. The findings showed that training and coaching did not significantly affect retention of employees in Mark and Spencer. Other factors that might motivate staff members to remain in the organization exist and deal with the issue of employee turnover in Mark and Spencer, Dublin.

Verhees (2012) did an evaluation of the association between training and turnover of employees and the duty that is performed by commitment of the organization. The study explained direct as well as indirect effect of training hours and intentions of turnover of employees and the role that is played by commitment of the company. The data was collected using online questionnaires administered to a total of 79 employees of Dutch bank. Correlation analysis was done and tested the hypothesis of the study by conducting hierarchical multiple regression. Out of all four hypotheses, all were rejected since the control variable significantly related with the variables.
Ldama and Bazza (2015) researched on ways through which employee retention in Nigerian commercial banks is affected by T&D; case of Adamawa commercial banks. The study used a sample of 197 bank employees. Selected data collection tool was semi-structured questionnaires. Results showed that increasing internal training, (ITT), increased retention of employees and increasing fairness in policies of training improves employee retention. Therefore, employee retention is positively and significantly influenced by banks training and development opportunities. Therefore, for banks in Nigeria to increase their employee retention rates, they should focus more on T&D of employees.

Nkosi (2015) did a study among South Africa local municipality and focused on determining how training affects employee retention and performance of organizations. Researchers focus was on establishing how retention and organizational performance can be influenced by commitment levels of employees and training practices in the organization. 130 respondents were selected sample and this sample was selected by applying convenience sampling technique. Data collection too was questionnaires and the data collected was analyzed in SPSS. The results of multiple linear regressions with application of OLS method, retention and enhancement of performance within the local municipality were examined.

Mapelu and Jumah (2013) studied how turnover of employees in medium hotels in Kisumu is affected by T&D. Researchers focus was to determine the extent in which T&D influence turnover intentions of employees in the selected hotels. Herzberg’s two factors was adopted theory to guide the study. Target population was medium hotels where a sample of 24 hotels was selected and a sample of 350 employees drawn from the selected hotels. Purposive sampling was applied in the selection of hotels while stratification was applied in selecting the departments and simple random sampling to select respondents from the selected departments. The results showed development of employee had a significant effect on turnover of employees (p=.005) 2-tailed.

Onyango and Wanyoike (2014) did an evaluation on effects of training on employee performance: case of health workers in Siaya County, Kenya. Data was collected within hospitals in the county from doctors, nurses, COs and subordinate staff. The study collected data using semi-structured questionnaire. Stratified technique of sampling was applied in selecting a sample of 56 respondents. Results showed that training and performance were positively and strongly related.

**The Influence of Employee Engagement Strategy on Employee Retention**

Imam and Shafique (2014) conducted a study in Pakistan and focused on establishing the impact of employee engagement on their retention using commitment and job satisfaction as moderating variables. The study was conducted in the banking sector. It was evident that there was some level of association between engagement of workers and intentions of turnover. The study suggested that the more workers are engaged the more they get satisfied with their jobs but based on this work it tends to increase the intentions of turnover. The mediating association of commitment to a company between engagement and intentions of turnover of workers doesn’t exist. Also the moderating association of job stress has been revealed to be insignificant.
In India, Balakrishnan, Masthan and Chandra (2013) researched on effect of employee engagement on their retention; case of Indian International Airport. Researchers focus was on establishing the association that exists between engagement of workers in the institution and their retention levels. Data was gathered from airports employees using questionnaires. Selection of 185 employees was done using technique of random sampling. The study found that retention of employees improved through the increase of employee level of engagement and focus on some non-financial drivers. It was evident from the analyzed data it was evident that it’s possible to improve employee retention in times of financial constraints without necessarily having to spend finances.

Nyawira (2017) studied how employee engagement affects retention in Peach Consulting Limited, Kenya. To answer research problem Descriptive design was used. The study targeted 45 respondents who were selected from Peach Consulting Limited. Questionnaires were applied in collecting primary data. The results revealed that the workers of Peach Consulting Limited volunteer to make changes in their departments out of will. Also the company’s culture emphasizes on engagement of employees and that their HR policies promote and encourage engage of employees in all levels.

Agoi (2015) valuated effect of management’s doings on employee turnover in institutions of higher learning in Kenya. Researchers focus was on determining the impact of employee turnover intents in public institution. Analysis of gathered data was done using descriptive statistics. Inferential statistics were also computed to establish to nature of association existing between study variables and were also used to test the research hypothesis. From the findings it was established that dedication significantly and negatively affected dedication and absorption on intentions of turnover.

