

**INFLUENCE OF PERFORMANCE APPRAISAL ON EMPLOYEE RETENTION IN
MOBILE TELECOMMUNICATION COMPANIES IN NAIROBI COUNTY, KENYA**

¹Jerusha Absalom, ²Dr. Kyule Alexander (PhD)

¹Master Student (Human Resource Management) Jomo Kenyatta University of Agriculture
and Technology (JKUAT), Kenya

² Lecturer, Jomo Kenyatta University Of Agriculture And Technology (JKUAT), Kenya

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ABSTRACT

This study sought to assess the influence of performance appraisals and employee retention in mobile telecommunication industry in Nairobi County. The study was guided by the following specific objectives: to determine the influence of goal setting on employee retention in mobile telecommunication industry in Nairobi County; to establish the influence of feedback on employee retention in mobile telecommunication industry in Nairobi. This study was guided by Goal-setting theory. This study adopted a descriptive research design. This study focused on four major telecommunication firms operating in Kenya which are; Safaricom Limited, Airtel Limited, Telkom Kenya and Equitel Limited. Yamane formula for calculating sample size was used to determine the study sample size. The sample size of the study was 123 respondents. Stratified random sampling technique is used when population of interest. The study collected primary data using questionnaires. The pilot test was carried out among 12 respondents who were excluded in the final study. Since the study used both qualitative and quantitative data collection methods, both qualitative and quantitative data analysis techniques were used. Quantitative data was analysed using quantitative techniques. SPSS (version 25) was applied in analysing quantitative data where descriptive statistics was computed and presentations done in percentages, means, SD and frequencies. Displaying of the information was done in table and figures. To facilitate this, responses were tallied, percentages of variations computed and data described and interpreted in line with study's objectives and assumptions. Qualitative data was analysed using content analysis and the findings presented in prose form. Correlation analysis was done to quantify the strength and direction of the relationship between the variables. Regression analysis was used to assess the influence of performance appraisals and employee retention in mobile telecommunication industry in Kenya. The study concludes that goal setting has a positive and significant effect on employee retention in mobile telecommunication industry in Kenya. In addition, the study concludes that feedback has a positive and significant effect on employee retention in mobile telecommunication industry in Kenya. From the results, the study recommends goal alignment, employee involvement and attainability of goals to telecommunication companies. In addition, the study recommends implementation of proper review techniques, performance standards and review intervals to telecommunication companies.

Key words: *Performance Appraisals, Goal Setting, Feedback, Employee Retention*

Background of the Study

The 21st century has witnessed dramatic advances in every aspect of society and economics, including management. Within these movements, the focus of strategic management has also shifted from concentration on critical resources such as capital, technology, and know-how to human resources. Especially in the international market with the high pressure of intensive competition, the issues of managing and keeping talent have become essential and complicated (Rosalie, 2016). More and more, the Human Resources (HR) Department is playing a fundamental role in companies' operations (García-Lapresta, & González-Pachón, 2020). Besides recruiting, training and development, moderating the conflicts between employees' relationships, the performance appraisal system is one of the activities of Human Resources Department in an organization. With the objectives of enhancing the performance of the company and the individuals as well, the performance appraisal is one of the HR practices that has been introduced and become one of the sustainable competitive advantages of many multinational firms (Gruman & Saks, 2017).

Although many organizations view performance management as their competitive competence and most of companies worldwide implement the performance appraisal system, the truth is that less than a third of employees believe that their companies' appraisal process could help to improve their performance or their working efficiency (Gruman & Saks, 2017). With the same opinion, Latham, Almost, Mann, and Moore (2018) stress that the outcome of many performance appraisals is frequently a decrease rather than an increase in performance. Hui and Qin-xuan (2019) also indicate that regardless of the significance of performance appraisals in organizational management, this process is still not welcomed by the employees. There are many explanations for this phenomenon: for example, differences in culture in which the ways of conducting the appraisal might be not familiar with some local units (Evans *et al.*, 2017). Another problem may be the stress, conflict and organizational political behavior derived from the managers/appraisers who are subjective in evaluating their employees (Hui & Qinxuan, 2019). Furthermore, the appraisal designs may not be clear and the feedback might be much more destructive than constructive (Latham *et al.*, 2017).

Performance appraisal is influenced by various intervening factors for it to be effective. They are viewed as change and substitute factors which can also be seen as go-between variables. These factors influence employee's ability to increase skill, stimulate to increase or both. The process starts by employee's acceptance of the feedback and the outcome of the alteration performance level. Whether the employee is meeting the goals assigned but there could be an indication of improvement. Those goals should however reflect largely corporate goals or highest level of the organisation. When this is done repeatedly it reduces inconsistency between the anticipated and perceived performance (Mooney, 2020).

