

Influence of reward systems on employee retention in faith based health organizations in Kenya: a case of Mukumu Hospital, Kenya

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Abstract

The objective of the study is to investigate the influence of reward systems on retention of employees in faith based health organizations in Kenya. The reward system aspects that influence employee retention include; intrinsic reward, extrinsic reward and career development. To achieve this primary data was collected through the use questionnaires. Simple random sampling technique was used to select a sample of 113 from a population of 160 respondents out of which 105 questionnaires were returned. Internal consistency was tested using Cronbach's alpha and all the variables indicated reliable values. Data collected was then analyzed using both descriptive and inferential statistics. Correlation design was adopted to explain the causal relationship between reward systems and employee retention. The study found out that there was a strong and positive correlation between employee retention and intrinsic rewards, which was statistically significant. There was also a strong and positive correlation between the Employees' retention and extrinsic rewards which was an indication that extrinsic rewards has positive influence on employee retention. Career development also positively influenced the retention of faith based health organization employees in Kenya. The respondents indicated that both intrinsic, extrinsic as well as career development are important components of employee retention. The study concluded that majority of the respondents indicated that both intrinsic, extrinsic as well as career development are important components of employee retention. This study recommends that the reward system exercised by the faith based health organizations in Kenya should be easily understood by the workers so that they can easily calculate personal cost benefits for various levels of effort they put. Reward packages must be valuable to the employees and should be based on realistic and reliable standards.

Keywords: Influence, reward systems, faith based health, organizations, Kenya

1. Introduction

This chapter will highlight the background of the study, the statement of the problem, objective of the study, significance, scope and limitation of the study.

1.1. Background to the Study

Since the adoption in 2000 of the Millennium Development Goals (MDGs) to improve health outcomes in developing countries, several initiatives and reports have focused on the critical role played by human resources for health (WHO 2000). For many organizations employee retention is a strategic intention. Retention of critical skills is a prerequisite to the success of an organization in the medium to long term. Acquisition of key skills and talent therefore forms an important aspect of organization success and provides a key competitive advantage. Organizations develop various reward strategies and practices to ensure that critical human capital resources are not only attracted but also retained and fully exploited for the benefit of the organization.

Reward is one of the most important components of an organizations retention strategy. Armstrong (2009) ^[1] states that rewarding people is concerned with design, implementation and maintenance of reward systems that are geared to the improvement of organizational, team and individual performance. It includes both financial and non-financial rewards. It is imperative therefore that every organization develops and install reward strategies that motivate staff to remain in the organization. Organizations should adopt the all-encompassing approach of total reward, as

this is likely to provide a greater attraction and retention to a greater number of employees. Reward is a critical motivator towards an employee's choice to remain in an organization.

Rewards have been shown to motivate performance when certain conditions exist, Blinder (1990) ^[3]. Individuals are best motivated and become retained when they believe that their behaviors will lead to certain outcomes that are attractive and that performance at a desired level is possible. Vroom suggests that individuals will choose behaviors they believe will result in the achievement of specific outcomes they value. In deciding how much effort to put in work behaviors, individuals are likely to consider three things; valence, instrumentality and expectancy. All these factors are referred to as VIE and are considered to influence motivation and retention in a combined manner. According to Ryan and Pointon (2005) ^[17] managers should attempt to assure their employees that increased effort will lead to higher performance which will lead to valued rewards. This study looked at the relationship between reward systems employed by faith based health organizations and employee retention.

1.2. Statement of the Problem

According to (Ashhra, 2009) report, health care organizations are facing significant retention challenges. Fifty-two percent have difficulty caused by turnover of critical-skill employees while 40 percent are adversely affected by difficulties recruiting and staffing physician positions. In 2013, Kenyan doctors went on a nationwide strike over better pay, and working conditions, converging in the capital and leaving

many patients being unattended to. The Ministry of Health, staffing trends 2005-2009 indicated that the rate of medical personnel that have existed during the same period stands at: doctors 972, clinical officers 356, nurses 1,964, nursing officer 461, and medical lab technologists were 185 with private and especially faith based hospitals worst hit (KNBS, 2010). The high turnover has been associated with salary delays, poor working conditions, lack of training and development opportunities occasioned by the emergence of new machines (KNUN, 2013). The records of Mukumu Hospital indicate that between 2013 and 2014 a total 30 employees have left their jobs to other organizations. These records went on to reveal that a high number of the recruits never stayed for more than four months. As a result, the hospital has been heavily relying on professionals from Public hospitals who are contracted on locum and only visit the hospital during their off days. This has led to high costs in service delivery and inability to offer certain services especially those that are required by patients when the contracted professionals are engaged elsewhere. This study therefore sort to find out the relationship between reward systems and employee retention in faith based health organizations in the County Government of Kakamega.

1.3. Objective of the Study

The objective of this study was to determine the influence of reward systems on employee retention in faith based health organizations in Kenya.

1.4. Significance of the Study

This study will therefore be valuable to the management of faith based health organizations in identify factors which are important in developing committed employees, retaining and motivating them in order to improve turnover and their performance. The study will also make a contribution to adjustment of reward policies and structures in faith based health organizations. Academicians will benefit from this study as reference for thoughts and ideas on similar studies and research in future. This study will also add to the knowledge available for research. The study will also be useful to other organizations that may be facing similar challenges to those being analyzed. Such organizations may base policy adjustment and change on the findings of this study. It is envisaged that the findings, conclusions and recommendations of this study will provide useful information to the Ministry of Health and help policy makers and planners to ensure that health organizations have enhanced output through integration of the reward management practices in their operations.