The Influence of Employee Recognition Strategy on Employee Retention

Mngomezulu, Challenor, Munapo, Mashau and Chikandiwa (2015) studied the impact of recognition and retention of talented employees. The study used a sample of 70 respondents selected from various departments and they were all issued with questionnaires. It was established that various approaches can be applied by the management with the aim of retaining its workforce that is talented. In addition, it is important to always remember that the impact of approaches might not be the same for various individuals. Through the study some crucial questions were answered. It was revealed that rewarding, passion; recognition, motivation, and effective management of talent were some of the factors addressed by business leaders with the aim of reducing voluntary turnover and retaining good talent in the organization.

Ready and Embaye (2013) studied the effect of recognition of employees, pay and its advantages on job satisfaction: cross country evidence. The research did an analysis on the impacts of recognition of employees, pay, and its advantage on job satisfaction. The study was cross-sectional survey where respondents were university students selected from U.S. (n = 457), Malaysia (n = 347) and Vietnam (n = 391). The study found that recognition of employees, pay, and benefits significantly affected job satisfaction, regardless of country’s income level and respondent’s culture. Further, effects of benefits on level of job contentment
was more significantly important for respondents from US than respondents from the rest of the regions.

Abdullah, Shonubi, Hashim and Hamid (2016) researched on recognition and appreciation and how they psychologically affect level of job contentment and performance of IT companies in Malaysia: systematic review. In the study, previous literature on employee intrinsic factors of motivation were reviewed and applied as the backdrop of the study on perception of employee’s in regard to recognition and appreciation on its effects on performance, productivity and commitment to goal and objectives of the company. Appreciation and recognition are also referred to internal motivation which is a psychological process, and cannot be avoided in every individual. The study was survey and it was operationalized with the application of previously validated and measures that were originally developed without modification or with little in order to match the current context of the research.

Khan, Zarif and Khan (2011) studied the impacts of rewards based on recognition on employee efficiency and effectiveness. The focus of the study was identifying role of rewarding on employee retention and also their long term effectiveness in the organization. The study collected data using closed ended questions inferring the association between recognition of the supervisor’s and performance of employees, their wish to remain in the company and their long time effectiveness within the company. Al-Karam Towel Industries (Pvt.) Ltd. Karachi was studied. The study found that both variables were positively and significantly related.

RESEARCH METHODOLOGY

Research Design

Zikmund (2013) indicated that a research design is a plan that specifies the technique as well as procedures that are followed in collection of data up to its analysis. Descriptive research design was adopted in this study. Walliman (2011) indicated that a descriptive research tries to examine situations with the aim of establishing the norms that is predicting what is expected to happen again in similar situations. According to Robson (2012), the objective of descriptive research design is to reveal an accurate profile of situations or events. This research design was considered suitable because the researcher was able to carry out in-depth observations on phenomenon being researched on. Also, it provided with accuracy, descriptive analysis of population characteristics and from there a sample was selected for the purpose of drawing inference. This research design guided the research in determining the influence of HRM strategies on retention of employees in pharmaceutical companies in Nairobi City County.

Target Population

Saunders, Lewis and Thornhill (2012) defined population as the collection of elements which researchers seek to examine or make inference about. Pharmaceutical manufacturing companies located in the County of Nairobi, Kenya formed the study population (KEMSA, 2017). The study targeted human resource managers in the Pharmaceutical firms who were
42 since each firm was represented by one respondent. Nairobi County was selected because the researcher could easily locate the Pharmaceutical companies since the researcher’s location is in Nairobi.

**Sampling Frame**

A sampling frame is a list of subjects in the population and is where the sample to be used in the study is drawn from (Cooper & Schindler, 2013). For this study, the sampling frame was 42 companies listed as Local Pharmaceutical Manufacturing Companies in Nairobi County, Kenya. As shown in appendix III. The unit of analysis was the employees of the pharmaceutical companies within Nairobi City County while the unit of observation were the human resource managers in those companies.

**Sampling Technique and Sample Size**

According to Saunders, Lewis and Thornhill (2012), a sample can be said to be a subset that represents the population that the study is interested in. It is further explained that a sample is said to be good if it represents the entire population to make inference of the population. Census method was applied in the selection of the respondents. A census is a study of every unit, everyone or everything, in a population. It is known as a complete enumeration, which means a complete count. Therefore, the sample size of the study was 42 respondents.

