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Effect of Employee Engagement on Employee Retention within an Organization

(A case study of Peach Consulting Limited)

A research project submitted to the School of Business in partial fulfillment of the requirement for the award of a Master of Science degree in Organizational Development.

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STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

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This project has been presented for examination with my approval as the appointed supervisor.

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ABSTRACT

Retaining talented employees is a critical management issue in both private and public companies. Poor morale and productivity can reduce profitability even if the employee remains with the organization. Recently, employee engagement has taken a central role in discussions on organizational efficacy. This is due in part to its touted impact on employee outcomes, describing a deeper level of involvement, passion and enthusiasm for work than other similar constructs such as organizational commitment and job satisfaction. In addition, employees form a key component of any organization. However, as a result of globalization, economic growth and shortage of skilled labor, many organizations including banks are finding it difficult to retain valued employees. Turnover is even occurring against a background of varied HRM interventions to improve employee retention. Employee retention is one of the challenges facing many organizations both public and private. Retention of talented employees has become an even greater challenge confronting human resource practitioner because talented candidates in the global job skills market have the luxury of choice. The purpose of this study was to establish the effect of employee engagement on employee retention within an organization with reference to Peach Consulting Limited. The study adopted a descriptive research design. The target population comprised of 45 Peach Consulting Limited employees. Primary data was collected using questionnaire. Descriptive statistics such as frequencies, percentages, mean score and standard deviation was estimated for all the quantitative variables and information presented in form of tables and graphs. Correlation analysis was used to establish the relations between the independent and dependent variables. The respondents strongly agreed that employees in Peach Consulting Limited willingly and voluntarily make changes within their department. The respondents agreed that the organization culture puts emphasis on staff engagement, that strategic HR policies and initiatives promote employee engagement at all levels and that in the past year. The study revealed that Peach Consulting Limited employees love their work because they feel secure and that the management exchanges experiences with junior employees to improve job problems in the workplace. The study sought to examine the effect of nature of employee engagement on employee retention within an organization and concluded that it positively affects employee retention. The study sought to explore the effect of antecedents of employee engagement within an organization and concluded that it positively and significantly affects employee retention. The study further sought to establish the effect of employee engagement affect within an organization and concluded that it positively and significantly affects the employee retention. Therefore the study recommends that the employees should be encouraged to be willingly and voluntary be involved in making changes in their respective departments. The study therefore recommends that employees should be encouraged to give and offer ideas on how to improve the organisation. The study recommends that the duration taken to evaluate employee performance should be long enough to allow comprehensive assessment and the process of evaluation should involve wide consultations especially in setting performance targets.
ACKNOWLEDGEMENT

I would like to first of all thank the almighty God for having provided strength and determination to keep working at completing the study despite challenges experienced as well as for His provision throughout the study and the course. Secondly I would like to acknowledge the moral support that I have received from family, colleagues and friends who encouraged and supported me in data collection and in pressing on when the going got tough throughout the study and the master’s program as a whole.

I would also like to acknowledge my lecturer for having worked tirelessly alongside me in preparing this document and for his resilience in ensuring that we all understood how to write a thesis and how to carry out a research study. Finally I would like to acknowledge my employer, Peach Consulting Limited for the support received during my studies and the cooperation received when carry out this research as well as the positive response and willingness of the staff to participate in the study as the target population their participation ensured that this study was possible and I am truly grateful.
DEDICATION

I would like to dedicate this research project to my employer, Peach Consulting Limited as well as to HR practitioners within the Kenyan job market who may find the findings and information relayed throughout this study useful and informative as they work towards increasing the levels of employee engagement within their organizations and incorporate employee engagement as a focus in retention and improving the quality of work life within their organizations.

I also would like to dedicate this work to other scholars who may find this area an interesting area to study. I challenge them to go through the study and address any gaps left in a bid to contribute towards this subject and increase knowledge around it.
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CHAPTER ONE
INTRODUCTION

1.1 Background of the study

The growing level of uncertainty in the business environment requires organizations to continuously adapt to changes and accommodate different needs of the workforce. Many organizations are looking for a win-win solution that meets their needs and those of their employees. As such many contemporary organizations are placing a greater emphasis on their performance management systems as a means of generating higher levels of job performance (Woodruffe, 2006). Staff movement of either joining or leaving an organization is one of the many indicators or pointers of the employees’ satisfaction or dissatisfaction which may also mean high or low staff motivation.

Retaining talented employees is a critical management issue in both private and public companies (Walsh & Taylor, 2007). Research show that the average cost associated with turnover is approximately 1.5 times that of the employee’s salary (Yang et al., 2012). This high rate of turnover is a vexing problem for organizations not only because it impacts employee morale and productivity, but also because it causes indirect reductions of revenue and profitability (Hinkin & Tracey, 2010). Poor morale and productivity can reduce profitability even if the employee remains with the organization—only 50 percent of employees are engaged in their organization at a level necessary to complete their work (Saks, 2006). Recently, employee engagement has taken a central role in discussions on organizational efficacy. This is due in part to its touted impact on employee outcomes, describing a deeper level of involvement, passion and enthusiasm for work than other similar constructs such as organizational commitment and job satisfaction. In addition, employees form a key component of any organization. The employees are critical to the viability and the competitiveness of the organization. Literature support the notion that engaged employees positively impact on their organization’s performance and sustainability (TowersPerrin-ISR, 2006).

One strategy to increase employees’ productivity and reduce their intention to leave the organization is to increase their level of engagement (i.e. facilitate the employees’ full capacity and potential) (Leiter & Bakker, 2010). Employees that are disengaged or less than
fully engaged create a performance gap that costs U.S. businesses $300 billion a year in lost productivity (Saks, 2006). Committed and engaged employees are an invaluable asset to an organization. High levels of employee commitment and engagement in both private and public firms promote retention of talent, foster customer loyalty, and improve organizational performance and stakeholder value. Xu and Thomas (2011) maintained that organizations aspire to have engaged employees and spend considerable resources to measure and improve employee engagement.

An engaged employee is aware of business context, and works closely with colleagues to improve performance within the job for the benefit of the organization. These all overlap with the traditional definition of commitment as being concerned with attachment to the organization. There is no reason why this should not be the case – the two concepts are after all closely connected – but there is some value in distinguishing between commitment to the organization and commitment to the job, and treating the former as organizational commitment and the latter as job engagement. Many people are more committed to their work than the organization that provides the work, for example researchers in universities or research establishments (Porter et al., 1974).

Engagement is more than simple job satisfaction and high retention rates. Fully engaged workers are those who are physically energized, emotionally connected, mentally focused, and feel aligned with the purpose of the agency (Parsons, 2009). Engaged employees have a bond with the organization. These individuals feel empowered and in control of their fate at work. They identify with the agency mission and are willing to commit the necessary emotional and personal energies necessary to excel in their work. In short, engaged individuals willingly help achieve agency goals and are emotionally involved in the tasks of their organization (Murray, 2008). Having an engaged workforce in the human services field is vitally important because research shows that engaged workers help organizations reap benefits such as increased efficiency, higher earning per employee, higher performance, lower absenteeism, higher levels of customer satisfaction, higher productivity, and lower turnover rates (Saks, 2006). Turnover has significant implications for an organization, with influencing factors such as the potential cost of human capital loss and interruption of ongoing organizational activities (Smyth, Zhai & Li, 2009).
In today’s competitive world, employee engagement is regarded by organizations as being one of the central planks in their HR strategy. Research suggests that engagement leads to high performance, high profitability and productivity and lower level of intention to quite, improved health and well-being and lower sickness absence (Catherine, Kerstin, Rick, Amanda, & Emma, 2014). Due to the need for increased engagement in business, organizations realized that in order to achieve this, there is need to have an increased level of employee engagement in order to achieve increased output without having to increase the number of human capital. There was also a realization that people matter more in an organization than was the case in the earlier days. Organizations therefore embraced the notion that they need more employees who are able and willing to invest in the job psychologically (Schaufeli, 2013). Schaufeli (2013) further observes that employee engagement is considered as one of the strategic human resource management practices that organizations are embracing as they strive to strengthen the employment relationship with their employees. High levels of engagement have been shown to relate to lower absenteeism and higher employee retention, increased employee effort and productivity, improved quality and reduced error rates, increased sales, higher profitability, earnings per share and shareholder returns, enhanced customer satisfaction and loyalty, faster business growth and higher likelihood of business success (Michael & Stephen, 2014).

Whereas companies in the service sector in Kenya lay a lot of emphasis on provision of quality service to customers, the challenge is to create motivated and engaged employees who can facilitate that endeavor. Employees are critical to achievement of their goals and therefore, managers must consider employee engagement as it is related to service quality and work performance. In order to create an environment for employee satisfaction and engagement, it is vitally important to know which factors most affect employee engagement (Heartfield, 2012). Organizations must spend time, money, and energy on programmes, processes, and factors that will have a positive impact on employee engagement.

Employees with low levels of work engagement are more likely to have a higher intention of leaving the organization, as well as actually leaving it (Mitchell, Holtom, Lee, Sablynski & Erez, 2010b). Talent retention is becoming more essential as an organization’s human capital increasingly becomes the key source of competitive advantage (Halawi et al., 2005; Pfeffer, 2005). A growing awareness of shifts in the characteristics of the workforce is
calling for organizations to be more focused in retaining skilled employees, keeping them fully engaged and embedding them in their jobs (Frank, Finnegan & Taylor, 2014). It is therefore vital for organizations to be able to make informed decisions about developing effective retention practices that result in the reduction of turnover. (Hillmer, Hillmer & McRoberts, 2014)

Peach Consulting limited is an international financial inclusion-consulting firm that has its operations in Asia and Africa with 10 offices across the two continents. Peach has over 20 years’ experience in providing consultancy services in financial inclusion and digital financial services to financial services providers and mobile network operators. The mission of the company is to strengthen the capacity of institutions to deliver market-led scalable financial services to all people through guiding policy and facilitation partnerships to develop enabling ecosystems; comprehensive, customized strategic advice; and actionable on site operational assistance having designed and implemented a variety of financial inclusion models. Peach Consulting has over 180 employees throughout Africa and Asia who are experts in financial inclusion having undergone years of training and skills honing. It invests heavily in skills building and knowledge management continuously to ensure that its staff are able to offer high quality services and expertise to its clients. With 10 offices across the world and a focus on working closely with financial providers and mobile network operators within the developing markets, Peach has gathered the support of various donors who are on the same mission and desire to avail financial inclusion to poor communities. Such donors and partners are such as the Department for International Development (DFID), Financial Sector Development (FSD), United Nations Capital Development Fund (UNCDF), Bill and Melinda Gates foundation amongst others.

1.2 Statement of the problem

Human resource is the backbone of organizations the world over and undoubtedly the most important resource. When strategically placed they can provide innovative solutions and ensure that organizations achieve competitive advantage. However, as a result of globalization, economic growth and shortage of skilled labor, many organizations including banks are finding it difficult to retain valued employees (Yamamoto 2011). Turnover is even occurring against a background of varied HRM interventions to improve employee retention. Employee retention is one of the challenges facing many organizations both
public and private (Ng’ethe, Iravo & Namusonge, 2012). Retention of talented employees has become an even greater challenge confronting human resource practitioners because talented candidates in the global job skills market have the luxury of choice (Harris, 2007).