1.5. Scope of the Study

This study was carried out in Mukumu Hospital within the year 2015. It focused on doctors, nurses, clinical officers, pharmacists, and laboratory technicians/technologists. The study targeted staff working in the hospital to give their responses for the study. The study specifically sought to analyse the relationship between reward systems and employee retention. It also looked into identifying and recommending further possible actions points that the hospitals might be able to use to improve employee retention.

2. Literature Review

2.1. Introduction

Retaining talented employees is one of the critical issues facing organizations today because of shortage of skilled workers, economic growth and high employee turnover. The employment relationship is undergoing fundamental challenges that have implications in attracting, motivation and retaining talented employees and talent shortage has resulted to fierce competition. This chapter provides an overview of related literature and also looks at related past studies in this area and the gaps inherent in organizations in terms of reward systems.

2.2. Theoretical Framework

The researcher focused on four theories. The resource based view (RBV) posits that human and organizational resources more than physical, technical or financial resources, can provide a firm with sustained competitive advantage because they are particularly difficult to emulate. How a firm's system among its other attributes, enable it to achieve competitive advantage is the central idea of resource based view. The exchange theory views employment relationship as consisting of social or economic exchanges. Economic exchange relationships involve the exchange of economic benefits in return for employees' efforts and are often dependent on formal contracts which are legally enforceable. On the other hand, social exchanges are 'voluntary actions' which may be initiated by an organization's treatment of its employees, with the expectation that the employees will be obligated to reciprocate the good deeds of the organization (Gould & Davies, 2005). The exchange approach view of organizational engagement posits that individuals attach themselves to their organizations in return for certain rewards from the organizations. According to this view, employees enter the organization with specific skills, desires and goals, and expect to find an environment where they can use their skills, satisfy their desires and achieve their goals. Adams Equity theory asserted that employees seek to maintain equity between the inputs that they bring to a job and the outcomes that they receive from it against the perceived inputs and outputs of others. Adams (1965) as cited by Ng'ethe *et al.* (2012) uses the equity theory to explain employee retention. The theory is founded on people's perception of fairness or equity which is usually subjective. The theory posits that employees seek to maintain equity between the input that they bring into the job such as education, time, commitment, and effort and the outcome they receive. For instance, an individual's motivation level is determined by how he/she perceives equity, fairness and justice practiced by management (Nzure, 2007). The implication is that the higher the degree of employees perceiving fairness, the more they are motivated to perform and also their levels of commitment increases hence they are likely remain there for long. The social cognitive career theory was conceptualized as a derivative of Bandura's general social cognitive theory in which the intersection of intrinsic and extrinsic factors influences psychosocial learning. This theory has been termed as the most promising career theory that may prove satisfactory in retention and career development. Lent and Brown (2006) expanded the scope of social cognitive career theory, offering a new and related social – cognitive model designed to explain the ways in which previously identified inputs such as self-efficacy and outcome

expectations, along with person and contextual variables are related to job satisfaction.

2.3. Conceptual Framework

In this study, the independent variables were; intrinsic rewards, extrinsic rewards and career development. Intrinsic rewards was measured using parameters of responsibility, achievements and recognition. Extrinsic rewards on the other

hand was measured using parameters of salary, bonus, and promotion. The study sought to understand how these independent variables determine the level of employee retention which was the dependent variable. Employee retention was measured using parameters of the length of time the employee had worked in the organization and their intention to quit the organization. See figure 2.1