Globally for instance in the UK, the proportion of organizations linking pay to appraisal outcomes in this way rose from 15% in 2004 to 24% in 2011 (Van Wanrooy *et al.*, 2017). The practice has also become more prevalent in the public sector (Ballantine *et al.*, 2018). However, appraisals are simultaneously expected to address developmental goals associated with helping employees to improve their individual and collective job performance.

A study in Central Florida confirmed that hourly employees' retention was predicted by self-fulfillment and working conditions, even over monetary rewards (Milman, 2017; Milman & Ricci, 2018). The study further indicated that employees who had a positive experience with regards to working hours, a sense of fulfillment with their jobs and a higher level of job satisfaction are more likely to stay with their current employer. In a study of restaurant food

servers, Wildes (2018) noted that although monetary rewards can be a top motivator for employee retention, having a fun working environment and flexible hours were also important motivators.

Introduction of performance appraisal in Africa was influenced by challenges emanating by African countries trying to regulate the productivity of government departments. The 1980s saw African countries strained after emerging from the aftershock of Structural Adjustment Programmes (SAPs) era, due to economic challenges that came with globalization. In search of improved quality and productivity of government employees, the South African government introduced several initiatives such as the Public Service Regulations, 2001, the White Paper on Human Resource Management, 1997 and the White Paper on Transforming Public Service Delivery, 1997.

Although performance appraisal is relatively unknown in many African countries, the interest in such an improvement tool is growing among African organisations and in specific African countries. For instance, there seems to be a real need for the balanced scorecard (BSC) in Burkina Faso's state-owned companies. As it will help these companies to improve their performance and then contribute to the country's growth, both management and government want to work diligently on a successful implementation of performance management (Waal & Augustin, 2015). In Egypt, there is a trend in many manufacturing organisations to combine financial and nonfinancial measures because there is growing awareness that sole reliance on financial data is no longer effective for an organisation. Despite this growing awareness, performance appraisal systems are not widespread yet in Egypt, and many Egyptian organisations are still using traditional financial measures like return on investment and return on assets (Abdel Aziz et al., 2015).

In Kenya, the appraisal system is used in the civil service and was introduced in 2006 due to Ministerial rationalization. The process was a government initiative with the aim to enhance efficiency and effectiveness in public service delivery through review of systems, processes and structures in the ministries and departments (Guidelines on deepening rationalization, 2002). One of the guidelines of rationalization was the inception of performance appraisal system which would involve participation, work planning, performance discussions and performance evaluation. In addition, the vision 2030 goals include improved performance, quality service delivery and promotion of transformative leadership in the government of Kenya (GOK) to meet the expectations of the citizens among other clients (Kenya Vision 2030, 2008).

Gichuhi, Abaja, and Ochieng (2016) discovered that employees in Kenya realize little benefit after a performance appraisal. It claimed that there was little reward as far as performance appraisal is concerned. They further asserted that there is no significant difference in rewards to employees on the basis of their performance. The study questioned why employees get no tangible benefits from appraisals and suggests that the purpose of appraisals be relooked at. This practice has the potential of reducing employees' job satisfaction and commitment levels since rewards are one of the factors that influence employees, job-related attitudes (Moorhead & Griffin, 2012).

In another study in Kenya which was to investigate the effectiveness of performance appraisal systems on employees, Messah, and Kamencu (2017) proved that performance appraisal systems have positive impacts on the performance of employees. They identified employee training, management by objectives and performance based pay as the main factors that have an influence on the performance of employees as they were given high ratings by

respondents. The study also suggested that competence, assessment and development also influence employees performance but to a relatively moderate extent.

Daoanis (2019) reveals that performance appraisal system strongly affects the commitment of employees in both positive and negative ways. She discovered that employees' loyalty are strongly affected, hence their initiative in doing their work. It follows that efficiency and effectiveness of the employees are strongly affected as they claimed that their motivation in doing their work are affected. On the positive side, employees would not mind working extra hours, on the negative side; however, employees were unwilling to work for extra hours or beyond the hours for which they are paid because they feel they are not rewarded sufficiently. According to Lee and Bruvold (2016) employees are willing and feel obliged to repay the organization through high performance levels if the organization shows a commitment in terms of rewards and the development of employees. Employees will thus feel motivated to work towards achieving organizational goals, even those which may be super ordinate, and will also cause an increase in their affective commitment (Latham, 2016).

Statement of the Problem

Currently, organizations are facing the challenge of retaining their skilled talent (Schuler, 2017; Scullion, 2019; Tarique & Schuler, 2020). According to the Kenya National Bureau of Statistics (2016), at least 20 per cent of employees leave their organisation, this severe drain of talents from organizations has not spared mobile telecommunication sector. The high rate of employee turnover in these organizations can be attributed to the fact that many managers have dismissed talent management as a non-issue and have not put in place strategies to retain talent in their organization (Rono & Kiptum, 2017). Usually, the lack of staff retention in these organizations has had adverse effects on service delivery (Ng'ethe, Iravo & Namusonge, 2018).