The issue of staff departure is sensitive to the fact that the customer will not have full confidence in any organization(s) once they know that the best and experienced /skilled staff are leaving hence feel insecure with their lives or equipment worth billions of shillings being entrusted to inexperienced personnel. Employee engagement is being aggressively challenged in contemporary organizations (Sweetman & Luthans, 2010). Most employees in all types of organizations around the world are less than fully engaged in their work according to consistent Gallup surveys (Avolio & Luthans, 2006). For example, 54 percent of US employees are not actively engaged in their work and even 17% of employees are actively disengaged (Wagner & Harter, 2006). That means employees are wasting roughly two hours a day beyond lunch and scheduled breaks (salary.com, 2008). It is difficult not only to retain talented employees with high levels of human capital, but also to encourage employees to become fully engaged with their work (Michael & Stephen, 2014).

Institutions in the service sector in Kenya have become vulnerable to losing their highly qualified knowledge workers to well-paid offers and head hunting from other institutions internationally (Ngobeni & Bezuidenhout, 2011). A problem lies in the fact that HR professionals and managers are constantly being confronted with the pressing challenge as to how they can engage the workforce. For instance, a recent study by a global consulting firm found that four employees out of ten are not engaged worldwide (AON Hewitt Report, 2012). Second, the fact that the new generations of employees seem not to be as highly engaged as the earlier generations poses serious threats to the development of the workforce, particularly in developing countries. Due to the continuously changing business environment within the world, with increased competition between organizations and fast-paced work environments, organizations tend to suffer a huge disadvantage with an increase in employee turnover (Debbie, 2015).

Locally several studies have been carried out. Mutunga (2009) through her research on factors that contribute to the level of employee engagement in the telecommunication industry in Kenya found that most workers in Zain are disengaged and the most contributing factors was dissatisfaction with pay and benefits, work-life balance and lack
of freedom for expression, but she failed to link level employee engagement to retention, Tarus (2014) studied the perceived relationship between employee engagement and employee performance at East African Portland cement company limited while Wachira (2013) investigated the relationship between employee engagement and commitment in Barclays bank of Kenya. However, none of the researchers has considered the effect of employee engagement on employee retention within an organization. This study will therefore seek to fill this gap by answering the question; what is the effect of employee engagement on employee retention within an organization?

1.3 Purpose of the Study

The purpose of this study was to establish the effect of employee engagement on employee retention within an organization with reference to Peach Consulting Limited.

1.4 Research questions

The study sought answers to the following questions;

1.4.1 What is the effect of nature of employee engagement on employee retention within an organization?

1.4.2 To what extent do antecedents of employee engagement affect employee retention within an organization?

1.4.3 In what ways does employee engagement influence employees’ retention within an organization?

1.5 Scope of the Study

To establish the effect of employee engagement on employee retention within an organization, the study was conducted at Peach Consulting Limited. The study was conducted within the Kenya office whose employee number is 35 all of whom will form the population for the study. A descriptive research design was used while primary data will be used collected through a questionnaire. The researcher collected data for a period of ten years starting from 2006 to 2015.
1.6 Significance of the Study

This study would be invaluable to various groups of stakeholders including management of Peach and other financial institutions, academicians and researchers and regulators and policymakers.

1.6.1 Management of Peach and other financial institutions

The findings of this study may be beneficial to the management as well as the human resource managers of the various banks and other financial institutions. This is because it is expected to provide possible answers to why employees stay or leave their organizations, thus providing some answers as to how to tackle the critical management issue of employee turnover. This would invariably help the organization in formulating appropriate retention policies, making informed decisions and adopting strategies that will boost retention, performance and productivity.

1.6.2 Academicians and Researchers

Theoretically, the study was expected to bridge the gap in the literature on the effects of HRM practices on employee retention in Kenya. It can further serve as secondary data for prospective researchers. Also the study would seek to provide new evidence on how HRM practices could best influence employee retention in the banking industry. The study aimed at establishing influence of employee engagement and intention to quit in an effort to find out the relationship between employee engagement and staff intention to quit Compassion International projects. This would enable the organization respond to challenges of staff intention to quit. Finally, it would serve as a reference point for further research and add to existing literature on the subject. Results of this study would facilitate in conducting other studies by providing a base for collecting information. Training institutions and academicians who wish to carry out further research in this area may review the study literature and establish gaps for further studies.

1.6.3 Regulators and Policymakers

The policy makers would be able to identify the factors that contribute to employee engagement and hence reinforce the same. The findings would also be used by other cement and manufacturing industries as building block to enhancing competitive advantage. They
would use the results of the study in adopting paradigm shift in designing long term competitive strategies. This would enable investors to develop human resource strategies which attract, utilize and retain competent employees who are engaged to their work.

1.7 Definition of Terms

1.7.1 Employee Engagement
As an independent concept, employee engagement can best be defined as a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption. Employee engagement refers to an employee's persistent and pervasive affective cognitive state including vigor, dedication, and absorption (Schaufeli & Bakker, 2010). Vigor refers to an employee’s energy level and their willingness to put effort into their work. Dedication is how much employees are involved in their work and absorption is the level of concentration in their work.

1.7.2 Career Development
Peterson and Tracey (2009) defined career development as the ongoing acquisition or refinement of skills and knowledge, including job mastery and professional development, coupled with career planning activities.

1.7.3 Psychological capital
Psychological capital is defined as an individual's positive psychological state of development and is characterized by: (1) having confidence (self-efficacy) to take on and to put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and, (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success (Luthans et al., 2007).

1.7.4 Employee Turnover
Employee turnover Refers to the ratio of employees a company loses and have to be replaced to the average number of total employees.

1.7.5 Employee Turnover intention
Turnover intention is an individual's subjective approximation regarding the likelihood of leaving an organization in the near future (Mowday, Porter, & Steers, 1982).
1.7.6 Job Satisfaction

Job satisfaction is how employees perceive their jobs thus a set of favorable or unfavorable feelings with which employee’s view their work and it is affected by both the internal and external environment of the organization. Thus it is an attitudinal reaction to a position of employment.

1.7.7 Work-life balance

Work-life balance is a supportive working environment or variety of interventions that give employees a measure of control over or enables them to balance their careers and family lives. Thus, giving employee more choice about the time and location of work, the most common examples are flexible working opportunities, part-time working and working from home.

1.8 Chapter Summary

Chapter one of the study gives a brief introduction about the reason for the study and aims at creating an understanding of the observed gaps in this area necessitating the study, an outline of how the study is to be carried out, a background of where the study is to be carried out and an outline of the expected outcome of the study. The main highlights brought out in this chapter are the key elements involved in employee engagement on employee retention within an organization and how significant it is for organization development. The study will be to assess the impact of employee engagement on employee retention within Peach Consulting Limited with an aim of gauging how much of the company’s employee retention can be attributed to employee engagement.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

The chapter sets to review information from other researchers who have contributed to knowledge in the field of employee engagement and employee retention. The chapter will also review literature on the existing knowledge and theories that have contributed to the understanding of employee engagement and retention.

2.2 Effect of Nature of Employee Engagement on Employee Retention within an Organization

Employees have varying degrees of work engagement (Saks, 2006). An engaged employee is aware of business context, and works closely with colleagues to improve performance within the job for the benefit of the organization.’ These all overlap with the traditional definition of commitment as being concerned with attachment to the organization. There is no reason why this should not be the case, but there is some value in distinguishing between commitment to the organization and commitment to the job, and treating the former as organizational commitment and the latter as job engagement. Many people are more committed to their work than the organization that provides the work, for example researchers in universities or research establishments (Porter et al., 1974).

Engagement is more than simple job satisfaction and high retention rates. Fully engaged workers are those who are physically energized, emotionally connected, mentally focused, and feel aligned with the purpose of the agency (Parsons, 2009). Engaged employees have a bond with the organization. These individuals feel empowered and in control of their fate at work. They identify with the agency mission and are willing to commit the necessary emotional and personal energies necessary to excel in their work. In short, engaged individuals willingly help achieve agency goals and are emotionally involved in the tasks of their organization (Murray, 2008). Having an engaged workforce in the human services field is vitally important because research shows that engaged workers help organizations reap benefits such as increased efficiency, higher earning per employee, higher performance, lower absenteeism higher levels of customer satisfaction, higher productivity, and lower turnover rates (Saks, 2006).
The concept of engagement is a hot managerial topic and it is rare to find an HR or managerial related article that does not mention employee engagement. The relative novelty of the concept has caused a situation, where there is still no one clear and agreed definition of engagement (Parsons, 2009). Researchers suggest that engagement is the opposite, a positive antitheses of burnout. Maslach et al (2010) state that engagement is characterized by energy, involvement, and efficacy, the direct opposite of the three burnout dimensions of exhaustion, cynicism, and ineffectiveness. The importance of engagement is proven by the literature on engagement, which shows that an engaging environment pays off.

Expectancy theory was proposed by Victor Vroom in 1964. This theory is based on the hypothesis that individuals adjust their behavior in the organization on the basis of anticipated satisfaction of valued goals set by them. The individuals modify their behavior in such a way which is most likely to lead them to attain these goals. This theory underlies the concept of employee commitment and engagement as it is believed that employee commitment and engagement is influenced by the expectations concerning future events (Salaman et al., 2005). The theory further argues that there are two distinctive sets of factors affecting employee attitudes towards job and motivation. Factors in the first group are motivators (intrinsic) and consists of the following elements: achievement, recognition, work itself, responsibility, advancement and growth. The second group of factors are classified as hygiene factors (extrinsic) and include supervision, company policy, relationship with (peers, subordinates, supervisor) working conditions, salary, personal life, status, security.

2.2.1 Cognitive Engagement

The term cognitive refers to an information processing view of an individual's psychological functions. Research conducted by employee research consultancy firm, ISR (2008), revealed that the cognitive engagement of employees - whether they support and understand the company's strategy and the direction it is taking - was as important to organizations as was affective engagement and specifically, that it was an equally strong a driver of financial performance.

Cognitive engagement is not a well-defined construct in either the applied or academic literature s. Of all the proposed dimensions of engagement, it is the least well de fined
and s coped and consequently has no associated measure. Kahn (1990) expresses it (indirectly) as a notion of lively awareness, intellectual vigilance and a sense of heightened perception and interest. In much of the practitioner literature, it is referred to as rational engagement, or the intellectual commitment people have to their organizations (Corporate Leadership Council, 2014). In breaking down the notion of ‘intellectual commitment’, cognitive engagement might also be described as an understanding of goal and role clarity (Price water house Coopers 2002); an understanding of the organization’s objectives, successes and failures – referred to as Line of Sight (Hillman, 2007); as well as an outcome of a rational assessment of organizational information in terms of the implications for the individuals well-being (Corporate Leadership Council, 2014). These notions will be discussed respectively.

Cognitive (rational) engagement would appear to be largely an individual’s understanding of their role in the context of the organization’s goals and objectives. As argued by Steers and Porter (2008), if employees see themselves as effective contributors to the company’s goals or objectives, they are more likely to perform at a higher level. Job meaning in this context can be articulated through Hackman and Oldham’s (1980) job characteristics model. Cognitive engagement, defined in terms of understanding how to contribute to an organization’s objectives, is arguably consistent with employees understanding of why their contribution matters or how it affects others - i.e. task significance (Boswell 2006). Employees who understand how to contribute to an organization’s strategic goals are more likely to feel a sense of belonging (or fit). Prior research in this area: specifically, job design (Hackman & Oldham, 1980); role clarity (Jackson & Schuler, 1985), and perceived fit (Cable & Judge, 1996) indicate that employees want to see how they fit with or contribute to the organization. This suggests that cognitive engagement may be instrumental to employee performance and retention. Thus there are multiple reasons to expect that aligning employees with the strategic objectives of the firm is an important concept for HR professionals and academics to investigate.