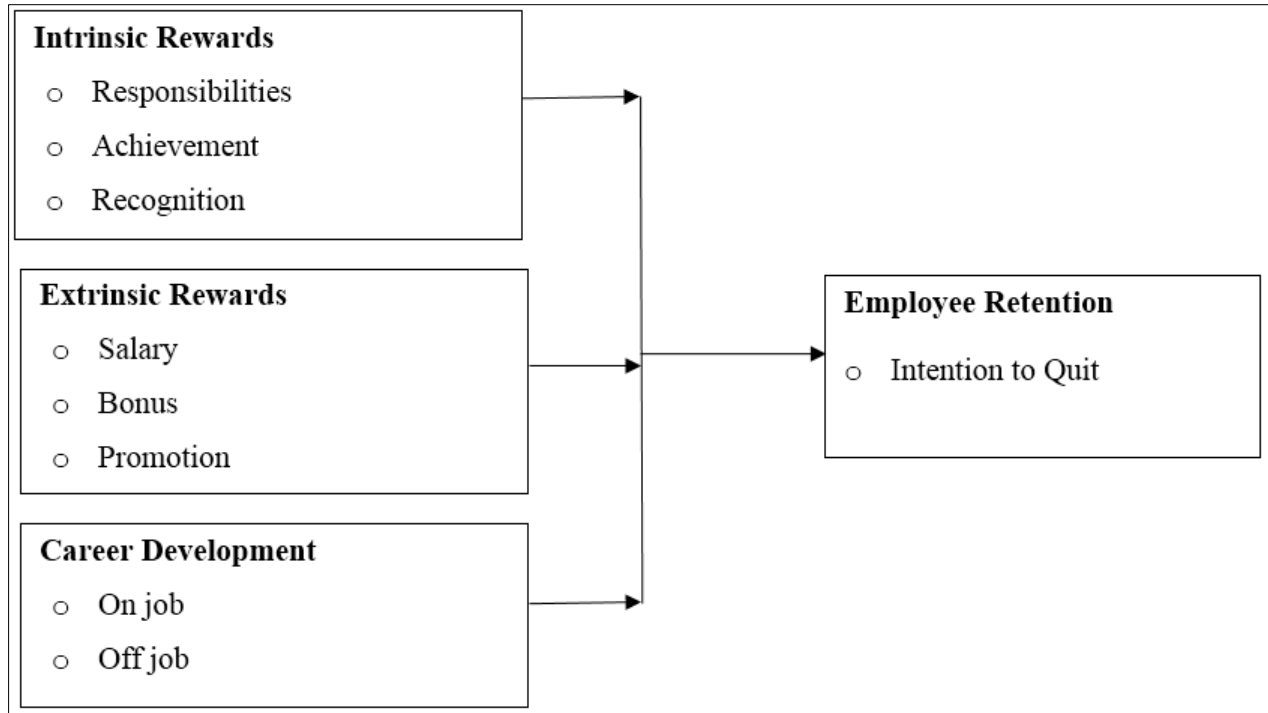


Fig 1: Conceptual Framework Independent Variable Dependent Variable

2.4. Reward Systems

Nelson and Peter (2005) stated “You get what you reward”. According to them, a reward system is the world’s greatest management principal. If the organization rewards a certain kind of employee behavior good or bad, that is what the company will get more of (Svensson, 2001). Every existing company has some form of reward system, whether it is outspoken or not, it exists (Jaghult, 2005). People correspond positively to praise, and praise in the right moment creates loyalty and affinity. There exists a variety of purposes of a reward system. One very common is to motivate employees to perform better, but also for keeping the employees. For a reward system to be ideally motivational, the reward should satisfy a number of criteria; have value, be large enough to have impact, be understandable, be timely, the effect should be durable and finally the rewards should be cost efficient (Merchant, 2007).

Sutherland (2004) demonstrates that reward is the basic element which indicates how much employees gain by dedicating their time and effort towards the achievements of company objectives; therefore employers have the responsibility to designing an attractive reward package to attract and retain valuable employees. Shoaib *et al.* (2009), also attest that it is important for employers to know the value employees place in their reward systems and to formulate strategies that address equitable and adequate reward for their employees. When appropriate reward strategies are understood

and embedded in the organization’s culture, productive employees remain (Shechtman, 2008).

A reward system puts together employees’ natural self-interests with the organization’s objectives and provides three types of management control benefits, informational, motivational and personnel related. Rewards should catch the employees’ attention and at the same time it works as a reminder for the person in charge of what results should be completed in different working areas. Organizations use reward systems to emphasize on which parameters their employees should exert the extra effort on by including them in their reward program (Svensson, 2001). Rewards are also used to motivate. People sometimes need an incentive to perform tasks well and work hard. Organizations also give rewards for many other different reasons e.g. to improve recruitment and retention by offering a compensation package that is competitive on the market (Merchant, 2007).

According to CIPD, (2002) ^[6], the value of rewards lies in acknowledging that pay is not set in isolation and reward systems work best when they fit closely in the overall context of work and other Human Resource Management practices. A well designed incentive program rewards measurable changes in behavior that contribute to clearly defined goals Wilson (2003). According to Schuster and Zingheim (1992) reward Systems are critical parts of any organization's design. How well they fit with the rest of the systems in an organization has

an important impact on how effective the organization is and on the quality of life that people experience in the organization.

2.4.1. Intrinsic Reward

Intrinsic rewards are those that exist in the job itself. Examples are achievement, variety, challenge, autonomy, and responsibility. They also include status, recognition, praise from superiors and co-workers, personal satisfaction, and feelings of self-esteem (Mahaney and Lederer 2006). Intrinsic rewards increase feelings of self-esteem and accomplishment and are derived from the content of the task itself and include such factors as interesting and challenging work, self-direction and responsibility, variety, creativity, opportunities to use one's skills and abilities, and sufficient feedback regarding the effectiveness of one's efforts (Mottaz 1985). Employees are thought to be motivated to work hard to produce quality results when they have pride in their work, they believe their efforts are important to the success of the team, and their jobs are fun, challenging, and rewarding (Mahaney and Lederer 2006). Most people have a need for high evaluation of themselves and feel that what they do should be recognized by others concerned (Prasad, 2001) ^[18]. Recognition means acknowledgment with a show of appreciation. When such appreciation is given to the work performed by employees, they feel motivated to perform work at a similar or higher level (Prasad, 2001) ^[18]. Cascio (1998) ^[5], indicate that rewarding a behavior with recognition immediately following that behavior is likely to encourage its repetition.

In a study in Pakistan, Khowaja (2005) found that most participants indicated that there was a lack of appreciation for good performance by managers. If managers were supportive, respect and recognize other health workers' achievements, this could boost their morale and lead to higher levels of job satisfaction and retention. Employees are happy if the organization shows interest in them and if their contributions are recognized. Praising individuals could be done in different ways like a note of praise to them, giving a bonus or having a formal recognition program like "employee of the month and customer care awards. Alexander (2003) found that the longer nurses worked on one particular unit, the greater the likelihood that they would be dissatisfied with their job and experience psychological distress.