According to the Annual Report, Safaricom has experienced a staff turnover of approximately 6.0 per cent (Safaricom Annual Report, 2016), 20 percent Airtel (Nding'ori, 2015; Odembo, 2017) and 35 percent in Telkom Kenya (Muteti, 2017). The rapid growth of Kenya's mobile telecommunication industry changed from few operators like Safaricom to many players joining the market like Airtel and Telkom. The result has been stiff competition in the industry. Therefore, employee retention and talent management practices are fundamental element to maintain leadership and development in the marketplace (Kurbetta & Mehta, 2018).

A number of studies have been carried investigating the influence of performance appraisal on employee retention. However, a few studies have focused on telecommunications industry, specifically in developing counties. In a study done by (Gachunga, 2019) undertook a research on influence of human resources management practices on retention of core employees in the media sector in Kenya, a case of Standard Group Ltd. Wangui (2019) looked at employee retention in local Kenyan banks with a focus on Equity bank. Romano et al., (2018) undertook a study on Effects of Employee Engagement on Employee Retention in Micro-Finance Institutions. Most studies were carried out in other sectors such as banks (Karuri, 2015; Ndung'u & Omondi, 2015; Ng'ethe, Iravo & Namusonge, 2018; Silvia, 2016), training institutions (Katitia, 2018), in supply chain (Ochieng, 2016) and healthcare industry (Mukweyi, 2016; Karemu, Kachori, Josee & Okibo, 2018). Therefore, there are significant gaps between performance appraisals and employee retention in mobile telecommunication industry in Kenya, which the current study seeks to address.

Objectives of the Study

- i. To determine the influence of performance goal setting on employee retention in mobile telecommunication industry in Nairobi
- ii. To establish the influence of performance feedback on employee retention in mobile telecommunication industry in Nairobi

LITERATURE REVIEW

Theoretical Review

Goal Setting Theory

Goal-setting theory had been proposed by Edwin Locke in the year 1968. This theory suggests that the individual goals established by an employee play an important role in motivating him for superior performance. This is because the employees keep following their goals. If these goals are not achieved, they either improve their performance or modify the goals and make them more realistic. In case the performance improves it will result in achievement of the performance management system aims (Salaman, 2009).

The theory further highlights methods that join goals to performance results, direct thought to priorities, arouse effort; methods challenge individuals to get knowledge and skills to increase their output of achievements, difficult objectives. The theory stress support in PM on setting and accepting objectives aligned with performance that can be calculated and managed. Goal setting has be recognized way of tracking of achievement performance in different situations and principles. Managers are required to set clear targets, challenging objectives and explain what is expected that leads to high level of performance. Managers should be in agreement with the junior in line with the required qualifications (Cascio, 2013).

Locke and Latham provide a well-developed goal setting theory of motivation. The theory emphasizes the important relationship between goals and performance. Research supports predictions that the most effective performance seems to result when goals are specific and challenging, when they are used to evaluate performance and linked to feedback on results, and create commitment and acceptance. Goals have a pervasive influence on employee behavior and performance in organizations and management practice (Locke & Latham, 2008).

Nearly every modern organization has some form of goal setting in operation. Programs such as management by objectives (MBO), high-performance work practices, management information systems, benchmarking, stretch targets, as well as systems thinking and strategic planning, include the development of specific goals. This theory will guide the study in understanding the influence of goal setting on employee retention in mobile telecommunication industry in Nairobi.

Control Theory

In control theory as expounded by Thibaut and Walker in 1975 it is assumed that individuals prefer to be in control of decision-making processes through feedback rather than be passive recipients. For example, in a recent study of computer-based performance monitoring, Douthitt and Aiello (2010) reported that employee participation (providing input related to the expression of work process preferences) had a positive impact on perceptions of procedural justice. However, they showed that the ability to control the computer monitoring (if it was on or off) did not significantly influence perceptions of justice. Their findings

suggest that various forms of control (decision and process) may partially determine the perceived fairness of performance appraisal.

This therefore can be related to the effect of feedback in performance appraisal on employees' performance. It shows that if the employees are involved through feedback being given to them in terms of their performance, they will feel valued and therefore motivated to perform better. The control theory is linked to feedback variable of the study.