**Data Collection Tools**

Questionnaires were the selected data collection tool. Structured questionnaires were adopted. Part A of the questionnaire captured the demographic information. Part B to E covered the effects of various HRM strategies (employee recruitment strategy, training strategy, employee engagement strategy and employee recognition strategy) on employee retention. The last part, Part F measured the dependent variable (employee retention). The questionnaire was selected because according to Kothari (2014) they can collect large amount of data easily and economically.

**Data Collection Procedures**

The questionnaires were designed in line with the study objectives. The researcher administered the questionnaires to the respondents. Questionnaire administration was done by use of drop and pick later technique where respondents were given two weeks to fill and return their questionnaires. The researcher was available to clarify and arising issues during data collection to the respondents. The researcher also conducted the interviews to obtain qualitative data.

**Data Analysis and Presentation**

Screening, coding, entering and cleaning of collected data was done. Analysis of quantitative data was done using descriptive statistics. Descriptive statistics include percentages, means, standard deviations and frequencies. Presentation of the information was in form of tables, graphs and pie charts. Correlation analysis is the statistical tool that can be used to determine the level of association of two variables. The study conducted a correlation analysis to establish the strength of the relationship between the independent and the dependent variable.
In order to establish the association between response and the predictor variables, the researcher performed multiple regressions. Data was presented using tables. The model was:

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

Where: Y is the response variable employee retention; \(X_1\) = Employee recruitment strategy; \(X_2\) = Training strategy; \(X_3\) = Employee engagement strategy; \(X_4\) = Employee recognition strategy; \(\epsilon\) = error term.

**RESEARCH RESULTS**

**Employee Recruitment Strategy**

The study sought to establish the influence of employee recruitment strategy on employee retention in pharmaceutical companies in Nairobi County. The study found that the organization provides clear job descriptions on advertised vacant job positions, HR representatives are the ones who conduct initial interview with applicants, the organization advertises vacant positions on social media and newspapers to source suitable candidates, the final interviews are done to select a suitable candidate for the position, all the received applications are reviewed and the suitable candidates are called for interviews, based on the interview, their experience, skills as well as assessment of talent the hiring team does evaluation of the candidates and through initial interviews it is determined if the applicants are qualified to do the job and it allows narrowing down of the number of applicants.

**Training Strategy**

The study sought to examine the influence of training strategy on employee retention in pharmaceutical companies. The findings showed that respondents were in agreement that; employees get to understand the role their coworkers in other departments within the organization play, through on-the-job training; on-the-job training enables the employer to understand the skill base of their staff, through mentoring staff members get to adapt to work place environment and culture, huge information quantities are recovered at a go through off-the-job training, it is economical to have off-the-job training since large number of employees receive training at the same time, when trainees aren’t involved in production process, the activities of production are conducted with no interruption, and training on the job assists in producing a stronger workforce. The study also established that through coaching, workers feel the comfort in management and encourage open communication that led to positive experiences at work and through coaching and mentoring staff are guided on their career path and the result is an employee who is well conversant with what the company expects.

**Employee Engagement Strategy**

The study also sought to establish the influence of employee engagement strategy on employee retention in pharmaceutical companies in Nairobi County. The study found that employees who are engaged get involved and interested in their job and there is less likelihood that they will leave their job, employees who are engaged will engage in stimulating talks and the result is a session of productive brainstorming, employees engagement helps them feel connected with the organization, staff members who are engaged
are both enthusiastic and positive in what they say about their work, staffs who are engaged are satisfied with their career and are happy people compared to those who aren’t engaged, staff members who are engaged find it important to be creative, employees are allowed to give their opinions on organization decision making, employee’s successes are recognized hence they feel that they’ve succeeded in making a meaningful impact at work and staffs caring about their job are effective in communication with their colleagues, clients and their leaders.

**Employee Recognition Strategy**

Finally, the study sought to determine the influence of employee recognition strategy on employee retention in Pharmaceutical companies in Nairobi County. The study established that employees are happy employees, there is enhanced teamwork among staff, there is provision of direct feedback on performance, it behaves like allied HR process to meet the learning process, improved safety records and reduced accidents a work, there is an increase in personal productivity, increase in recognition of desired behavior which increases productivity, there is great job satisfaction and work enjoyment shown with more time spent on work and less complaints and negative effects like absenteeism and stress are lower.