2.4.2. Extrinsic Rewards

Extrinsic rewards, on the other hand, are external to the job itself. They comprise such elements as pay, fringe benefits, job security, promotions, private office space, and the social climate. Other examples include competitive salaries, pay raises, merit bonuses, and such indirect forms of payment as compensatory time off (Mottaz 1985, Mahaney and Lederer 2006). Firms are able to improve worker productivity by paying workers a wage premium a wage that is above the wage paid by other firms for comparable labor. A wage premium may enhance productivity by improving nutrition, boosting morale, encouraging greater commitment to firm goals, reducing quits and the disruption caused by turnover, attracting higher quality workers and inspiring workers to put forth greater effort (Goldsmith, Veum and Darity 2000). As a result, people are attracted to well-paying jobs, and as such extend extra effort to perform the activities that bring them more pay, and become agitated if their pay is threatened or decreased (Stajkovic and Luthans 2001).

Extrinsic rewards are used to show that the company is serious about valuing team contributions to quality. The monetary rewards consist of a cash bonus allocated to each team member. The team bonus would be given separately from the salary. On the other hand, team rewards must be used in ways that avoid destroying employees' intrinsic motivation to do their job. The need for continuous improvement requires employees to be innovators; devising novel solutions that improve a work process or that delight the customer. The use of extrinsic rewards that are tightly linked to team performance may teach team members to become money hungry and undermine their intrinsic interest in the work itself. A study in Australia by Cowin (2002) ^[7] indicated that nurses were dissatisfied with their payment as their additional nursing qualifications were not considered. Reportedly there was also no pay incentive for experience or for knowledge. Although some experienced nurses were happy about their salaries, improving nurses' salaries appeared to be a necessity to retain large numbers of nurses within the professionally active ranks in Australia.

2.4.3. Career Development

The emergence of new career has highlighted the need for employees to be concerned with career development and employability. In this knowledge economy, developing competencies forms an essential part of organizational competencies. One of the key factors of the retention of skilled employees is the provision of training and development opportunities (Chitalu, 2011). Most organizations may use career management programmes to assist their employees to properly plan their careers because it is believed that generally, employees react positively to career development and advancement opportunities (Khan, 2010). According to Lewa (2010), Kimani and Waithaka, (2014), talent management is important as emphasizes on growth from within and development as key elements of business strategy, maintaining career paths, coaching, clear competencies, mentoring and demanding quantifiable results. Today's employees are more career conscious than ever. They are demanding more in terms of personal growth and development. Developing high potential individuals presents one of the means by which organizations can face its competitive pressures. The fact that high-potential employees are career-minded is important for organizations to create an employee value proposition that supports career development. According to many career authors, organizational career management supports the development of employee commitment (Sturges *et al.*, 2002). When organizational career management practices meet employees pre-joining expectations, retention, commitment, satisfaction and other positive outcomes are enhanced (Sturges *et al.*, 2000). According to (Lubitsch & Smith, 2007) ^[14], the shift away from a psychological contract that provided job security and a mutual employment relationship, towards one where individuals have to maintain their 'employability' through managing their own development and career progression has undoubtedly shifted the balance of power towards talented professionals. Organizations that fail to allow employees to meet their individual needs will be losing valued employees. Career development is an approach of an organization ensuring that people with the qualifications and experience are available when needed (Kleiner, 2001). Using career development approach employers can coach the employee in his individual career planning, and by realizing

the plans of employees can plan the allocation of human resources. Thus, the career development is perceived like joint effort between the individual employee and the organization. Vos and Megarck (2009), indicated that career development plan for employees play a vital role in the retention of employees. Providing career development opportunities restrict employees from leaving the organization and increases loyalty.

The world of work has also undergone changes in both the nature of work and the emergence of new forms of work, which result from innovation, the development of new knowledge, increased competition and other factors (Brown, *et al.* 2003; Sennett, 2006). Social developments such as continuing globalization, technological innovation and growing global competition place pressure on organizations to emphasize their need to maintain their competitive edge at least in part through maintaining their skills. This need makes it important for an organization to evolve through a continuous learning and development. There is also a shift from commodity based economy to knowledge –based economy in which an increased proportion of organizational assets are intangible. Although salary and benefits play a role in recruiting and retaining employees, people are also looking for opportunities to learn, the challenge of new responsibilities and the prospect of personal and professional growth (Wagner, 2000). Satisfying these intrinsic needs helps build trust, morale, loyalty and overall satisfaction in employees, (Nunn, 2000).

There has been a shift from job security and lifelong employability to lifelong learning and talent management (Brown *et al.*, 2003; Sennet, 2006). It is therefore important to give employees opportunities to develop and learn (Arnold 2005; Bernsen *et al.*, 2009; Herman, 2005) such that employees maintain their capabilities as effective employees, resist redundancy are retained by their organization.

2.5. Employee Retention

Long-term health and success of any organization depends upon the retention of key employees. To a great extent customer satisfaction, organizational performance in terms of increased sales, satisfied colleagues and reporting staff, effective succession planning etc., is dependent upon the ability to retain the best employees in any organization. According to Denton (2000) ^[8], employees who are happy and satisfied with their jobs are more dedicated towards their work and always put their effort to improve their organizational customer's satisfaction. Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Zineldin, (2000) has viewed retention as an obligation to continue to do business or exchange with a particular company on an ongoing basis. According to Stauss *et al.*, (2001) ^[21] employee retention refers to customer liking, identification, commitment, trust, readiness to recommend, and repurchase intentions, with the first four being emotional-cognitive retention constructs, and the last two being behavioral intentions. Managing and retaining promising employees is an important fundamental mean of achieving competitive advantage among organizations (Walker 2001) ^[22].