Conceptual Framework

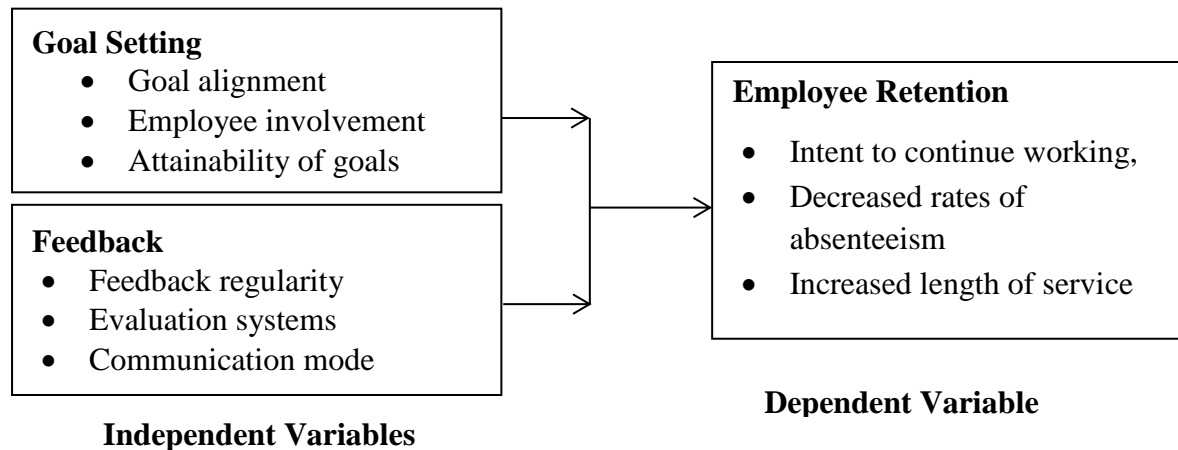


Figure 1: Conceptual Framework

Goal Setting

The positive effect of goal-setting is among the top five established findings in the scholarly literature of human resource management (Rynes, 2020). Allowing employees to engage in goal and performance standard setting implies that supervisors and employees agree on the importance of collaborative efforts to share knowledge about developing better measures, understanding the contexts, and solving emergent problems (Julnes, & Holzer, 2018). Employee participation has been considered to be an important aspect in successful management. In a participative system, because employees engage in the decision-making process, they can easily understand what is actually expected of them. In this setting, employees are more likely to seek feedback and ask questions when facing unrealistic expectations (Daley, 2018).

Locke and Latham (2016) highlighted that more than 90% of empirical studies have shown positive effects of goal-setting on an employee's or team's performance. The reason why goal-setting typically has a positive effect on performance is that a specific high goal affects choice, effort and persistence. In other words, a specific goal or target increases a person's focus on what is to be accomplished as opposed to putting it off to a later date. Subsequent studies on goal-setting led to the development of the high performance cycle (Locke & Latham, 2016).

Meta-analyses in the field of goal-setting have shown that goal commitment has a strong positive effect on performance, and that goal difficulty moderates this relationship (Klein et al., 2017). In addition to examining how a person's performance can be increased by goals,

the high performance cycle also includes the consequences of action. High performance leads to external and internal rewards, which in turn promotes job satisfaction.

Performance Feedback

Effective performance feedback between employees and supervisors is the key to successful organization productivity. Regular feedback helps employees focus their work activities so the employees, the department, and the organization to achieve their goals (Solmon & Podgursky, 2019). It builds accountability, since employees and supervisors participate in developing goals, identifying competencies, discussing career development and employee motivation. However, there are some organizations that fail to provide feedback (Jackson & Schuller, 2017).

Although a few managers may intentionally hold back employee feedback, many are overwhelmed with other management tasks that take up their valuable time. In addition, many organizations lack formal evaluation systems or the managers do not apply the systems that are in place (Banket, 2017). PA ratings can boomerang when communicated to employees. Negative feedback not only fails to motivate the typical employee, but also can cause him to perform worse (Myers, et al., 2018). Only those employees who have a high degree of self-esteem appear to be stimulated by criticism to improve their performance.

One of the most critical parts of the appraisal process is the direct communication between supervisor and individual. The information reflecting past performance and results and given by the manager to the employee is called feedback (Solmon & Podgursky, 2018). Performance feedback requires a rater who has specialized knowledge to gauge performance, the ability to observe and note any performance gaps among the employees (Berry, 2019). There are a number of appraisal sources and the first one is the ability of the supervisor to know what is expected from the employee and how to carry out the performance appraisal process (Berry, 2019).

Without any type of formal system and with many other demands, otherwise good managers often let feedback fall to the wayside. The lack of feedback also leaves good employees unrecognized. Even poor performance may not be given adequate feedback (Solmon & Podgursky, 2015). Many managers often are uncomfortable giving negative feedback to employees. This leads to significant problems where the organization finds itself at a crisis point. Further exacerbating the feedback dilemma is the lack of an organized feedback system in many organizations (Salau, Oludayo & Omoniy, 2018). Becoming frustrated with traditional performance appraisal systems, many companies have abandoned them altogether and feedback has become a hit or miss proposition. In doing so, feedback has become sporadic and unpredictable (Jackson & Schuller, 2016).