2.2.2 Affective Engagement

Affective engagement refers to the experience of feeling or emotional connection to one’s organization; or something or someone within it (Kahn, 1990). The term affective infers an instinctual reaction to stimulation. Many theorists (e.g., Lazarus, 1982) consider affect
to be post-cognitive: In this view, an affective reaction, such as liking, disliking, trust or commitment, is based on a prior cognitive process in which a variety of content discriminations are made and features are identified, examined for their value, and weighted for their contributions (Brewin, 1989). For example, Lazarus (1982) argue that an observer’s emotional reactions to a target are an outcome of cognitive appraisals. Specifically, “what are the implications of this information for my well-being?

Affective engagement can be seen as a broad multi-dimensional construct embracing a family of related and more specific constructs focused on individuals’ relationships with their work roles (Maslach&Leiter, 2008). Macey and Schneider (2008) refer to it as a new blend of old wines with distinct characteristics and feel. In particular, it overlaps conceptually (and significantly) with organizational commitment (Corporate Leadership Council, 2014). It can also be seen in the areas of trust and perceived organizational support (POS). For example, studies by Laschinger et al. (2000) conclusively demonstrated that increased trust in management influenced employees’ levels of affective commitment. Furthermore, and again consistent with the role of effect on organizational outcomes, Connell et al. (2003) reported that trust in management, rather than directly influencing extra role performance (ERP), indirectly influenced ERP through its influence on affective commitment. These overlapping areas will be discussed below, in terms of their contribution to engagement.

Organizational commitment can be described as the relative strength of an individual's identification with, and involvement in, a particular organization. Conceptually, this construct can be characterized by at least three factors: (a) a strong belief in and acceptance of the organization’s goals and values; (b) a willingness to exert considerable effort on behalf of the organization; and (c) a strong desire to maintain membership in the organization (Mowday, Porter, & Steers, 1982). Prior research supports the notion that commitment to the organization is related to a number of desirable employee outcomes. For example, organizational commitment has been linked to extra-role behavior. Macey and Schneider (2008) argue however, that organizational commitment and other pre-existing constructs in their totality cannot explain engagement, but rather aspects of each of them – specifically the affective, energetic elements - contribute to the notion of psychological state engagement.
2.2.3 Behavioral Engagement

Macey and Schneider (2008) describe behavioral engagement, as adaptive behavior intended to serve an organizational purpose. This dimension of engagement is seen as directly observable behavior in the work context and includes innovative behaviors, initiative, proactive behaviors and going above and beyond what might otherwise be expected. From this viewpoint, behavioral engagement is seen as adaptive behavior. This viewpoint is consistent with Kahn’s (1990) position on the behavioral manifestation of engagement. Kahn specifically emphasized the adaptive requirements of modern organizations, and described engaged employees as those who were able to adapt, take initiative and be responsive in ever changing circumstances. Kahn (1990) and others (Maslach & Leiter, 2008; Saks, 2008) place a caveat on the notion of discretionary effort, and argue that behavioral engagement refers to how well employees express themselves vigilantly and competently within their roles and are psychologically present (Kahn, 1990), rather than the notion of doing more than expected.

Interestingly, Macey and Schneider (2008) did not address the notion of turnover in their discussion of behavioral engagement, despite their positioning of behavioral engagement as strategically focused and bounded by organizational purpose and relevance. This is contrary to most other portrayals. Most of the practitioner researchers (e.g., Corporate Leadership Council, 2014; Towers Perrin, 2003) identify a combination of behavioral commitment and discretionary effort. This is variously expressed as: pride in the organization and willingness to extol its virtues; and intent to remain with the organization (Saks, 2006); as well as discretionary effort, that is, being willing to go above and beyond the normal role requirements (Masson et al., 2008; Towers Perrin, 2014).

Academic research conducted in related organizational behavior fields also informs the dimension of behavioral engagement. For example, social exchange theory explains how employees, if they perceive that their organization values their contribution and cares about their well-being, develop a ‘felt obligation’ (Eisenberger et al., 2002) to reciprocate (Gouldner, 1960) with pro-social attitudes and positive behavior in the form of increased commitment, extra-role behaviors, and decreased turnover (Eisenberger et al., 2002). Other researchers contend that employees who feel an emotional attachment to their organization will likely demonstrate willingness to, act with the best interests of their organization at
heart, and be less likely than others to exit their organization.

In summary, behavioral engagement is a worthwhile construct and of direct benefit to organizations, thus it will be a core dimension of the engagement construct to be used by this research. Although Macey and Schneider (2008) assert that there is inconsistency in terms of how the applied world determines behavioral engagement, and thus measures it, it has been argued that there is more consistency than perhaps they acknowledge (Masson et al., 2008). Accordingly, this research will use the construct of behavioral engagement as defined by Macey and Schneider (2008) consisting of elements of organizational citizenship behavior and extra role behavior, but will add the component of intention to remain with an organization, in keeping with other researchers in the field.

2.3 Effect of Antecedents of Employee Engagement on Employee Retention within an Organization

The antecedents of employee engagement currently identified include job characteristics, rewards and recognition, perceived organizational and supervisor support, and organizational justice (Hakanen, Bakker, & Schaufeli, 2006; Saks, 2006). Other antecedents of employee engagement identified are organizational commitment, job satisfaction, job involvement, core-self evaluations, efficacy, role identity, task/job meaningfulness in terms of person-specific attitudes and balanced resources/demands and psychological safety as of task-specific factors (Rothbard & Patil, 2011). A lot of the literature on employee engagement comes from practitioner literature and consulting firm. There is a lack of research on employee engagement in the academic literature (Robinson et al., 2014). Though, some of the studies in the academic literature contribute to the understanding of what drives employee engagement. This section will present the current thinking and evidence of the catalysts for employee engagement.

While reviewing the academic literature, there is a tendency towards many authors using antecedents and the driver of engagement interchangeably, however it is also possible to argue why these two notions should be used separately. For example, one can say that antecedents are more or less fixed characteristics of the people, organization or job, such as meaningfulness (Saks, 2006), whereas drivers are more actions or activities, such as providing learning opportunities or social support (Ologbo & Saudah, 2011).
The literature on the antecedents or drivers of employee engagement does not present a lot of empirical research (Saks, 2006). However some factors have found empirical support. For the purpose of this thesis, organization-related antecedents and drivers of engagement have been combined into four groups, depending on their origin: the task level, the organization of work level, the interpersonal and social relations level, the level of organization, and the level of individual.

Ajzen (1991) developed the Theory of Planned Behavior (TPB) that proposes a model which can measure how human actions are guided. It predicts the occurrence of a particular behavior, because behavior can be deliberative and planned provided that behavior is intentional (Ajzen, 1991). According to the Theory of Reasoned Action, an individual’s behavior is determined by his or her behavioral intention to perform the behavior and that this intention is, in turn, a function of his/her attitude toward the behavior and his/her subjective norm. This intention is determined by three things: their attitude toward the specific behavior, their subjective norms and their perceived behavioral control.

2.3.1 Task Level

In their research Ologbo and Saudah (2011) have differentiated job engagement from organization engagement and showed that there is a difference between these two types of engagement. For the purpose of this thesis, interest will be based in the general engagement of employees at work, both job and organizational engagement, this section presents the antecedents of both types of engagement. As the foundation for the possible antecedents of engagement, Saks took Kahn’s (1990) and Maslach et al (2010) models of engagement. Results of this study show that job characteristics are positively related to job engagement (Saks, 2006). For example, challenging job, which allows employees to use different skills and gives an opportunity to contribute to the company’s success, brings employees psychological meaningfulness and a sense of return to their performance-investments (Kahn, 1990). He also states that employees who are involved in jobs, which are high on the core job characteristics, are more likely to be engaged.

According to Hackman and Oldham (1980), core job characteristics are skill variety, task identity, task significance, autonomy, and feedback. Kahn’s view has also been supported by other authors. In the study of job resources it was found that feedback and autonomy were positively associated with work engagement (Bakker and Demerouti, 2007), as they
help in achieving work related goals and may stimulate personal development. At the same time burnout literature states that the lack of feedback and autonomy are consistently related to burnout (Maslach et al., 2010), and cause the range of withdrawal reactions (Demerouti et al., 2007) as they restrain learning and the need for autonomy (Bakker and Demerouti, 2007).

2.3.2 Organization of work Level

Employee development opportunities were also found to have a positive influence on job engagement (Ologbo and Saudah, 2011). This connection may be due to the reason that many employees desire to maintain their jobs inventive and interesting by acquiring new skills and applying new approaches to their daily tasks. This goes hand in hand with Kahn’s (1990) viewpoint that the ability to learn and to apply new knowledge increases meaningfulness for employee, which in turn positively influences engagement.

2.3.3 Interpersonal Level

Studies also show that social support from colleagues and supervisors are also positively associated with work engagement (Ologbo and Saudah, 2011, Hakanen et al. 2006, Bakker and Demerouti, 2007). Supportive colleagues and proper feedback from supervisors increases the likelihood of being successful in achieving work goals (Bakker and Demerouti, 2007). Furthermore, social support satisfies employees’ need to belong (Schaufeli and Bakker, 2014). In summary, social support stimulates employee engagement either through satisfaction of basic needs or through the achievement of work goals. Job burnout literature has also extensively studied social support and has shown that there is consistent and strong evidence that lack of social support is linked to burnout (Maslach et al, 2010). Social support from the colleagues and supervisor may also be important from the point of view that both these constructs contribute to the general positive social climate in the organization. In the research conducted by Hakanen et al. (2006), it was shown that social climate predicts employee engagement.

Studies, that show the connection between social support and engagement, are in conflict with the study conducted by Saks (2006), who did not find a significant connection between perceived supervisor support and employee engagement. The difference of these results and the ones presented later may be due to the fact that studies were conducted between
different employee groups, in different organizations, industries and countries. These factors may have influenced the difference in the results.

2.3.4 Organization Level

The organizational level antecedents of employee engagement also found its empirical support. The feeling of safety presented by Kahn (1990) is influenced by the predictability and consistency of the procedures used to assign rewards, resources etc. at work. Procedural justice, which is concerned with the employees’ perception of fairness of means, used to determine the amount and distribution of resources among employees (Greenberg, 2011), was proven to have a positive effect on job engagement (Saks, 2006). It can be explained from the fairness point of view. If the employees perceive an organization to be just and fair, they will also feel it is fair for them to put in more to work by increasing their engagement (Saks, 2006).

Other antecedents of employee engagement on the organizational level are the rewards and recognition. Following Kahn’s theory (1990), the level of an employees’ engagement depends on the level of returns on their investments of self into work. The sense of return can come not only from meaningfulness but also from an external environment like rewards and recognition. Some literature suggests that many employees like to be distinctively rewarded and recognized for the outstanding work they do (Ologbo and Saudah, 2011). This means that the amount of received rewards and recognition may stimulate the employees’ engagement. Maslash et al. (2010) also suggest that the lack of rewards and recognition can lead to burnout; from this we can say that a sufficient amount of rewards and recognition is important for engagement. Study by Koyuncu et al. (2006) support this idea and show that the level of rewards and recognition is an important part of work experience and a strong predictor of engagement. The study conducted by Ologbo and Saudah (2011) duplicates the result from Koyuncu et al. (2006) by showing that reward and recognition influences job engagement.

Many researchers have stated that employees need clarification and communication of a company’s goals and objectives and to have the feeling of being well informed about what is going on in the company (Ologbo & Saudah, 2011). One of the publications showed that the availability of information was positively related to engagement, as the access to information increases the chances that the task at hand will be completed successfully and
that work goals will be achieved (Hakanen et al., 2006). The image of the organization was also found to be connected with organizational engagement. The more employees approve the company’s products and services, the higher the level of organizational engagement they show (Ologbo & Saudah, 2011).