Parkinson (1990) defines employee retention as the efforts by which employers attempt to retain employees in their workforce. In this sense employee retention becomes a strategy

rather than an outcome. Organizations strategists develop employee retention as a strategy with focus of gaining competitive advantage that is aligned to the overall organizations strategy. There are various high performance environments that share a serious devotion to results after employees are retained. This calls for examining approaches that can be used to retain critical employees. Nurturing from entry level, a new hire and then to high performing and committed employees requires organization to understand requirements of positive work environment.

According to Holland *et al.* (2007) ^[10], Human Capital, gives competitive edge due to its uniqueness. As such, it is one of the resources that work as a pillar for an organization. Focus has therefore shifted to the employees of the organizations. Employees play an important role in organizations, they are the greatest resource an organization can have and it is through their involvement that the organization can become competitive. (Sempane, Rieger & Roodt, 2002) ^[20]. In today's business environment, employees tend to be less committed to their organizations. An employer cannot guarantee the stability and longevity of career paths or the security of employees' jobs. The old contract of employee loyalty in exchange of job security and fair work has broken down (Overman, 1998). The trend these days seems to be geared towards having a "career portfolio" (Handy, 1995). It is important to note that employees today, realize that they have to take the initiative in job resiliency, developing skills and flexibility needed to respond to shifting employer requirements (Beck, 2001) ^[2]. Loyalty to one's professional growth has replaced organizational loyalty (Levin, 1995) ^[13]. According to Hays and Kearney (2001) ^[9], employees recognize that the traditional psychological contract that existed between employer and employee is now dissolved.

3. Research methodology

3.1. Introduction

This chapter discusses the methodological approach for the study and it comprises the research design, population sampling, data collection, data analysis and presentation.

3.2. Research Design

The study was designed as a descriptive case study. The researcher preferred the method because of its ability to describe a situation and its minimum bias in the collection of data. Wanjau and Wanarigi, (2012) ^[23] holds that descriptive design involves large numbers of persons, and describes population characteristics by the selection of unbiased sample. It involves using questionnaires and sometimes interview tests, and generalizing the results of the sample to the population from which it is drawn. Descriptive design is the most frequently used method of collecting information about peoples' attitudes, opinions, and habits on social issues and such studies usually do not involve hypothesis testing.

3.3. Population

The study population included all permanent health professional staff working in faith based health organizations in Kenya. The target population was 160 workers at Mukumu Hospital.

3.4. Sampling Frame

The sampling frame for the study was the list of permanent health professional employees obtained from the hospital

Administrator's and human resource office at Mukumu Hospital.

3.5. Sampling Technique

The respondents were selected using simple random sampling techniques. The area of study, Mukumu Hospital was purposively selected. The target population composed of doctors, nurses, clinical officers, laboratory technicians and pharmacists who were selected using stratified random sampling technique for categorization.

3.6. Sample Size

Sample size is a vital feature of any empirical study in which the goal is to make inferences about a population. To obtain the sample size the following formula was used.

$$S = X^2NP (1 - P) \div d^2 (N - 1) + X^2P (1 - P). \text{ (Krejcie and Morgan, 2012)}$$

Where:

S = required sample size.

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level ($1.96 \times 1.96 = 3.841$).

N = the population size.

P = the population proportion (assumed to be .50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (.05).

This gave a sample size of 113 respondents. This have sufficiently surpassed the minimum threshold sample size recommended by Gay (2005) that a sample size of the target population is regarded as adequate for small population ($N \leq 1000$).

3.7. Data Collection Procedure

The source of data was primary as this study was an original study. As indicated earlier a close-ended questionnaire for staff was used as the main instrument to collect data. Personal interviews were conducted with hospital administrator. Before administering the instruments the researcher was given permission from the Director, JKUAT, Kakamega CBD. He sought permission from the hospital administrator. The administrator introduced him to departmental heads who then introduced him to respondents that participated in the study. The researcher established a working relationship with the respondents who accepted to participate in the study. The appropriate time for administration was negotiated between the researcher and the respondents. The questionnaire distribution was facilitated by the assistance a head of department who also assisted in the collection process. The whole of this exercise was done for a period of two months as some of the respondents were too busy due to workload constraints.

3.8. Research Instruments

The main research instrument for the study was a questionnaire for hospital staff. The questionnaire was close-ended to ease analyze of data (Petrick, 2009). It consisted of ten statements for each of the four variables of totaling to thirty fourty (40) statements. The statements were rated using a five point Likert scale with each aspect rated from 1 (strongly disagree) to 5 (strongly agree) that is (1- Strongly Disagree; 2- Disagree; 3- neutral/undecided; 4- Agree; 5- Strongly Agree). In this study emphasis was given to primary data.