Employee Retention

Sandhya and Kumar (2017) defined employee retention as a process in which there is total encouragement to the employees to remain with the organization for a long period of time. Armstrong (2018) asserts that employee retention refers to policies and programmes aimed at ensuring that the organization keeps its productive employees for a long period. Retention programmes are therefore designed to ensure that people remain as committed members of the organization. It needs favorable HRM policies and practices, which let the key employees commit to an organization. Therefore, the retention of talented employees is an advantage to an organization because employee's knowledge and skills are central to a company's ability to be economically competitive. If the company is not able to retain its employees, it will not be able to capitalize on human assets developed within the organization (Jong & Hartog,

2020). Retention is considered as all-around module of an organization's human resource strategies. It commences with the recruiting of right people and continues with practicing programs to keep them engaged and committed to the organization (Freyermuth, 2018).

The main purpose of employee retention is to prevent competent employees from leaving an organization as this could have adverse effect on productivity and profitability (Samuel & Chipunza, 2019). However, the challenge of attracting, retaining and motivating people has never been greater (Punia & Sharma, 2018). Strategic staffing has become an important issue to many organizations, because the ability to hold on to highly talented core employees can be crucial to the future survival of the organization. Employee retention brings all kinds of benefits especially since globalization and the creation of regional economic blocs have increased labour mobility across nations. Also companies that keep their employees are likely to gain an advantage over their competitors by reducing overall labour costs and improving productivity. Retaining talent with critical skill sets is therefore acknowledged by organizations as vital to the achievement of business growth and the building of organizational competencies.

Employee retention issues are emerging as the most critical workforce management challenges of the immediate future (Rono & Kiptum, 2017). Once an organization has captured skilled employees, the return on investment requires closing the back door to prevent them from walking out (Kubaison, Mukangu & Rutiria, 2017). Employees are more likely to remain with the organization only if they believe that the organization shows more interest and concern for them, if they know what is expected of them, if they are given a role that fits their capabilities, and if they receive regular positive feedback and recognition (Samuel & Chipunza, 2017).

Employee retention and talent management practices of successful companies are fundamental element to maintain their leadership and development in the marketplace (Kurbetta & Mehta, 2018). An organization's talent management strategy should contribute to employee engagement, effective recruitment and retention of employees. This will create positive employer brand, employees will want to stay with the organization, which will minimize turnover (Julia, Hughes & Rog, 2018).

Key talent disproportionately contributes to current organization performance and to future performance since key employees often become organization leaders. Losing key talent costs considerably more since these employees' impact and contribution are greater than that of typical employees (McMullen & Mark, 2016). Retention of talent employees is critical to preserving skills of such employees (Chikumbi, 2017). By so doing, a business can avoid losing customers so that they maintain high quality products that are marked by high sales. Employees who work together for a long time will enjoy a healthy working atmosphere, good relations with managers, effective succession planning and deeply embedded organisational knowledge and learning. Failing to retain key employees especially new graduates is costly for any business.

Mendez and Stander (2017) further emphasises that a company needs to invest in employee retention in order to be successful. For example, a good compensation package is important in retaining employees, offering an attractive, competitive benefits package with components such as life insurance, disability insurance and flexible hours motivates employees to commit themselves to an organization (Ahmed, 2016).

It is important and difficult to retain talented employees under high unemployment levels. It is important to retain them because of high training and recruitment costs so organizations use rewards to retain employees (North, 2017). Furthermore, Ratna and Chawla (2018)

argued that retention is more important than hiring, even though hiring knowledgeable people is essential for an employer. Employee retention also indicates taking the appropriate measures to encourage people to stay in the organization as long as they can.

Empirical Literature Review

Choon, and Cheng (2016) studied the impact of goal setting on employee effectiveness to improve organisation effectiveness: empirical study of a high-tech company in Singapore. The research question was: “Does goal setting have an impact on employee effectiveness and ultimately improves organisation effectiveness?” The researcher developed a conceptual model on goal setting and its relationship with employee effectiveness and organisation effectiveness. Three hypotheses formulated for this study were tested for its validity and reliability through a qualitative research. Consequently, an empirical study was carried out in XYZ Singapore to test the three hypotheses. Justifications are provided for the study methodology adopted as well as in relation to theoretical and empirical significance of the study. The findings of this empirical research suggested that the three hypotheses tested are valid and reliable and are evident in their organisation. There was unanimous concurrence amongst the research interview participants that goal setting has a role to play in the relationship depicted in the conceptual model and that it has an impact on employee effectiveness and ultimately improves organisation effectiveness.