2.3.5 Individual Antecedents

Perceived organizational support (POS) was empirically proven to have a positive influence on job and organization engagement (Saks, 2006). POS refers to the employees’ beliefs that an organization values their contributions and cares about their well-being. The amount of support and care employees’ perceive to receive from organization influences their psychological safety, and enables them to employ their selves without fear of negative consequences (Kahn, 1990). From Rhoades et al.’s (2010) point of view, the employee and the employer are in a dynamic relationship and employee monitors and responds to the organizations’ actions towards them (Rhoades et al., 2010). POS makes employees feel obligated to care about the organizations welfare and to help the organization reach its objectives (Rhoades et al., 2010). Recognizing the feeling of obligation does not always bring its positive effects – the organization needs to establish a context in which the obligation feels more like a favorable relationship with the organization (Rhoades et al., 2010), as this will support favorable treatment by both the employee and the company in the future.

An employees’ perception of the work environment as emotionally and physically safe, can also be seen as the antecedent to the development of employee engagement (Kahn, 1990). The study by Xanthopuolou et al. (2007) showed that there is also a connection between personal resources and an employees’ engagement. Employees’ self-efficacy, organizational-based self-esteem and optimism are those personal resources, which can influence employees’ engagement (Xanthopuolou et al., 2007).

As Kahn (1990) stated, at work employees employ themselves physically, cognitively and emotionally, therefore they use their inner resources. From this, one can assume that the level of the employees’ inner resources has an influence on the level of engagement they show at work. He claims that being able to recover in the evening after a working day, or during weekends, is important for restoring an employees’ physical, emotional and psychological resources necessary for engaging at work (Kahn, 1990). During his study,
Sonnentag found that the employees who get a sufficient recovery during leisure time show higher level of engagement the next day (Sonnentag, 2003). Moreover, work engagement was found to be the mediator of the effect of recovery on the proactive behaviors the next day. In other words, recovered employees were more engaged and showed more personal initiatives.

2.4 Employee Engagement and Employees Retention

According to Bakker and Demerouti (2008), there are at least four reasons why engaged employees perform better than non-engaged employees. First, engaged employees often experience positive emotions (e.g., happiness, joy and enthusiasm). Second, engaged employees experience better health. Third, engaged employees create their own job resources and personal resources. Fourth, engaged employees transfer their engagement to others. Engagement creates a sense of loyalty in a competitive environment and also increases employees’ trust and subsequent retention. Employee engagement has been shown to have a significant relationship with productivity, profitability, and employee retention (Bhatnagar, 2007).

Bakker and Demerouti (2008) proposed four reasons why engaged employees perform better than unengaged employees. Firstly, engaged employees were found to have positive sentiments towards their job, consequently leading to productivity. Secondly, engaged employees were seen to be more open to work opportunities and more confident and optimistic (Cropanzano & Wright, 2010). Thirdly, research suggests that engagement is positively related to employee well-being, leading to better performance (Bakker & Demerouti, 2008; Schaufeli & Bakker, 2014; Shimazu, Schaufeli, Kubota & Kawakami, 2012). Lastly, engaged employees work more productively because they have the ability to create their own resources. Xanthopoulou, Bakker, Demerouti, and Schaufeli (2007) found in their study of highly skilled Dutch technicians that personal resources (optimism, self-efficacy and organizational-based self-esteem) resulted in higher levels of work engagement.

A study by Mxenge, Dywili and Bazana (2014) investigated the effect of job engagement on employees’ intention to quit among administrative personnel at the University of Fort Hare. The results show that job engagement is significantly related to employees’ intention to quit (Mxenge, et al, 2014). Gallup (2012) research has shown a strong link between
lower engagement scores and higher employee intention to quit. Results indicated that those in the bottom quartile had higher annualized intention to quit than top quartile firms (Harter, Schmidt & Killham, 2007). Agarwal, et al, (2012) carried out a study to examine the relationships among leader-member exchange, innovative work behavior and intention to quit. Results suggest that quality of exchanges between employees and their immediate supervisors influences engagement.

2.4.1 Vigor Element

The first element of employee engagement, vigor, is a positive affective response to an employee’s interactions with the elements of the job as well as the environment. The concept of vigor is drawn from the view that individuals share a basic motivation to obtain, retain and protect the things that they value, such as resources (in this case, energetic resources). Energetic resources refer to physical strength, emotional energy and cognitive liveliness. According to Schaufeli et al. (2002), vigor is characterized by high levels of energy and mental resilience while working, the willingness to invest effort in the work and persistence even in the face of difficulties. Vigor relates to psychological capacities for exercising will power and developing alternative ways to achievement, optimism in expecting future success, and resilience to persist in the pursuit of goals.

A person who is vigorous at work distinctly represents an engaged employee. Strive also connotes that the employee exerts extra time, effort and initiative to contribute to the success of the business. Engaged employees are highly involved in their jobs, go beyond their employment contractual agreement and remain with their organization for a long period of time (Towers Perrin Report, 2003). Although the literature review shows that empirical research on EE is scarce, the Gallup Organization (2006) found critical links between employee engagement, retention, customer loyalty, business growth and profitability. Others have identified engagement as a key driver of individual attitudes, behavior, performance as well as organizational performance, productivity, retention, financial performance, and shareholder return (Richman, 2006).

From the organization’s perspective, turnover of employees can lead to costs arising from recruitment, selection, training or the employment of temporary staff (Morrell, Loan-Clarke & Wilkinson, 2014). In addition, turnover may have an effect on the organizational culture or employee morale (Morrell et al., 2014). Engaged employees are likely to be more
attached to their organization and would have a lower propensity to leave it (Schaufeli & Bakker, 2014). This view is supported by several researchers who found that a work engagement is negatively or positively related to turnover intention (Du Plooy & Roodt, 2010; Harter, Schmidt & Hayes, 2002). Work engagement was found to have positive results relating to job satisfaction, a motivated workforce, employee well-being and less likelihood of leaving an organization (Van den Berg, Bakker & Ten Cate, 2013).

2.4.2 Dedication

The second element of employee engagement is dedication. This refers to being strongly involved in one’s work and experiencing a sense of significance, enthusiasm, inspiration, pride and challenge (Schaufeli et al. 2002). Being dedicated to one’s job includes motivated acts such as working hard and giving the best that one can at work. Work not only seems to be important but also requires self-disciplined behavior, as demonstrated by following rules, taking the initiative to solve a problem at work and exceeding one’s personal job requirements. According to Macey and Schneider (2008), measuring dedication among employees is difficult as it involves assessing complex feelings and emotion. Over the years, researchers have measured dedication among employees by using three different approaches, namely engagement as a description of conditions under which people work, engagement as a behavioral outcome, and engagement as a psychological presence thus reduction in staff turnover. Engagement can be described by the conditions under which people work (Macey and Schneider, 2008). In many cases, the definition of engagement is constructed based on in-depth interviews, consultations and other qualitative studies with employees.

According to Macey and Schneider (2008), surveys that ask employees to describe their work conditions may be relevant for assessing the conditions that provide for engagement but do not directly tap employee dedication. They further argue that such measures require an inferential leap to engagement rather than assessing engagement itself. Dedication is characterized by a sense of significance, enthusiasm, inspiration, pride, and challenge. And dedication are the direct positive opposites of exhaustion and cynicism, respectively thus reduction in staff retention. The third dimension of engagement is called absorption, which was found to be a constituting element of engagement in 30 in-depth interviews (Schaufeli et al., 2010). Stay implies that the employee has an intense desire to be a member
of the organization despite opportunities to work elsewhere. Turnover intentions tend to render poor service and corrode organizational effectiveness (Karatepe and Ngeche, 2012).

2.4.3 Absorption

The third element of employee engagement is absorption. This describes the feeling of contentment while performing work. Absorption represents a state of being fully concentrated on and happily engrossed in work, a state in which time passes quickly and one has difficulty in detaching oneself from work. This domain of employee engagement concerns the hedonic aspect of work. For a person to be engaged, he or she should enjoy the work and find pleasure in performing it. Thus, a happy and focused employee embodies an engaged employee. A study using in-depth interviews confirmed that absorption is a relevant aspect of engagement (Schaufeli & Bakker 2010). The study argued that this facet of engagement relates to individual efficacy through having the confidence to be absorbed and the resilience to be persistently absorbed in a task.

Freene (2006) argues that absorption rate enables organization members to draw deeply on their personal selves in role performances hence reduce staff turnover intention. Engagement in a role refers to one’s psychological presence in or focuses on role activities and may be an important ingredient for effective role performance. The third alternative to the operationalisation of burnout and engagement is the Job Demand-resources (JD-R) model (Demerouti et al., 2010, and Bakker & Demerouti, 2007). The model indicates that job demands i.e. physical demands, time pressure, shift work) are associated with exhaustion whereas lacking job resources i.e. performance feedback, job control, participation in decision making, and social support are associated with disengagement (Demeroutietal, 2010).

2.4.4 Positive Advocacy

Say means that the employee advocates for the organization to co-workers, and refers potential employees and customers. Bakker and Demerouti (2008) proposed four reasons why engaged employees perform better than unengaged employees. Firstly, engaged employees were found to have positive sentiments towards their job, consequently leading to productivity. Secondly, engaged employees were seen to be more open to work opportunities and more confident and optimistic (Cropanzano & Wright, 2010). Thirdly,
research suggests that engagement is positively related to employee well-being, leading to better performance (Shimazu, Schaufeli, Kubota & Kawakami, 2012). Lastly, engaged employees work more productively because they have tenability to create their own resources. Xanthopoulou, Bakker, Demerouti, and Schaufeli (2007) found in their study of highly skilled Dutch technicians that personal resources (optimism, self-efficacy and organizational-based self-esteem) resulted in higher levels of work engagement.

To become fully engaged is to be involved in and enthusiastic about work (Falcone, 2006). Emotional engagement/physical engagement is the extent to which the worker empathizes with others at work and connects in a meaningful way with their co-workers (Kahn, 1990). Xanthopoulou et al. (2009) found a link between work engagement of restaurant workers and objective daily financial returns. Engagement has also related to safe working by employees in a meta-analysis of 203 separate samples (Nahrgang et al. 2011). Many other studies have found links between engagement and performance outcomes (Bakker et al. 2008). Salanova et al.'s (2005) study suggests that one reason why engagement is linked with performance is through the mediating mechanism of service climate.

2.5 Chapter Summary

As demonstrated in this chapter, employee engagement has a great influence on an organization productivity, profitability and success. However, limited literature exists on its effect on employee retention. Employee engagement as outlined in this chapter is outlined, as a connecting process comprised of cognitive, affective and behavioral engagement. Further, the study has reviewed antecedents of employee engagement as well as the influence of employee engagement on employee retention. It specifically provides an individual level of analysis. In particular, it is interested in addressing the effects of affect driven leadership behaviors on individuals’ levels of cognitive, affective and behavioral engagement. The next chapter deals with how these measures will be applied, in the context of the overall research methodology and design.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was adopted in the operationalization of the research and achievement of the study objectives. It involves a blueprint for the collection, measurement and analysis of data. This section is an overall scheme, plan or structure conceived to aid the researcher in answering the raised research question. In this stage, most decisions about how research was executed and how respondents were approached, as well as when, where and how the research were completed. Therefore, in this section the research identifies the procedures and techniques that were used in the collection, processing and analysis of data. Specifically the following subsections were included: research design, target population and sampling, data collection instruments, data collection procedures and finally data analysis.