3.9. Data Processing and Analysis

Data collected was analyzed qualitatively and quantitatively using the statistical product for scientific studies (SPSS). Before starting the analysis process, the researcher processed the data by editing, categorizing and coding it appropriately. After processing the researcher then fed the data into the computer via the SPSS programme. As a data analysis tool the SPSS offers extensive data handling capabilities and numerous statistical analysis routines that can analyze small to very large data statistics (Araoye, 2004). The SPSS programme helped in generation of frequency tables which provided frequencies and percentages used in qualitative analysis. The SPSS also helped in quantitative analysis that gave the Pearson correlation coefficient which aided in the identification of the level of significance in the relationship between the variables under study. This statistics were important in interpretation, discussions, conclusions and recommendations made

4. Research findings and discussions

4.1. Introduction

This chapter describes the methods applied in order to achieve the study objectives. The data analysis was carried in line with the study objectives from which the patterns were investigated, interpretations done and conclusions drawn. The main objective of the study was to establish the influence of reward systems on employee retention in faith based health organizations in Kenya. Specifically the study sought to examine the effect of intrinsic rewards on retention of employees in faith based health organizations in Kenya, to determine the influence of extrinsic rewards on retention of employees in faith based health organizations in Kenya and to determine the effect of career development on retention of employees of faith based health organizations in Kenya.

4.2. Demographic Characteristics

Out of the 105 respondents that formed the study sample had different demographic representations. Fourty (38.1%) were male while 65(69.1%) were female. In terms of education, 17(16.1%) of the respondents had certificate qualification, 53 (50.5%) had Diplomas, 34(32.4%) had bachelor's degrees, 1(1%) masters. The pictorial presentation depicted that majority 50.5% of the respondents had attained bachelors level of education, followed by those who had bachelors, certificates and masters respectively. This implies that the organization had a homogenous pool of staff though skewed towards diploma holders. Twenty five (23.8%) were aged 20-25 years, 42(40%) were aged 26-30 years, 18(17.2%) aged 31-35 years, 12(11.4%) were aged between 36-40 years while 8 (7.6%) were aged between 41-45 years.

4.2.1. Intrinsic Rewards

Respondents were asked to indicate the extent to which they agreed with statements in relation to intrinsic rewards in the organization. The mean and standard deviation were used to summarise the study findings in table 4.1. Most employees were not satisfied with the intrinsic rewards of their organizations. Most items had low rating, which include, the organization's intrinsic rewards promote commitment (Mean=2.39, SD= 1.00), my achievements give me the zeal to stay in this organization (Mean=2.43, SD= 0.95), the responsibilities I am given are fitting my qualifications (Mean=2.46, SD= 1.07) and my efforts are acknowledged in

this organization (Mean=2.34, SD= 1.05), I am proud of my work in this organization (Mean=2.40, SD= 1.11), I am

satisfied with the organization’s reward policy (Mean=2.33, SD= 0.95).

Table 2: Means and Standard Deviations for the Indicators of Intrinsic Rewards

Item	N	Mean	SD
Intrinsic Reward			
I understand the intrinsic rewards the organization offers	105	3.17	1.08
The organization’s intrinsic rewards promotes commitment	105	2.39	1.00
The organization’s reward system recognizes superior performance	105	3.22	1.01
My achievements give me the zeal to stay in this organization	105	2.43	0.95
My achievements are recognized acknowledged	105	3.17	1.08
The responsibilities I have motivate me to remain in this organization	105	3.22	1.01
The responsibilities I am given are fitting my qualifications	105	2.46	1.06
My efforts are acknowledged in this organization	105	2.34	1.05
I am proud of my work in this organization	105	2.40	1.11
I am satisfied with the organization reward policy.	105	2.93	0.95

The rest of the respondents were neutral on the intrinsic rewards of the organization which include, I understand the intrinsic rewards the organization offers (Mean=3.17, SD= 1.08), my achievements are recognized and acknowledged (Mean=3.17, SD= 1.08), the organization’s reward system recognizes superior performance (Mean=3.17, SD= 1.08), the responsibilities I have motivate me to remain in this organization (Mean=3.22, SD= 1.08). From the analysis therefore it can be concluded that employees at the faith based health organizations in Kenya are not satisfied with intrinsic rewards offered in the organization.

The findings of this study are in line with the findings of other scholars. According to Honig Haftel and Martin (1993), intrinsic rewards increase feelings of self-esteem and accomplishment which makes employees remain in an organization. They are derived from the content of the task itself and include such factors as interesting and challenging work, self-direction and responsibility, variety, creativity, opportunities to use one’s skills and abilities, and sufficient feedback regarding the effectiveness of one’s efforts (Mottaz 1985). Employees are thought to be motivated to work hard to produce quality results when they have pride in their work, they believe their efforts are important to the success of the team, and their jobs are fun, challenging, and rewarding (Mahaney and Lederer 2006). According to the exchange theory perspective, employees exchange their identification, loyalty and attachment to the organization, in return for incentives from the organization. This implies that an individual’s decision to become and remain a member of an organization, is determined by their perception of the fairness of the balance of organizational inducements and the employee contribution

4.2.2. Extrinsic Rewards

Ten (10) items were used to measure extrinsic rewards among the respondents. Respondents were requested to rate the items on a five point likert-type scale ranging from 1 “strongly disagree” to 5 “strongly agree”.

The table 4.2 shows how respondents rated various items of intrinsic rewards. The respondents disagreed with all the items on this scale which included, I am satisfied with my pay (Mean=2.41, SD=1.15), I am satisfied with the working condition (Mean=2.33, SD=1.19), Benefits provided by the organization are satisfying (Mean=2.42, SD=1.11), I am satisfied with the bonuses I get in my job (Mean=2.20, SD=1.22), My organization’s pay is benchmarked to the market (Mean=2.36, SD=1.10), My organization’s pay is competitive (Mean=2.7., SD=1.11), The promotion systems of the organization are fair (Mean=2.24, SD=1.05), I am satisfied with the allowance I get at organization’s based on my grade (Mean=2.20, SD=1.11), My pay and grade is commensurate with the my colleagues in the same job get (Mean=2.39, SD=1.05), I am paid for any overtime I work (Mean=2.46, SD=1.07). On the basis of this study results, most respondents do not enjoy the extrinsic rewards offered by the organization. Extrinsic rewards are used to show that the company is serious about valuing team contributions to quality.