Mwakidimi (2020) conducted a study on a human resource perspective of goal setting on employee performance and job satisfaction (the case of Crown Paints (K) Limited). The purpose of this investigation was therefore to evaluate how goal setting affects job satisfaction and job performance in employees of Crown Paints < K) Limited, through a process of conducting assessment, interactions between the variables were seen. The main effects found were that the element of participation in the input while setting goals amid having challenging and specific goals had positive correlation with job performance. The element of having in place a prompting and feedback mechanism also has a positive correlation with job performance.

Sigei, (2017) carried out a study to establish the extent of adoption of 360 degree feedback performance appraisal by Commercial banks in Kenya. The study adopted a cross sectorial design. The target population was all the 43 Commercial Banks operating in Kenya which are headquartered within Nairobi. The study used a census of the banks in Nairobi Kenya because the population was small. The researcher dropped the questionnaires personally and later picked them. Data was analyzed by use of descriptive statistics with the aid of Statistical Package for Social Scientists (SPSS V2.0). From the findings, the study showed that most banks embraced use of 360 degree feedback appraisal method which impacted positively on the employees’ performance. The study exhibited self-evaluation and supervisor appraisals as the most used in appraising employees in the banks.

Nzuve and Ng’ang’a (2018), assessed employee perception of performance appraisal in the Department of Immigration in the Nairobi Region and found that though performance appraisal was built on solid principles, its implementation was related to the scope of application, highlights of the old performance appraisal system, implementation of the new system, training as a direct result of performance appraisal, advantages and shortcomings of appraisal in the department, appraisal interviews, feedback process and quality and the relationship between appraisal and performance, motivation, reward and sanction. Their study concluded that management to a large extent fell short of full implementation of performance appraisal system.

Njeru (2016) conducted a study on the role of performance appraisal on performance of job in the public sector at Kirinyaga Central District. The study established that majority of civil servants set goals and attains them while a few received feedback on their performance. The study revealed that performance appraisal acts as important factor that contributes to the employees' motivation.

RESEARCH METHODOLOGY

This study adopted a descriptive research design basically because it intended to gather quantitative and qualitative data that describe the independent variables on the influence of performance appraisals and employee retention in mobile telecommunication industry in Kenya. This study focused on four major telecommunication firms operating in Nairobi which are; Safaricom Limited, Airtel Limited, Telkom Kenya and Equitel Limited. The study focused on managerial staffs who are involved in performance appraisal in the firm. The four mobile telecommunication companies firms have a total of 178 senior management staff based at the head office under various departments

Yamane formula for calculating sample size was used to determine the study sample size. The sample size of the was 123 respondents this was 69% of the target population. According to Kothari (2018), a representative sample is one which is at least 10% of the population is considered as representative. Stratified random sampling technique is used when population of interest is not homogeneous and can be subdivided into groups or strata to obtain a representative sample.

The study collected primary data using questionnaires. The questionnaires were self-administered to the respondents by the researcher. Respondents were given one week to fill and return their questionnaires.

The pilot test was carried out among 12 respondents who will be excluded in the final study. The rule of the thumb suggests that 1-10% of the sample should constitute the pilot test (Cooper & Schindler, 2010). Quantitative data was analysed using quantitative techniques. SPSS (version 22) was applied in analysing quantitative data where descriptive statistics was computed and presentations done in percentages, means, SD and frequencies. Displaying of the information was done in table and figures. To facilitate this, responses were tallied, percentages of variations computed and data described and interpreted in line with study's objectives and assumptions. Qualitative data was analysed using content analysis and the findings presented in prose form. Correlation analysis was done to quantify the strength and direction of the relationship between the variables. Regression analysis was used to assess the influence of performance appraisals and employee retention in mobile telecommunication industry in Kenya.

RESEARCH FINDINGS AND ANALYSIS

The researcher administered 123 questionnaires. Out of 123 respondents, 116 respondents successfully managed to fill their questionnaires and returned them to the researcher. This gave a response rate of 94.3%. With regard to the statements of Kothari (2014) a response rate which is above 50 percent is considered as adequate for data analysis thus indicating that 94.3% was within the acceptable limits for drawing conclusions.

Descriptive Statistics

Goal Setting and Employee Retention in Mobile Telecommunication Industry

The first objective of this study was to determine the influence of goal setting on employee retention in mobile telecommunication industry in Kenya. The study participants were requested to indicate their level of agreement on various statements relating to goal setting and employee retention in mobile telecommunication industry in Kenya. The results were as depicted in Table 1.