3.2 Research Design

The study adopted a descriptive research design aimed at establish the effect of employee engagement on employee retention within an organization with reference to Peach Consulting Limited. A descriptive design is concerned with determining the frequency with which something occurs or the relationship between variables (Bryman & Bell, 2007). Thus, this approach is suitable for this study, since the study intends to collect comprehensive information through descriptions which were helpful for identifying variables. Bryman and Bell (2011) assert that a descriptive design seeks to get information that describes existing phenomena by asking questions relating to individual perceptions and attitudes.

3.3 Population and Sampling Design

3.3.1 Population

A population is the total collection of elements about which we wish to make some inferences about. I.e. a group of individuals that are similar in characteristics and data can be analyzed and gathered from it (Myers & Hansen, 2006). The employees at Peach Consulting Limited will form the population of interest in the study. The target population comprised of 45 Peach Consulting Limited employees as shown in table 3.1.
### Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Department</th>
<th>Total Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior managers</td>
<td>7</td>
<td>15.6</td>
</tr>
<tr>
<td>Middle level managers</td>
<td>13</td>
<td>28.9</td>
</tr>
<tr>
<td>Support staff</td>
<td>25</td>
<td>55.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**Source:** Peach Consulting Limited (2016)

#### 3.3.2 Sample Design

##### 3.3.2. Sampling Frame

A sampling frame is a list of population units/elements from which to select units/elements to be sampled (McDaniel & Gates, 2001). Denscombe (2003) emphasize that a good sampling frame should be relevant – meaning that: it should contain things directly linked to the research topic; be complete by covering all relevant items; and be precise and up to date. Therefore, the sampling frame was drawn from employees in Peach Consulting Limited.

##### 3.3.2.2 Sampling Technique

This research study used a stratified random sampling method to select and sample the respondents. Sampling ensures that inferences made from the sample data are not distorted by selection bias (Hildebrand, Ott, and Gray, 2005). The heterogeneous group was represented by the population, homogenous groups were represented by the different management levels and a simple random sample was obtained from each group. Stratified random sampling enables populations to be segregated into several mutually exclusive strata. A stratified random sample facilitates different research and methodologies to be used in different strata, providing adequate data for analyzing the various subpopulations and hence increasing a sample’s statistical efficiency (Cooper and Schindler, 2006).

##### 3.3.2.3 Sample Size

According to Levinson and Mandel (2013), a sample size of 10% - 30% is a good representation of the target population and is large enough so long as it allows for reliable data analysis. This study was based on a census of all the employees in Peach Consulting Limited owing to the small number of employees.
3.4 Data Collection Methods
The primary data was collected using a self-administered semi structured questionnaire. The questionnaire is made up of both open ended and closed ended questions. The open ended questions were used so as to encourage the respondent to give an in-depth and felt response without feeling held back in illuminating of any information and the closed ended questions allow respondent to respond from limited options that had been stated. According to Saunders (2011), the open ended or unstructured questions allow profound response from the respondents while the closed or structured questions are generally easier to evaluate. The questionnaires were used in an effort to conserve time and money as well as to facilitate an easier analysis as they are in immediate usable form. The researcher obtained an introduction letter from the university which was presented to each manager so as to be allowed to collect the necessary data from the respondents.

3.5 Research Procedures
To test the quality of the questionnaire, a pilot test was done on a group of 3 employees from another consulting company to check the quality of the questionnaire. Thereafter, suggested amendments to the questionnaire were done and the questionnaire circulated to the population. The drop and pick method was preferred for questionnaire administration so as to give respondents enough time to give well thought out responses. The researcher personally administered the research instruments to the respondents. This enabled the researcher to establish rapport, explain the purpose of the study and the meaning of items that may not be clear as observed by Best and Khan (1987). Personal follow ups were done to ensure that respondents complete the questionnaires.

3.6 Data Analysis Method
According to Saunders et al (2009), quantitative data is based on meanings derived from numbers, the collection results in numerical and standardized data and analysis conducted through the use of diagrams. However, qualitative data is based on meanings expressed through words, collection of results in non-standardized data requiring classification into categories and analyzing conducted through the use of conceptualization.

Data was analyzed using Statistical Package for Social Sciences (SPSS Version 21.0). All the questionnaires received were referenced and items in the questionnaire were coded to facilitate data entry. After data cleaning which entails checking for errors in entry,
descriptive statistics such as frequencies, percentages, mean score and standard deviation was estimated for all the quantitative variables and information presented in form of tables and graphs. Descriptive statistics were used because they enable the researcher to meaningfully describe distribution of scores or measurements using few indices. The qualitative data from the open ended questions were analyzed using conceptual content analysis.

Inferential data analysis was done using Pearson correlation coefficient. Pearson correlation coefficient was used to determine the strength and the direction of the relationship between the dependent variable and the independent variable. The analysis using Pearson’s product moment correlation was based on the assumption that the data is normally distributed and also because the variables are continuous.

3.7 Chapter Summary

Chapter three has discussed the research methodology that was adopted in line with the research purpose outlined in chapter one. The variables in chapter two were used to guide the choice of research methodology. The population, sampling design, data collection methods and research procedures were highlighted. Descriptive research design was used in this study. A census was conducted and data was analyzed using descriptive statistics as well as correlation.
CHAPTER FOUR
DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.1 Introduction
This chapter discusses the interpretation and presentation of the findings. This chapter presents analysis of the data on the effect of employee engagement on employee retention within an organization based on the case study of Peach Consulting Limited. The chapter also provides the major findings and results of the study.

4.2 Response Rate
The study targeted a sample size of 45 respondents from which 33 filled in and returned the questionnaires making a response rate of 73.33%. This response rate was good and representative and conforms to Levinson and Mandel (2013) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent.

Table 4.1: Analysis of Response Rate

<table>
<thead>
<tr>
<th>Total number of issued questionnaires</th>
<th>Filled questionnaires</th>
<th>Unfilled questionnaires</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>33</td>
<td>12</td>
<td>73.33%</td>
</tr>
</tbody>
</table>

4.3 Descriptive Statistics
The study sought to establish the background information of the respondents including respondents’ gender, age, level of education and work experience in the current position. The study sought the effect of employee engagement on employee retention at Peach Consulting Limited. Respondent’s responses were used to come up with the findings.

4.3.1 Gender of the respondents
The respondents were also asked to indicate their gender. The results are as shown in the figure 4.1.

Figure 4.1: Gender of the respondents
As per the results, 66.7% (22) of the respondents were male while 33.3% (11) were female. This shows that in Peach Consulting Limited is dominated by male employees who are able to give reliable information on the subject under study.

4.3.2 Age of the respondents

The respondents were requested to indicate their age. Their responses were as shown in figure 4.2

![Figure 4.2: Age of the respondents](image)

From the above findings majority (48.5%) of the respondents were between 41 – 50 years old, 39.4% were aged 50 years and above, 9.1% were aged between 31 – 40 years while a measly 3% of the respondents were aged between 18-20 years. Therefore Peach Consulting Limited is composed of young population with ability to give reliable information about the subject under study.

4.3.3 Level of Education

The study also sought to establish the respondents’ highest level of education. Their responses are as shown in figure 4.3.

![Figure 4.3: Respondents’ Highest Level of Education](image)
According to the findings, the majority of the respondents (54.5%) had an undergraduate degree, 18.2% had a postgraduate degree and 15.2% of the respondents had a diploma while 12.1% of the respondents had a certificate of secondary education. This shows that the respondents at Peach Consulting Limited had a capability of giving accurate and reliable information concerning the subject under study based on their level of understanding.

4.3.4 Work Experience
The study also sought to establish the years of service/working period at their current position. Their responses are as shown in figure 4.4.

### Figure 4.4: Duration of work in the company

On the years of service/working period at Peach Consulting Limited, the findings in figure 4.4 show that 27.3% of the respondents had worked for between for more than 20 years, 18.2% had worked for 1 to 5 years, 5-10 years and 10-15 years. Further 9.1% had worked for less than 1 year and for 15 to 20 years. This implies that majority of the respondents were familiar with the subject under study and gave reliable information.

4.3 Nature of Employee Engagement and Employee Retention
The study sought to establish the effect of nature of employee engagement on employee retention within an organization and the different aspects of nature of employee engagement were presented in subsequent sections.

4.3.1 Cognitive Engagement Effect on Employee Engagement
The study sought to examine the extent to which the respondents were in agreement with the various statements on the level of employee engagement in their office. The respondents strongly agreed that employees in Peach Consulting Limited willingly and voluntarily
make changes within their department (Mean=4.697), that employees at the Peach Consulting Limited are aware of business context (Mean=4.606) and that employees at Peach Consulting Limited work closely with colleagues to improve performance within the job for the benefit of the organization (Mean=4.667).

It was also agreed that older employees are more engaged than young ones (Mean=4.424), that Peach Consulting Limited employees have trust in their organization (Mean=4.333) and that Peach Consulting Limited employees have amplified customer focus (Mean=4.212).

The respondents also agreed that Peach Consulting Limited employees aspire to achieve improvements within the organization (Mean=4.030), that employees in Peach Consulting Limited are positively involved to their organization (Mean=3.970) and that county employees possess self-efficacy (Mean=3.455) while disagreeing on the fact that female employees are more engaged compared to their male colleagues (Mean=2.091). Further as shown by coefficient of variation respondents also agreed that employees at Peach Consulting Limited work closely with colleagues to improve performance within the job for the benefit of the organization.

Table 4.2: Cognitive Engagement Effect on Employee Engagement

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>CV</th>
<th>Rank of CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees at the Peach Consulting Limited are aware of business context</td>
<td>4.606</td>
<td>0.496</td>
<td>0.108</td>
<td>2</td>
</tr>
<tr>
<td>Female employees are more engaged compared to their male colleagues</td>
<td>2.091</td>
<td>0.723</td>
<td>0.346</td>
<td>10</td>
</tr>
<tr>
<td>Older employees are more engaged than young ones</td>
<td>4.424</td>
<td>0.502</td>
<td>0.113</td>
<td>3</td>
</tr>
<tr>
<td>Employees at Peach Consulting Limited work closely with colleagues to improve performance within the job for the benefit of the organization</td>
<td>4.667</td>
<td>0.479</td>
<td>0.103</td>
<td>1</td>
</tr>
<tr>
<td>Employees in Peach Consulting Limited are positively involved to their organization</td>
<td>3.970</td>
<td>0.728</td>
<td>0.183</td>
<td>7</td>
</tr>
<tr>
<td>Employees in Peach Consulting Limited willingly and voluntarily make changes within their department</td>
<td>4.697</td>
<td>0.637</td>
<td>0.136</td>
<td>5</td>
</tr>
<tr>
<td>Peach Consulting Limited employees have trust in their organization</td>
<td>4.333</td>
<td>0.854</td>
<td>0.197</td>
<td>8</td>
</tr>
<tr>
<td>County employees possess self-efficacy</td>
<td>3.455</td>
<td>0.564</td>
<td>0.163</td>
<td>6</td>
</tr>
<tr>
<td>Peach Consulting Limited employees aspire to achieve improvements within the organization</td>
<td>4.030</td>
<td>0.847</td>
<td>0.210</td>
<td>9</td>
</tr>
<tr>
<td>Peach Consulting Limited employees have amplified customer focus</td>
<td>4.212</td>
<td>0.485</td>
<td>0.115</td>
<td>4</td>
</tr>
</tbody>
</table>
4.3.2 Affective Engagement Effect on Employee Engagement

The study sought to examine the extent to which the respondents were in agreement with the various statements on the level of employee engagement in their office. The respondents agreed that the organization culture puts emphasis on staff engagement as shown by a mean of 4.485, that strategic HR policies and initiatives promote employee engagement at all levels as expressed by a mean of 3.970 and that in the past year, they have had opportunity to learn and grow at work as illustrated by a mean of 3.818.