These results are in tandem with a study in Australia by Cowin (2002) [7] which indicated that nurses were dissatisfied with their payment as their additional nursing qualifications were not considered. Reportedly there was also no pay incentive for experience or for knowledge. Although some experienced nurses were happy about their salaries, improving nurses’ salaries appeared to be a necessity to retain large numbers of nurses within the professionally active ranks in Australia.

Table 2: Means and Standard Deviations for the Indicators of Extrinsic Rewards

Item	N	Mean	SD
I am satisfied with my pay	105	2.41	1.15
I am satisfied with the working condition	105	2.33	1.19
Benefits provided by the organization are satisfying	105	2.42	1.11
I am satisfied with the bonuses I get in my job	105	2.02	1.22
My organization’s pay is benchmarked to the market	105	2.36	1.10
My organization’s pay is competitive	105	2.20	1.11
The promotion systems of the organization are fair	105	2.24	1.05
I am satisfied with the allowance I get at organization’s based on my grade	105	2.20	1.11
My pay and grade is commensurate with the my colleagues in the same job get	105	2.39	1.05
I am paid for any overtime I work	105	2.46	1.07

4.2.3. Career Development

Most respondents disagreed with the statements. As illustrated in table 4.3 they responded as; I am offered opportunities to grow and develop (Mean=2.02, SD=1.05), I get leadership training on my job (Mean=2.31, SD=1.10), there is a mentorship program for juniours (Mean=2.23, SD=1.11), I get secondments to attend outside trainings (Mean=2.03, SD=1.22), I am given other assignments outside the organization

(Mean=2.16, SD=1.10), there is job rotation in the organization (Mean=2.41, SD=1.05), the organization has a well-defined succession plan (Mean=2.34, SD=1.05), I am encouraged to upgrade my skills (Mean=2.44, SD=1.02), I am given leaves when I request to go for studies (Mean=2.49, SD=1.05), the organization recognizes and awards skill upgrades (Mean=2.46, SD=1.07).

Table 3: Means and Standard Deviations for the Indicators of Career Development

Item	N	Mean	SD
I am offered opportunities to grow and develop	105	2.01	1.05
I get leadership training on my job	105	2.31	1.10
There is a mentorship program for juniours	105	2.23	1.11
I get secondments to attend outside trainings	105	2.03	1.22
I am given other assignments outside the organization	105	2.16	1.10
There is job rotation in the organization	105	2.41	1.11
The organization has a well-defined succession plan	105	2.34	1.05
I am encouraged to upgrade my skills	105	2.44	1.02
I am given leaves when I request to go for studies	105	2.49	1.05
The organization recognizes and awards skill upgrades	105	2.46	1.07

The analysis above indicates that employees agreed that they are not offered opportunities to grow and develop, they don't get leadership training on my job there is no mentorship program for juniours, they don't get secondments to attend outside trainings, they are not given other assignments outside the organization there is no job rotation in the organization, the organization doesn't have a well-defined succession plan, the employees are not encouraged to upgrade their skills, they are not given leaves when they request to go for studies and that the organization does not recognize and award skill upgrades. One of the key factors of the retention of skilled employees is the provision of training and development opportunities (Chitalu, 2011). As such most organizations use career management programmes to assist their employees to properly plan their careers because it is believed that generally, employees react positively to career development and advancement opportunities (Khan, 2010). According to Lewa (2010), Kimani and Waithaka, (2014), talent management is important as it emphasizes on growth and development from within as key elements of business strategy, maintaining career paths, coaching, clear competencies, mentoring and demanding quantifiable results which in turn results into employee motivation and retention.

4.3. Employee Retention

In order to establish the perceived influence of reward system on employee retention, it is important to find out the employees' intention to quit. This section analyses the

respondents' intentions to quit based on factors that may prompt their quitting. Respondents were asked to indicate their levels of agreement with pertinent questions posed to establish their intention to quit, which has a significant impact on whether employees will stay or leave. They were requested to rate items on a five point likert scale ranging from 1 "strongly disagree" to 5 "strongly agree". The table 4.4 shows how respondents rated various items. When respondents were asked whether their unwillingness to put in a great deal of effort beyond what is normally expected would prompt them to quit, most respondents agreed (Mean=4.43, SD=0.89). Similarly, when respondents were asked if their lack of pride in the organization would make them quit, the mean score was high (Mean=4.22, SD=1.01). Other items were rated as follows; I have many options and I am considering leaving this organization (Mean=4.10, SD=1.10), I don't feel very happy to spend the rest of my career with this organization It would be very hard for me to leave my organization right now (Mean=4.02, SD=1.11),

The organization does not value my contribution (Mean=4.50, SD=0.72), the salary is not directly proportional to the hard work I put (Mean=4.10, SD=0.99), rewards are not applied to the organizational strategic goals and objectives (Mean=4.4, SD=1.21), reward systems are not participative and transparent (Mean=4.4, SD=0.79), proper supervision is not maintained by the line managers to ascertain my inputs (Mean=4.6, SD=1.03), it is not difficult for me to leave the organization right now (Mean=4.15, SD=1.07).