From the results, the participants agreed with a mean of 3.915 (std. dv = 1.431) that the organization develops goals which are realistic and attainable. In addition, as shown by a mean of 3.861 (std. dv = 0.831) the participants further agreed that their organization allows employees to take part in performance standards setting. From the results, the respondents agreed that the organization aligns organizational goals with individual goals to avoid cognitive dissonance. This is supported by a mean of 3.752 (std. dv = 0.995).

As shown in the findings, the participants agreed with a mean of 3.676 (std. dv = 0.821) that the organization involves all employees in every rank when setting up goals. In addition, as shown by a mean of 3.638 (std. dv = 0.934) the participants further agreed that organization goal setting criteria attracts and retains employees. From the results, the respondents agreed that the organization ensures that the goals of the organization align with the goals of individual employee. This is supported by a mean of 3.565 (std. dv = 0.775).

Table 1: Goal Setting and Employee Retention in Mobile Telecommunication Industry

Statements	Mean	Standard Deviation
The organization develops goals which are realistic and attainable	3.915	1.431
The organization aligns organizational goals with individual goals to avoid cognitive dissonance	3.752	0.995
Our organization allows employees to take part in performance standards setting	3.861	0.831
The organization involves all employees in every rank when setting up goals	3.676	0.821
Organization goal setting criteria attracts and retains employees	3.638	0.934
The organization ensures that the goals of the organization aligns with the goals of individual employee	3.565	0.775
Aggregate score	3.735	0.965

The respondents were further requested to indicate how else goal setting influence employee retention in mobile telecommunication industry in Kenya. From the results, the respondents indicated that allowing employees to engage in goal and performance standard setting implies that supervisors and employees agree on the importance of collaborative efforts to share knowledge about developing better measures, understanding the contexts, and solving emergent problems. In addition, the respondents revealed that in a participative system, because employees engage in the decision-making process, they can easily understand what is actually expected of them. In this setting, employees are more likely to seek feedback and ask questions when facing unrealistic expectations. These statements are supported by the findings of Julnes, and Holzer, (2018) who found that employee participation has been considered to be an important aspect in successful management.

Feedback and Employee Retention in Mobile Telecommunication Industry

The second objective of this study was to establish the influence of feedback on employee retention in mobile telecommunication industry in Kenya. The study participants were requested to indicate their level of agreement on various statements relating to feedback and employee retention in mobile telecommunication industry in Kenya. The results were as depicted in Table 2.

From the results, the participants agreed with a mean of 3.954 (std. dv = 0.905) that there is discussion between supervisors and employees during performance assessment. In addition, as shown by a mean of 3.876 (std. dv = 0.921) the participants further agreed that their managers do not hold back feedback to its employees. From the results, the respondents agreed that the performance evaluation systems provide effective feedback. This is supported by a mean of 3.715 (std. dv = 0.831).

As shown in the findings, the participants agreed with a mean of 3.661 (std. dv = 0.831) that the organization provides performance appraisal feedback annually. In addition, as shown by a mean of 3.538 (std. dv = 0.704) the participants further agreed that the organization performance feedback is communicated through written communication mode. From the results, the respondents agreed that the communication systems in our organizations are used to communicate feedback. This is supported by a mean of 3.525 (std. dv = 0.695).

Table 2: Feedback and Employee Retention in Mobile Telecommunication Industry

Statements	Mean	Standard Deviation
The performance evaluation systems provides effective feedback	3.715	0.831
There is discussion between supervisors and employees during performance assessment	3.954	0.905
The organization provides performance appraisal feedback annually	3.661	0.831
Our managers do not hold back feedback to its employees	3.876	0.921
The organization performance feedback is communicated through written communication mode	3.538	0.704
The communication systems in our organizations are used to communicate feedback	3.525	0.695
Aggregate score	3.711	0.815

The respondents were further requested to indicate how else feedback influence employee retention in mobile telecommunication industry in Kenya. From the results, the respondents indicated that effective performance feedback between employees and supervisors is the key to successful organization productivity. In addition, the respondents indicated that feedback builds accountability, since employees and supervisors participate in developing goals, identifying competencies, discussing career development and employee motivation. The respondents further indicated that regular feedback helps employees focus their work activities so the employees, the department, and the organization to achieve their goals. These statements are in line with the results of Solmon and Podgursky (2019) who revealed that feedback facilitates employee performance since it ensures accountability in the organization.

Inferential Statistics

Correlation Analysis

The study adopted the use of Pearson correlation analysis to determine the relationship between the dependent (employee retention) and independent variables (goal setting, feedback, performance review and performance planning). A correlation is defined as a number between -1 and +1 that measures the degree of association between two variables. A positive value for the correlation implied a positive association. A negative value for the correlation implied a negative or inverse association. A coefficient of zero meant there was no relationship between the two items and that a change in the independent item has no effect in the dependent item. The results of the correlation analysis were as shown in table 3.