The respondents again agreed on the fact that in the past six months, someone at work talked to them about my progress as shown by a mean of 3.818, that management encourages employees’ engagement as illustrated by a mean of 3.758, that the organization encourages the sharing of information knowledge and resources as shown by a mean of 3.697 and that this past year, they have had opportunities at work to learn and grow as illustrated by a mean of 3.546.

However the respondents were neutral on the facts that their supervisor, or someone at work, seem to care about them as a person as illustrated by a mean of 3.364 and that they have the materials and equipment that they need in order to do my work right as shown by a mean of 2.939. Nevertheless as shown by coefficient of variation, the respondents agreed that the organization culture puts emphasis on staff engagement.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>CV</th>
<th>Rank of CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>My supervisor, or someone at work, seem to care about me as a person</td>
<td>4.485</td>
<td>0.667</td>
<td>0.149</td>
<td>1</td>
</tr>
<tr>
<td>The organization encourages the sharing of information knowledge and resources</td>
<td>3.364</td>
<td>0.783</td>
<td>0.233</td>
<td>6</td>
</tr>
<tr>
<td>I have the materials and equipment that I need in order to do my work right.</td>
<td>3.697</td>
<td>0.883</td>
<td>0.239</td>
<td>7</td>
</tr>
<tr>
<td>Management encourages employees’ engagement</td>
<td>3.758</td>
<td>0.663</td>
<td>0.176</td>
<td>3</td>
</tr>
<tr>
<td>Strategic HR policies and initiatives promote employee engagement at all levels</td>
<td>3.970</td>
<td>0.728</td>
<td>0.183</td>
<td>4</td>
</tr>
<tr>
<td>In the past year, I have had opportunity to learn and grow at work</td>
<td>3.818</td>
<td>0.635</td>
<td>0.166</td>
<td>2</td>
</tr>
<tr>
<td>In the past six months, someone at work talked to me about my progress</td>
<td>3.818</td>
<td>0.769</td>
<td>0.201</td>
<td>5</td>
</tr>
<tr>
<td>This past year, I have had opportunities at work to learn and grow</td>
<td>3.546</td>
<td>1.003</td>
<td>0.283</td>
<td>8</td>
</tr>
</tbody>
</table>
4.3.3 Behavioral Engagement Effect on Employee Engagement

The study sought to examine the extent to which the respondents were in agreement with the various statements on the level of employee engagement in their office. The respondents agreed that that my coworkers are committed to doing quality work (Mean=4.576) and that in the last seven days, they have received recognition or praise for doing good work (Mean=4.546).

The respondents again agreed on the fact their opinions seem to count (Mean=3.818) and that they will continue working for Peach for as long as they can (Mean=3.546) while disagreeing on the fact that they are highly involved in routine decision making at Peach Consulting Limited (Mean=2.606).

Nevertheless as shown by coefficient of variation, the respondents agreed that in the last seven days, I have received recognition or praise for doing good work.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>CV</th>
<th>Rank of CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am motivated to do my work</td>
<td>4.182</td>
<td>1.158</td>
<td>0.277</td>
<td>3</td>
</tr>
<tr>
<td>I am highly involved in routine decision making at Peach Consulting Limited</td>
<td>2.606</td>
<td>0.788</td>
<td>0.302</td>
<td>6</td>
</tr>
<tr>
<td>In the last seven days, I have received recognition or praise for doing good work</td>
<td>4.546</td>
<td>0.506</td>
<td>0.111</td>
<td>1</td>
</tr>
<tr>
<td>At work, my opinions seem to count</td>
<td>3.818</td>
<td>1.131</td>
<td>0.296</td>
<td>5</td>
</tr>
<tr>
<td>My coworkers are committed to doing quality work</td>
<td>4.576</td>
<td>0.792</td>
<td>0.173</td>
<td>2</td>
</tr>
<tr>
<td>I will continue working for Peach for as long as I can</td>
<td>3.546</td>
<td>1.003</td>
<td>0.283</td>
<td>4</td>
</tr>
</tbody>
</table>

4.4 Antecedents of Employee Engagement

The study sought to explore the extent to which antecedents of employee engagement affect employee retention within an organization.

4.4.1 Task Level Effect on Employee Retention

The respondents were asked to indicate the extent to which they agree with the various statements on the task level effect on employee’s retention in Peach Consulting Limited. The respondents agreed that challenging job allows employees to use different skills influences employee retention (Mean=4.303), that job characteristics may influence employee retention (Mean=4.182) and that Peach Consulting Limited has a dedicated officer responsible for work planning for staff (Mean=4.061).

The respondents also revealed that job characteristics are positively related to job engagement (Mean=4.061) and that Peach Consulting Limited has policy that governs
career growth for staff (Mean=4.030). The findings also revealed that Peach Consulting Limited doesn’t discusses job plans with staff before decisions are taken on what is appropriate for both parties (Mean=2.485) and that lack of feedback and autonomy may not lead to burnout (Mean=2.424).

Nevertheless as shown by coefficient of variation, the respondents revealed that challenging job allows employees to use different skills influences employee retention.

### Table 4.5: Statements on the Task Level Effect on Employee’s Retention

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>CV</th>
<th>Rank of CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job characteristics are positively related to job engagement</td>
<td>4.061</td>
<td>0.747</td>
<td>0.184</td>
<td>2</td>
</tr>
<tr>
<td>Challenging job allows employees to use different skills influences employee retention</td>
<td>4.303</td>
<td>0.770</td>
<td>0.179</td>
<td>1</td>
</tr>
<tr>
<td>Lack of feedback and autonomy may lead to burnout</td>
<td>2.424</td>
<td>0.708</td>
<td>0.292</td>
<td>7</td>
</tr>
<tr>
<td>Job characteristics may influence employee retention</td>
<td>4.182</td>
<td>1.158</td>
<td>0.277</td>
<td>6</td>
</tr>
<tr>
<td>Peach Consulting Limited discusses job plans with staff before decisions are taken on what is appropriate for both parties.</td>
<td>2.485</td>
<td>0.619</td>
<td>0.249</td>
<td>5</td>
</tr>
<tr>
<td>Peach Consulting Limited has policy that governs career growth for staff</td>
<td>4.030</td>
<td>0.847</td>
<td>0.210</td>
<td>3</td>
</tr>
<tr>
<td>Peach Consulting Limited has a dedicated officer responsible for work planning for staff.</td>
<td>4.061</td>
<td>0.864</td>
<td>0.213</td>
<td>4</td>
</tr>
</tbody>
</table>

#### 4.4.2 Organization of Work Level Effect on Employee Retention

The respondents were asked to indicate the extent to which they agree with the various statements on the organization of work level effect on employee’s retention in Peach Consulting Limited. The participants agreed that employee development opportunities may influence employee engagement and retention as shown by a mean score of 4.303, that they desire to maintain their job at Peach Consulting Limited as expressed by an average of 4.182 and that every task is a new experience for them as represented by mean score of 4.152. Respondents also agreed that their job is inventive and interesting as illustrated by a mean of 4.121 and that they have the autonomy of applying new approaches to daily tasks as expressed by a mean of 4.000.

However the respondents disagreed that learning and applying new knowledge increases meaningfulness for my work as shown by a mean of 2.727. Finally as shown by coefficient of variation the respondents agreed that their job is is inventive and interesting.
Table 4. 6: Organization of Work Level Effect

<table>
<thead>
<tr>
<th>Mean</th>
<th>Std. Dev</th>
<th>CV</th>
<th>Rank of CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.303</td>
<td>0.847</td>
<td>0.197</td>
<td>2</td>
</tr>
<tr>
<td>4.182</td>
<td>1.158</td>
<td>0.277</td>
<td>5</td>
</tr>
<tr>
<td>4.121</td>
<td>0.781</td>
<td>0.189</td>
<td>1</td>
</tr>
<tr>
<td>4.152</td>
<td>0.834</td>
<td>0.201</td>
<td>3</td>
</tr>
<tr>
<td>4.000</td>
<td>1.000</td>
<td>0.250</td>
<td>4</td>
</tr>
<tr>
<td>2.727</td>
<td>1.039</td>
<td>0.381</td>
<td>6</td>
</tr>
</tbody>
</table>

Employee development opportunities may influence employee engagement and retention.

I desire to maintain my job at Peach Consulting Limited.

My job is inventive and interesting.

Every task is a new experience for me.

I have the autonomy of applying new approaches to daily tasks.

Learning and applying new knowledge increases meaningfulness for my work.

4.4.3 Interpersonal Level Effect on Employee Retention

The respondents were required to indicate the extent to which they agree with the various statements on the interpersonal level effect on employee’s retention in Peach Consulting Limited. From the findings it was revealed that support from colleagues keeps the employees going at Peach Consulting Limited as shown by a mean score of 4.242, that employees supervisors are very supportive which make my work enjoyable as expressed by a mean of 4.212 and that social climate in an organization may influence employee engagement and retention as expressed by a mean of 3.697.

Further the study revealed that respondents have a cordial work experience at Peach Consulting Limited as expressed by a mean of 2.909 and coefficient of variation.

Table 4. 7: Interpersonal Level Effect

<table>
<thead>
<tr>
<th>Mean</th>
<th>Std. Dev</th>
<th>CV</th>
<th>Rank of CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.242</td>
<td>0.708</td>
<td>0.167</td>
<td>2</td>
</tr>
<tr>
<td>4.212</td>
<td>0.781</td>
<td>0.185</td>
<td>5</td>
</tr>
<tr>
<td>2.909</td>
<td>0.947</td>
<td>0.326</td>
<td>1</td>
</tr>
<tr>
<td>3.697</td>
<td>0.951</td>
<td>0.257</td>
<td>3</td>
</tr>
</tbody>
</table>

Support from colleagues keeps me going at Peach Consulting Limited.

My supervisors are very supportive which make my work enjoyable.

We have a cordial work experience at Peach Consulting Limited.

Social climate in an organization may influence employee engagement and retention.

4.4.4 Organization Level Effect on Employee Retention

Respondents were again requested to indicate the extent to which they agree with the various statements on the organization level effect on employee’s retention in Peach Consulting Limited. The study revealed that Peach Consulting Limited employees love
their work because they feel secure as expressed by an average of 4.242, that the management exchanges experiences with junior employees to improve job problems in the workplace as illustrated by a mean score of 4.242 and that there is adequate clarification and communication of a company’s goals and objectives as shown by a mean score of 3.970.

They further showed that there is predictability and consistency of the procedures used to assign rewards and resources as shown by a mean score of 3.849 and that the management suggests specific strategies to accomplish work objectives as expressed by a mean score of 3.697.

The study also revealed that lack of rewards and recognition may not lead to burnout as shown by a mean score of 3.303 and that there are rewards and recognition systems in the organization as shown by a mean score of 2.939.

The study also found that the management exchanges experiences with junior employees to improve job problems in the workplace as illustrated by c coefficient of variations.