Table 4: Means and Standard Deviations for the Indicators of Intention to Quit

The reason why I intend to leave this organization is because;	N	Mean	SD
I am not willing to put in a great deal of effort	105	4.43	0.89
I am not proud of this organization	105	4.22	1.01
I have many options and I am considering leaving this organization.	105	4.10	1.10
I don't feel very happy to spend the rest of my career with this organization.	105	4.02	1.11
The organization does not value my contribution	105	4.50	0.72
The salary is not directly proportional to the hard work I put	105	4.10	0.99
Rewards are not applied to the organizational strategic goals and objectives	105	4.40	1.21
Reward systems are not participative and transparent	105	4.40	0.79

Proper supervision is not maintained by the line managers to ascertain my inputs	105	4.60	1.03
It is not hard for me to leave the organization right now	105	4.15	1.07

The analysis above indicates that employees agreed that they are not likely to stay in the organization. According to Denton (2000) [8], employees who are happy and satisfied with their jobs are more dedicated towards their work and always put their effort to improve their organizational customer’s satisfaction. Managing and retaining promising employees is an important fundamental mean of achieving competitive advantage among organizations (Walker 2001) [22].

It is important to note that employees today, realize that they have to take the initiative in job resiliency, developing skills and flexibility needed to respond to shifting employer requirements (Beck, 2001) [2].

4.4. Correlation Analysis

The study sought to establish whether there were significant associations between reward systems and employee retention. In this study, Pearson correlation was used to explore relationships between the variables, specifically to assess both the direction (positive or negative) and strength of the relationship between the variables. The results of the correlation are shown in table 4.5

Table 5: Pearson Product-Moment Correlation between Employee Retention (dependent variable) and Reward Systems

Scale		1	2	3	4
1.	Employee Retention	1	.689**	.684**	.444**
2.	Intrinsic rewards		1	.689**	.574**
3.	Extrinsic rewards			1	.675**
4.	Career development				1

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

Results of correlation analysis between employees retention in faith based health organizations and Reward Systems (intrinsic rewards, extrinsic rewards, and career development) are shown in table 4.10 above. There was a strong and positive correlation between employee retention (dependent variable) and intrinsic rewards, which was statistically significant ($r = .689$, $p\text{-value} < 0.01$) as shown above. This is an indication that better intrinsic rewards, influence the retention of these employees. Similarly, there was a strong and positive correlation between the Employees’ retention (dependent variable) and extrinsic rewards which was statistically significant, ($r = .684$, $p\text{-value} < 0.01$), an indication that extrinsic rewards has positive influence on employee retention. The relationship between the Employees’ retention (dependent variable) and career development was also positive, moderate and statistically significant ($r = .444$, $p\text{-value} < 0.01$). This indicates that career development positively influence the retention of faith based health organization employees in Kenya.

5. Summary, conclusions and recommendations

5.1. Introduction

This chapter provides a summary of the study, conclusions and recommendations drawn from the study. It concludes with the areas recommended for further studies.

5.2. Summary of Findings

The results revealed that intrinsic rewards increased the chances of employee retention and indicated that the organization’s intrinsic rewards are not encouraging. This is

from their ratings on of intrinsic reward items. There was also a strong and positive correlation between employee retention and intrinsic rewards, which was statistically significant ($r = .689$, $p\text{-value} < 0.01$)

On the extrinsic rewards the results indicated that most respondents do not enjoy the extrinsic rewards offered by the organization through the ratings with the highest mean being 2.70. The correlation results indicated that there was a strong and positive correlation between the Employees’ retention and extrinsic rewards which was statistically significant, ($r = .684$, $p\text{-value} < 0.01$), an indication that extrinsic rewards has positive influence on employee retention. These results concur with findings of a study in Australia by Cowin (2002) [7] which indicated that nurses were dissatisfied with their payment as their additional nursing qualifications were not considered.

All responses to the items of career development were rated low with the highest mean scored being 2.49. This is an indication that the organization under study never considered career development as strategy to retain workers. The relationship between the Employees’ retention and career development was also positive, moderate and statistically significant ($r = .444$, $p\text{-value} < 0.01$). This indicates that career development positively influences the retention of faith based health organization employees in Kenya.

5.3. Conclusion

Based on the findings, the factors identified as, intrinsic rewards, extrinsic rewards and career development influence employee retention in faith based health organizations. It is important for management to develop a reward system that addresses employee job satisfaction and retention factors. This means that management should be able to create a total reward structure that includes more than just compensation. The study concluded that majority of the respondents indicated that both intrinsic, extrinsic as well as career development are important components of employee retention. It is also important to monitor the reward systems in place and improving the organizational culture in order to retain high potential employees.

5.4. Recommendations

From the findings the study recommends that the reward system exercised in the faith based health organizations in Kenya should be easily understood by the workers so that they can easily calculate personal cost benefits for various levels of effort put by them. The human resource department should consider developing clear policies and rules concerning how employees will be paid and the rules for attaining the standards and rewards should be clear to both employees. Reward packages must be valuable to the employees and should be based on realistic and reliable standards.

Future research may emphasize on other alternative measures to increase employee retention such as open-ended interviews with employees who have resigned from the organization. This sactual factors that cause turnover in their organizations. Thus, they can formulate effective retention strategies based on the actual factors of employee turnover in the organization.

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