According to the findings, there was a positive strong relationship between goal setting and employee retention in mobile telecommunication industry in Nairobi ($r=0.962$, p -value= 0.000). The findings are in agreement with the findings of Choon, and Cheng (2016) that debt goal setting has positive influence on employee retention in mobile telecommunication industry.

The findings also reveal that there was a positive strong association between feedback and employee retention in mobile telecommunication industry in Nairobi ($r=0.889$, p -value= 0.004). The findings are in line with the findings of Sigei, (2017) that feedback have positive influence on employee retention in mobile telecommunication industry

Table 3: Correlation Analysis

		Employee Retention	Goal Setting	Feedback
Employee Retention	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	116		
Goal Setting	Pearson Correlation	.962**	1	
	Sig. (2-tailed)	.000		
	N	116	116	
Feedback	Pearson Correlation	.889**	.279	1
	Sig. (2-tailed)	.004	.062	
	N	116	116	116

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (goal setting, feedback, performance review and performance planning) and the dependent variable (employee retention)

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.917	.840	.844	.11288

a. Predictors: (Constant), Goal Setting, Feedback, Performance Review And Performance Planning

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.840. This implied that 84.0% of the variation in the dependent variable (employee retention) could be explained by independent

variables (goal setting, feedback, performance review and performance planning). 16% will be sought for by other researchers in future study on other variables.

Table 5: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	142.011	4	35.502	236.680	.000 ^b
1 Residual	1.678	111	.015		
Total	143.689	115			

a. Dependent Variable: Employee Retention

b. Predictors: (Constant), Goal Setting, Feedback, Performance Review And Performance Planning

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 236.680 while the F critical was 2.453. The p value was 0.000. Since the F-calculated was greater than the F-critical and the p value 0.000 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of goal setting, feedback, performance review and performance planning on employee retention in mobile telecommunication industry in Kenya.

Table 6: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	0.230	0.061		3.770	0.004
	Goal Setting	0.381	0.071	0.382	5.366	0.000
	Feedback	0.453	0.102	0.454	4.441	0.002

a Dependent Variable: Employee Retention

The regression model was as follows:

$$Y = 0.230 + 0.381X_1 + 0.453X_2 + \epsilon$$

From the results, goal setting has a significant effect on employee retention in mobile telecommunication industry in Kenya ($\beta_1=0.381$, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings are in line with the findings of Choon and Cheng (2016) who indicated that there is a very strong relationship between goal setting and employee retention in mobile telecommunication industry.

The results also revealed that feedback has a significant effect on employee retention in mobile telecommunication industry in Kenya ($\beta_1=0.453$, p value= 0.002). The relationship was considered significant since the p value 0.002 was less than the significant level of 0.05. The findings are in line with the findings of Sigei, (2017) who indicated that there is a very strong relationship between feedback and employee retention in mobile telecommunication industry.

Conclusions

The study concludes that goal setting has a positive and significant effect on employee retention in mobile telecommunication industry in Nairobi. The study found that goal setting (goal alignment, employee involvement and attainability of goals) influence employee retention in mobile telecommunication industry in Nairobi. This implies that improvement in goal setting (goal alignment, employee involvement and attainability of goals) leads to improvement in employee retention in mobile telecommunication industry in Nairobi.

In addition, the study concludes that feedback has a positive and significant effect on employee retention in mobile telecommunication industry in Nairobi. The study found that feedback (feedback regularity, evaluation systems and communication mode) influence employee retention in mobile telecommunication industry in Nairobi. This implies that improvement in feedback (feedback regularity, evaluation systems and communication mode) leads to improvement in employee retention in mobile telecommunication industry in Nairobi.

Recommendations

The study found that goal setting has a positive and significant effect on employee retention in mobile telecommunication industry in Nairobi. This study therefore recommends goal alignment, employee involvement and attainability of goals to telecommunication companies.

In addition, the study found that feedback has a positive and significant effect on employee retention in mobile telecommunication industry in Nairobi. This study therefore recommends feedback regularity, evaluation systems and communication mode to telecommunication companies.

Area for Further Studies

This study focused on the influence of performance appraisals and employee retention in mobile telecommunication industry in Nairobi. Having been limited to mobile telecommunication industry, the findings of this study cannot be generalized to other industries in Nairobi. The study therefore suggests further studies on the influence of performance appraisals and employee retention in other industries in Nairobi.

Further, the study found that the independent variables (goal setting, feedback, performance review and performance planning) could only explain 84.0% of employee retention in mobile telecommunication industry in Nairobi. This study therefore suggests research on other factors affecting employee retention in mobile telecommunication industry in Nairobi. So the remaining 16% will cater for the other variables on employee retention and errors.

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