**Table 4. 8: Organization Level Effect**

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev</th>
<th>CV</th>
<th>Rank of CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>I love my work because I feel secure</td>
<td>4.242</td>
<td>0.969</td>
<td>0.228</td>
<td>2</td>
</tr>
<tr>
<td>There are rewards and recognition systems in the organization</td>
<td>2.939</td>
<td>1.088</td>
<td>0.370</td>
<td>7</td>
</tr>
<tr>
<td>There is predictability and consistency of the procedures used to assign rewards and resources</td>
<td>3.849</td>
<td>0.906</td>
<td>0.235</td>
<td>4</td>
</tr>
<tr>
<td>Lack of rewards and recognition can lead to burnout</td>
<td>3.303</td>
<td>0.883</td>
<td>0.267</td>
<td>5</td>
</tr>
<tr>
<td>There is adequate clarification and communication of a company’s goals and objectives</td>
<td>3.970</td>
<td>0.918</td>
<td>0.231</td>
<td>3</td>
</tr>
<tr>
<td>The management suggests specific strategies to accomplish work objectives</td>
<td>3.697</td>
<td>1.015</td>
<td>0.275</td>
<td>6</td>
</tr>
<tr>
<td>The management exchanges experiences with junior employees to improve job problems in the workplace</td>
<td>4.242</td>
<td>0.708</td>
<td>0.167</td>
<td>1</td>
</tr>
</tbody>
</table>

### 4.4.5 Individual Antecedents Effect on Employee Retention

The respondents were asked to indicate the extent to which they agree with the various statements on the individual antecedent’s effect on employee’s retention in Peach Consulting Limited. The respondents agreed that perceived organizational support makes employees feel obligated to care about the organizations welfare (Mean=4.12), that
employees’ self-efficacy, organizational-based self-esteem and optimism can influence employees’ engagement (Mean=4.121) and that the amount of support and care employees’ perceive to receive from organization influences their psychological safety (Mean=3.879).

However the respondents were neutral that being able to recover in the evening after a working day, or during weekends, is important for restoring an employees’ physical, emotional and psychological resources necessary for engaging at work (Mean=3.061).

Finally as shown by coefficient of variation, it was revealed that employees’ self-efficacy, organizational-based self-esteem and optimism can influence employees’ engagement.

**Table 4.9: Individual Antecedents Effect**

<table>
<thead>
<tr>
<th>Effect</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>CV</th>
<th>Rank of CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>The amount of support and care employees’ perceive to receive from organization influences their psychological safety</td>
<td>3.879</td>
<td>0.857</td>
<td>0.22</td>
<td>2</td>
</tr>
<tr>
<td>Perceived organizational support makes employees feel obligated to care about the organizations welfare</td>
<td>4.121</td>
<td>1.083</td>
<td>0.26</td>
<td>3</td>
</tr>
<tr>
<td>Employees’ self-efficacy, organizational-based self-esteem and optimism can influence employees’ engagement</td>
<td>4.121</td>
<td>0.857</td>
<td>0.20</td>
<td>1</td>
</tr>
<tr>
<td>Being able to recover in the evening after a working day, or during weekends, is important for restoring an employees’ physical, emotional and psychological resources necessary for engaging at work</td>
<td>3.061</td>
<td>0.933</td>
<td>0.30</td>
<td>4</td>
</tr>
</tbody>
</table>

**4.5 Employee Engagement and Retention**

Under this the study sought to establish the extent to which employee engagement affect employee retention within an organization. The findings are presented in subsequent subsections.

**4.5.1 Vigor Element Effect on Employee Retention**

The respondents were requested to indicate the extent to which vigor element affect employee retention within an organization. Table 4.10 shows that respondents believe the organization will enable me achieve my life goals (Mean=4.152), that sometimes respondents work extra time to meet deadlines at no extra pay (Mean=4.091) and that respondents always develop alternative ways to achieve the objective whenever faced with new challenges (Mean=3.879).
The study also revealed that respondents work is challenging but very interesting (Mean=3.849), that respondents can do anything to protect my job (Mean=3.636).

The study also found that the respondents are fairly optimistic that the organization is on track and the future is brighter (Mean=3.303) and that respondents will not likely renew their contract to remain with the organization for a long period of time (Mean=2.818).

Nevertheless as shown by coefficient of variation the study found that Peach Consulting Limited employees will not likely renew their contract to remain with the organization for a long period of time.

Table 4. 10: Vigor Element Effect on Employee Retention

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>CV</th>
<th>Rank of CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>I can do anything to protect my job</td>
<td>3.636</td>
<td>0.994</td>
<td>0.27</td>
<td>3</td>
</tr>
<tr>
<td>My work is challenging but very interesting</td>
<td>3.849</td>
<td>1.034</td>
<td>0.26</td>
<td>6</td>
</tr>
<tr>
<td>We always develop alternative ways to achieve the objective whenever faced with new challenges</td>
<td>3.879</td>
<td>0.781</td>
<td>0.20</td>
<td>2</td>
</tr>
<tr>
<td>I am optimistic that the organization is on track and the future is brighter</td>
<td>3.303</td>
<td>0.883</td>
<td>0.26</td>
<td>5</td>
</tr>
<tr>
<td>Sometimes we work extra time to meet deadlines at no extra pay</td>
<td>4.091</td>
<td>0.843</td>
<td>0.20</td>
<td>3</td>
</tr>
<tr>
<td>I will renew my contract to remain with the organization for a long period of time</td>
<td>2.818</td>
<td>0.392</td>
<td>0.13</td>
<td>1</td>
</tr>
<tr>
<td>I believe the organization will enable me achieve my life goals</td>
<td>4.152</td>
<td>1.093</td>
<td>0.26</td>
<td>3</td>
</tr>
</tbody>
</table>

4.5.2 Dedication Effect on Employee Retention

The respondents are asked to indicate the extent to which dedication affect employee retention within an organization. Table 4.11 reveals that respondent’s job is inventive and interesting as shown by a mean of 4.455, that respondents are proud of the work that they do as expressed by a mean score of 4.121 and that respondent’s job inspires them as shown by a mean score of 4.091.

It was also revealed that respondents find the work that I do full of meaning and purpose as expressed by a mean score of 3.849.

However it was found that to respondents their my job is not very challenging as illustrated by an average of 3.273 and that respondents are fairly enthusiastic about my job as shown
by a mean score of 2.758. Coefficient of variation revealed that respondents are proud of the work that they do.

Table 4. 11: Dedication Effect on Employee Retention

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>CV</th>
<th>Rank of CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>I find the work that I do full of meaning and purpose</td>
<td>3.849</td>
<td>1.278</td>
<td>0.332</td>
<td>5</td>
</tr>
<tr>
<td>I am enthusiastic about my job</td>
<td>2.758</td>
<td>0.792</td>
<td>0.287</td>
<td>4</td>
</tr>
<tr>
<td>My job is inventive and interesting</td>
<td>4.455</td>
<td>0.971</td>
<td>0.218</td>
<td>3</td>
</tr>
<tr>
<td>My job inspires me</td>
<td>4.091</td>
<td>0.879</td>
<td>0.215</td>
<td>2</td>
</tr>
<tr>
<td>I am proud of the work that I do</td>
<td>4.121</td>
<td>0.820</td>
<td>0.199</td>
<td>1</td>
</tr>
<tr>
<td>To me, my job is challenging</td>
<td>3.273</td>
<td>1.306</td>
<td>0.399</td>
<td>6</td>
</tr>
</tbody>
</table>

4.5.3 Absorption Effect on Employee Retention

The respondents are asked to indicate the extent to which absorption affect employee retention within an organization. Table 4.12 shows that time flies when respondents are at working (Mean=4.000) and that respondents are immersed in their work (Mean=3.515).

The study also found that respondents rarely feel happy when they are working intensely (Mean=2.576), that it is easy to detach themselves from their job (Mean=2.455), that when respondents are working, they don’t forget everything else around them (Mean=2.333) and that respondents don’t get carried away when they are working (Mean=2.121).Nevertheless as shown by coefficient of variation the researcher revealed that time flies when respondents are working.

Table 4. 12: Absorption Effect on Employee Retention

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev</th>
<th>CV</th>
<th>Rank of CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time flies when I’m working</td>
<td>4.000</td>
<td>0.661</td>
<td>0.165</td>
<td>1</td>
</tr>
<tr>
<td>I feel happy when I am working intensely</td>
<td>2.576</td>
<td>1.251</td>
<td>0.486</td>
<td>6</td>
</tr>
<tr>
<td>I am immersed in my work</td>
<td>3.515</td>
<td>1.228</td>
<td>0.349</td>
<td>5</td>
</tr>
<tr>
<td>It is difficult to detach myself from my job</td>
<td>2.455</td>
<td>0.617</td>
<td>0.251</td>
<td>2</td>
</tr>
<tr>
<td>I get carried away when I’m working</td>
<td>2.121</td>
<td>0.696</td>
<td>0.328</td>
<td>4</td>
</tr>
<tr>
<td>When I am working, I forget everything else around me</td>
<td>2.333</td>
<td>0.595</td>
<td>0.255</td>
<td>3</td>
</tr>
</tbody>
</table>

4.5.4 Positive Advocacy Effect on Employee Retention

The respondents are asked to indicate the extent to which positive advocacy affect employee retention within an organization. The findings in table 4.13 show that the respondents agreed on the fact that they plan to build my career with this organization as illustrated by a mean of 4.333, that they care about the success of this organization as shown
by a mean of 4.273 and that they feel a strong sense of belonging to this organization as shown by a mean score of 4.000.

The respondents also agreed that they are prepared to put in a great deal of effort beyond what is normally expected in order to help this organization to succeed as shown by a mean score of 4.000, that they are enthusiastic about their work as shown by a mean of 3.970 and that they are proud to tell others that they are a member of the organization as shown by a mean score of 3.576.

The respondents also disagreed on the fact that they proactively seek opportunities to serve the mission of the organization as shown by a mean of 2.485 and as shown by coefficient of variation the study found that respondents are proud to tell others that they are a member of this organization.

Table 4.13: Positive Advocacy Effect on Employee Retention

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev</th>
<th>CV</th>
<th>Rank of CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am proud to tell others that I am a member of this organization</td>
<td>3.576</td>
<td>0.502</td>
<td>0.140</td>
<td>1</td>
</tr>
<tr>
<td>I care about the success of this organization.</td>
<td>4.273</td>
<td>0.801</td>
<td>0.188</td>
<td>4</td>
</tr>
<tr>
<td>I feel a strong sense of belonging to this organization.</td>
<td>4.000</td>
<td>0.866</td>
<td>0.217</td>
<td>5</td>
</tr>
<tr>
<td>I plan to build my career with this organization.</td>
<td>4.333</td>
<td>0.692</td>
<td>0.160</td>
<td>2</td>
</tr>
<tr>
<td>I am prepared to put in a great deal of effort beyond what is normally expected in order to help this organization to succeed.</td>
<td>4.000</td>
<td>0.866</td>
<td>0.217</td>
<td>6</td>
</tr>
<tr>
<td>I proactively seek opportunities to serve the mission of the organization</td>
<td>2.485</td>
<td>0.619</td>
<td>0.249</td>
<td>7</td>
</tr>
<tr>
<td>I am enthusiastic about my work</td>
<td>3.970</td>
<td>0.684</td>
<td>0.172</td>
<td>3</td>
</tr>
</tbody>
</table>

4.6 Employee Retention

The respondents also indicated the extent of effect of various statements concerning the employee retention. The findings showed that the respondents are satisfied with the organization as a place to work (Mean=4.061), that the there is work-life balance in the organization (Mean=4.030) and that leaders in my organization treat people with dignity and respect (Mean=4.030).

The respondents also feel emotionally attached to their organization (Mean=4.000) and they have turned down job offers from other organizations (Mean=3.939). It was also revealed that respondents receive the support they need to do their job (Mean=3.909), that
they feel valued by their organization (Mean=3.909) and that they feel proud to tell other people about the organization they work for (Mean=3.909).