**INFERENTIAL STATISTICS**

In this study, correlation analysis and multiple regression analysis were conducted to test the influence among predictor variables. The relationship between human resource management strategies and employee retention was determined by computing Pearson Moment Correlation analysis. The results were as shown in Table 1. The results revealed that there was a strong positive correlation between employee recruitment strategy and employee retention ($r = 0.847, p = 0.000<0.01$); training strategy and employee retention were strongly and positively correlated ($r = 0.806, P = 0.001$); employee engagement strategy were found to have a strong positive correlation with employee retention ($r = 0.792, P = 0.001$); employee recognition strategy and employee retention were found to be strongly and positively correlated ($r = 0.824, P = 0.001$). This implies that employee recruitment strategy, training strategy, employee engagement strategy, employee recognition strategy and employee retention have an association. The findings concur with Onyeaghala and Hyacinth (2016) who established that the activities of selecting applied by private and public organizations were significantly different levels of productivity. It also agrees with the findings of Mapelu and Jumah (2013) who studied how turnover of employees in medium hotels in Kisumu is affected human resource management strategies and establishing the level to which training and development led to turnover of employees.

Change in dependent variable as a result of variation in independent variables was determined by computing model summary. The study analyzed the variations of employee retention due to the changes of employee recruitment strategy, training strategy, and employee engagement strategy and employee recognition strategy. The results in table 2, show that adjusted R squared was 0.728 implying that there was 72.8% variation of employee retention, due to the changes of employee recruitment strategy, training strategy, employee engagement strategy and employee recognition strategy. The remaining 27.2%
imply that there are other factors that lead to employee retention which were not discussed in the study. As noted by Storey and Sisson (2013), training represents an employer commitment to his workforce, good training programs enables employees to have a high commitment to the organization. This results in low staff turnover and employees would stay in the organization for longer periods. Ongori and Ogolla (2009), states that lack of personal growth in an organization results in career stagnation and leads to a greater number of employee intentions to leave.

Table 1: Correlations

<table>
<thead>
<tr>
<th></th>
<th>Employee Retention</th>
<th>Employee Recruitment strategy</th>
<th>Training strategy</th>
<th>Employee Engagement strategy</th>
<th>Employee Recognition strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee retention strategy</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Recruitment strategy</td>
<td>Pearson Correlation</td>
<td>.847**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>40</td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training strategy</td>
<td>Pearson Correlation</td>
<td>.806</td>
<td>.419</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.068</td>
<td>.068</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Employee engagement strategy</td>
<td>Pearson Correlation</td>
<td>.792**</td>
<td>.579</td>
<td>.559</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.061</td>
<td>.068</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Employee recognition strategy</td>
<td>Pearson Correlation</td>
<td>.824**</td>
<td>.337</td>
<td>.477</td>
<td>.326</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.082</td>
<td>.076</td>
<td>.064</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
</tbody>
</table>

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

ANOVA was computed to determine whether the model was significant. The p-value obtained (0.000) was found to be less than the selected level of significance (0.05) an indication that the model was fit for predicting employee retention. From table 4.9, the F calculated was greater than F critical (15.752 >2.546). This shows that employee recruitment strategy, training strategy, employee engagement strategy and employee recognition strategy significantly affect employee retention. This concurs with Equally, Amamo (2015) in her survey of factors affecting employee retention in FM radio stations in Kenya quoted recognition as the most important factor in employee retention. They also feel that their organization have transparent and equitable compensation policy. The regression equation was:

\[
Y = 1.235 + 0.565 X_1 + 0.526 X_2 + 0.498 X_3 + 0.501 X_4
\]
The equation above reveals that holding employee recruitment strategy, training strategy, employee engagement strategy and employee recognition strategy constant, the variables will significantly influence employee retention as shown by constant = 1.235 as shown in Table 2.

Table 2: Regression Analysis

<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>0.859</td>
<td>0.738</td>
<td>0.728</td>
<td>0.009</td>
</tr>
</tbody>
</table>

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>Regression</td>
<td>17.768</td>
<td>4</td>
<td>4.442</td>
<td>15.752</td>
<td>.001</td>
</tr>
<tr>
<td>Residual</td>
<td>9.858</td>
<td>35</td>
<td>0.282</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>27.626</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.235</td>
<td>0.181</td>
<td></td>
<td>6.823</td>
</tr>
<tr>
<td>Employee Recruitment</td>
<td>0.565</td>
<td>0.108</td>
<td>0.522</td>
<td>5.231</td>
</tr>
<tr>
<td>Training</td>
<td>0.526</td>
<td>0.115</td>
<td>0.497</td>
<td>4.574</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>0.498</td>
<td>0.098</td>
<td>0.487</td>
<td>5.082</td>
</tr>
<tr>
<td>Employee recognition</td>
<td>0.501</td>
<td>0.099</td>
<td>0.492</td>
<td>5.061</td>
</tr>
</tbody>
</table>

Employee recruitment strategy is statistically significant to employee retention ($\beta = 0.565$, $P = 0.000$). This shows that employee recruitment strategy had significant positive relationship with employee retention. This implies that a unit increase in employee recruitment strategy will result to increase in employee retention. Training strategy is statistically significant to employee retention ($\beta = 0.526$, $P = 0.004$). This shows that training strategy had significant positive relationship with employee retention. This implies that a unit increase in training strategy will result to increase in employee retention. This agrees with Hossain, Rahman and Labony (2017) that recruitment and selection process that is appropriate affected the turnover of employees and therefore increased the profitability of the companies. It also agrees with Nkosi’s (2015) findings of multiple linear regressions with the use of OLS method, that retention and enhancement of performance within the local municipality was examined.

Employee engagement strategy is statistically significant to employee retention ($\beta = 0.498$, $P = 0.001$). This shows that employee engagement strategy had a significant positive relationship with employee retention. This implies that a unit increase in employee engagement strategy will result to increase in employee retention. Employee recognition strategy is statistically significant to employee retention as shown by ($\beta = 0.501$, $P = 0.001$). This shows that employee recognition strategy had a significant positive relationship with employee retention. This implies that a unit increase in employee recognition strategy will result to increase in employee retention. The findings disagree with Agoi (2015) who established that dedication significantly and negatively affected dedication and absorption on intentions of turnover. The findings on the other hand agree with Ready and Embaye (2013)
that recognition of employees, pay, and benefits significantly affected job satisfaction, regardless of income level of the country.

**CONCLUSION**

Employee recruitment strategy is statistically significant to employee retention. This shows that employee recruitment strategy significantly and positively relate with employee retention. This implies that a unit increase in employee recruitment strategy will result to increase in employee retention. The study concludes that employee recruitment strategy is positively related to employee retention.

Training strategy is statistically significant to employee retention. This shows that training strategy significantly and positively relate with employee retention. This implies that a unit increase in training strategy will result to increase in employee retention. The study concludes that training strategy is positively related to employee retention.

Employee engagement strategy is statistically significant to employee retention. Therefore, employee engagement strategy significantly and positively relate with employee retention. This implies that an increase in employee engagement strategy will result to an increase in employee retention. The study concludes that employee engagement strategy is positively related to employee retention.

Employee recognition strategy is statistically significant to employee retention. This shows that employee recognition strategy significantly and positively relate with employee retention. This implies that an increase in employee recognition strategy will result to increase in employee retention. The study concludes that employee recognition strategy is positively related to employee retention.

**RECOMMENDATIONS**

**Employee Recruitment Strategy**

The study found that employee recruitment strategy influences employee retention. The study recommends that the pharmaceutical companies should have and established employee recruitment that is used for employee recruitment process. Further, the employee recruitment should be free and fair so as to hire talented employee. This will help in improving employee retention in the organization.

**Training Strategy**

The study revealed that training strategy influences employee retention. The study recommends pharmaceutical companies should ensure that they have established training policies. This ensures that training takes place in the organization. Further, each employee should be given an opportunity to be trained. This makes them feel that they are part of the organization. Hence improving employee retention.

**Employee Recognition Strategy**

The study established that employee recognition strategy influences employee performance. The study recommends that pharmaceutical companies should put in place strategies of
recognizing their employees. Employees should be appreciated for their work from time to time. This helps them to work under minimum supervision to achieve the organization goals.

**Employee Engagement Strategy**

The study found that employee engagement strategy influences employee retention. The study recommends that the pharmaceutical companies should engage employee in different organization activities. Such as decision making. This makes employees feel that they matter in the organization. Hence, enhances employee retention.

**REFERENCES**