The study also showed that the organization meets employees work aspirations (Mean=3.879), that employees have substantially higher overall wellbeing because of the employer they work for today (Mean=3.576) and that employees would rarely be happy to spend the rest of their career with this organization (Mean=3.394). The researcher also revealed that employees don't have any specific idea how much longer they will stay in the organization (Mean=2.485) and that employees have substantially higher overall wellbeing because of the employer they work for today as illustrated by coefficient of variation.

**Table 4.14: Statements on Employee Retention**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>CV</th>
<th>Rank of CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am satisfied with the organization as a place to work</td>
<td>4.061</td>
<td>0.899</td>
<td>0.221</td>
<td>9</td>
</tr>
<tr>
<td>I feel emotionally attached to my organization</td>
<td>4</td>
<td>0.901</td>
<td>0.225</td>
<td>10</td>
</tr>
<tr>
<td>I have turned down job offers from other organizations</td>
<td>3.939</td>
<td>0.827</td>
<td>0.210</td>
<td>6</td>
</tr>
<tr>
<td>I would be happy to spend the rest of my career with this organization</td>
<td>3.394</td>
<td>0.609</td>
<td>0.180</td>
<td>2</td>
</tr>
<tr>
<td>I don't have any specific idea how much longer I will stay in the organization.</td>
<td>2.485</td>
<td>0.508</td>
<td>0.204</td>
<td>5</td>
</tr>
<tr>
<td>I have substantially higher overall wellbeing because of the employer I work for today.</td>
<td>3.576</td>
<td>0.502</td>
<td>0.140</td>
<td>1</td>
</tr>
<tr>
<td>There is work-life balance in the organization.</td>
<td>4.030</td>
<td>0.728</td>
<td>0.181</td>
<td>3</td>
</tr>
<tr>
<td>I receive the support I need to do my Job</td>
<td>3.909</td>
<td>0.843</td>
<td>0.216</td>
<td>8</td>
</tr>
<tr>
<td>Leaders in my organization treat people with dignity and respect</td>
<td>4.030</td>
<td>0.770</td>
<td>0.191</td>
<td>4</td>
</tr>
<tr>
<td>This organization meets my work aspirations</td>
<td>3.879</td>
<td>0.820</td>
<td>0.211</td>
<td>7</td>
</tr>
<tr>
<td>I feel valued by my organization.</td>
<td>3.909</td>
<td>0.879</td>
<td>0.225</td>
<td>11</td>
</tr>
<tr>
<td>I feel proud to tell other people about the organization I work for</td>
<td>3.909</td>
<td>0.879</td>
<td>0.225</td>
<td>12</td>
</tr>
</tbody>
</table>

**4.7 Pearson Correlation Coefficient**

This was used to determine the strength and the direction of the relationship between the dependent variable and the independent variable. The analysis using Pearson’s product moment correlation was based on the assumption that the data is normally distributed and also because the variables are continuous. Results in table 4.15 reveal that there is a strong, positive and significant correlation between nature of employee engagement and employee retention ($r = 0.816$, p value=0.022). In addition, the study reveals that the correlation
between antecedents of employee engagement and employee retention is positive and significant (r=0.734, p value=0.026). Finally the study reveals that the correlation between employee engagement and employee retention is positive and significant (r=0.616, p value=0.024). This implies that all the variables had a positive and significant correlation with employee retention at Peach Consulting Limited.

Table 4.15: Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>Employees Retention</th>
<th>Nature of Employee Engagement</th>
<th>Antecedents of Employee Engagement</th>
<th>Employee Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees Retention</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nature of Employee Engagement</td>
<td>Pearson Correlation</td>
<td>0.816</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.022</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Antecedents of Employee Engagement</td>
<td>Pearson Correlation</td>
<td>0.734</td>
<td>0.512</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.026</td>
<td>0.018</td>
<td>0.000</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>Pearson Correlation</td>
<td>0.616</td>
<td>0.752</td>
<td>0.586</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.024</td>
<td>0.016</td>
<td>0.015</td>
</tr>
</tbody>
</table>

4.8 Chapter Summary

This chapter presents the results and findings of the study. Findings are presented in graphs and tables. The presentation is aligned to the research questions and covers effect of nature of employee engagement, effect of antecedents of employee engagement and the effect of employee engagement on employee retention within Peach Consulting Limited. The next chapter presents the conclusion, discussion of findings, and recommendations.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, discussion of research findings, conclusion, and recommendations of the study. The chapter sections are aligned with the research questions.
5.2 Summary of the Findings

5.2.1 Nature of Employee Engagement and Employee Retention
The study sought to examine the effect of nature of employee engagement on employee retention within an organization and the findings are summarized in subsequent subsections.

5.2.1.1 Cognitive Engagement Effect on Employee Engagement
The respondents strongly agreed that employees in Peach Consulting Limited willingly and voluntarily make changes within their department, that employees at the Peach Consulting Limited are aware of business context and that employees at Peach Consulting Limited work closely with colleagues to improve performance within the job for the benefit of the organization. It was also agreed that older employees are more engaged than young ones, that Peach Consulting Limited employees have trust in their organization and that Peach Consulting Limited employees have amplified customer focus. The respondents also agreed that Peach Consulting Limited employees aspire to achieve improvements that employees in Peach Consulting Limited are positively involved to their organization and that county employees possess self-efficacy while disagreeing on the fact that female employees are more engaged compared to their male colleagues.

5.2.1.2 Affective Engagement Effect on Employee Engagement
The respondents agreed that the organization culture puts emphasis on staff engagement, that strategic HR policies and initiatives promote employee engagement at all levels and that in the past year, they have had opportunity to learn and grow at work. The respondents again agreed on the fact that in the past six months, someone at work talked to them about my progress, that management encourages employees’ engagement, that the organization encourages the sharing of information knowledge and resources and that this past year, they have had opportunities at work to learn and grow. However the respondents were neutral on the facts that their supervisor, or someone at work, seem to care about them as a person and that they have the materials and equipment that they need in order to do my work right.

5.2.1.3 Behavioral Engagement Effect on Employee Engagement
The respondents agreed that that my coworkers are committed to doing quality work and that in the last seven days; they have received recognition or praise for doing good work.
The respondents again agreed on the fact their opinions seem to count and that they will continue working for Peach for as long as they can while disagreeing on the fact that they are highly involved in routine decision making at Peach Consulting Limited

5.2.2 Antecedents of Employee Engagement
The study sought to explore the extent to which antecedents of employee engagement affect employee retention within an organization.

5.2.2.1 Task Level Effect on Employee Retention
The respondents agreed that challenging job allows employees to use different skills influences employee retention, that job characteristics may influence employee retention and that Peach Consulting Limited has a dedicated officer responsible for work planning for staff. The respondents also revealed that job characteristics are positively related to job engagement and that Peach Consulting Limited has policy that governs career growth for staff. The findings also revealed that Peach Consulting Limited doesn’t discusses job plans with staff before decisions are taken on what is appropriate for both parties and that lack of feedback and autonomy may not lead to burnout. Nevertheless as shown by coefficient of variation, the respondents revealed that challenging job allows employees to use different skills influences employee retention.

5.2.2.2 Organization of Work Level Effect on Employee Retention
The participants agreed that employee development opportunities may influence employee engagement and retention, that they desire to maintain their job at Peach Consulting Limited and that every task is a new experience for them. Respondents also agreed that their job is inventive and interesting and that they have the autonomy of applying new approaches to daily tasks. However the respondents disagreed that learning and applying new knowledge increases meaningfulness for my work. Finally as shown by coefficient of variation the respondents agreed that their job is inventive and interesting.

5.2.2.3 Interpersonal Level Effect on Employee Retention
It was revealed that support from colleagues keeps the employees going at Peach Consulting Limited and that employees supervisors are very supportive which make my work enjoyable. The study also revealed that social climate in an organization may influence employee engagement and retention and those respondents have a cordial work experience at Peach Consulting Limited.
5.2.2.4 Organization Level Effect on Employee Retention
The study revealed that Peach Consulting Limited employees love their work because they feel secure and that the management exchanges experiences with junior employees to improve job problems in the workplace. The study also revealed that there is adequate clarification and communication of a company’s goals and objectives and that there is predictability and consistency of the procedures used to assign rewards and resources. Further it was revealed that the management suggests specific strategies to accomplish work objective, that lack of rewards and recognition may not lead to burnout and that here are rewards and recognition systems in the organization.

5.2.2.5 Individual Antecedents Effect on Employee Retention
The respondents agreed that perceived organizational support makes employees feel obligated to care about the organizations welfare, that employees’ self-efficacy, organizational-based self-esteem and optimism can influence employees’ engagement and that the amount of support and care employees’ perceive to receive from organization influences their psychological safety. However the respondents were neutral that being able to recover in the evening after a working day, or during weekends, is important for restoring an employees’ physical, emotional and psychological resources necessary for engaging at work.

5.2.3 Employee Engagement and Retention
Under this the study sought to establish the extent to which employee engagement affect employee retention within an organization. The findings are presented in subsequent subsections.

5.2.3.1 Vigor Element Effect on Employee Retention
The study revealed that the employees believe the organization will enable me achieve my life goals, that sometimes respondents work extra time to meet deadlines at no extra pay and that respondents always develop alternative ways to achieve the objective whenever faced with new challenges. The study also revealed that respondents work is challenging but very interesting and that respondents can do anything to protect my job. The study also found that the respondents are fairly optimistic that the organization is on track and the future is brighter and that respondents will not likely renew their contract to remain with the organization for a long period of time.
5.2.3.2 Dedication Effect on Employee Retention
It was revealed that respondent’s job is inventive and interesting, that respondents are proud of the work that they do and that respondent’s job inspires them. It was also revealed that respondents find the work that I do full of meaning and purpose. However it was found that to respondents my job is not very challenging and that respondents are fairly enthusiastic about my job.

5.2.3.3 Absorption Effect on Employee Retention
It was showed that time flies when respondents are at working and that respondents are immersed in their work. The study also found that respondents rarely feel happy when they are working intensely, that it is easy to detach themselves from their job and that when respondents are working they don’t forget everything else around them. However the respondents don’t get carried away when they are working.

5.2.3.4 Positive Advocacy Effect on Employee Retention
The findings show that the respondents agreed on the fact that they plan to build my career with this organization, that they care about the success of this organization and that they feel a strong sense of belonging to this organization The respondents also agreed that they are prepared to put in a great deal of effort beyond what is normally expected in order to help this organization to succeed, that they are enthusiastic about their work and that they are proud to tell others that they are a member of the organization. The respondents also disagreed on the fact that they proactively seek opportunities to serve the mission of the organization.

5.3 Discussion of the Findings

5.3.1 Nature of Employee Engagement and Employee Retention
The study sought to examine the effect of nature of employee engagement on employee retention within an organization and the findings are summarized in subsequent subsections.

5.3.1.1 Cognitive Engagement Effect on Employee Engagement
The respondents strongly agreed that employees in Peach Consulting Limited willingly and voluntarily make changes within their department, that employees at the Peach Consulting Limited are aware of business context and that employees at Peach Consulting Limited
work closely with colleagues to improve performance within the job for the benefit of the organization. These findings correlate with Kahn (1990) who expresses it (indirectly) as a notion of lively awareness, intellectual vigilance and a sense of heightened perception and interest. In much of the practitioner literature, it is referred to as rational engagement, or the intellectual commitment people have to their organizations.

It was also agreed that older employees are more engaged than young ones, that Peach Consulting Limited employees have trust in their organization and that Peach Consulting Limited employees have amplified customer focus. This is similar to Steers and Porter (2008) who argues that if employees see themselves as effective contributors to the company’s goals or objectives, they are more likely to perform at a higher level.

The respondents also agreed that Peach Consulting Limited employees aspire to achieve improvements, that employees in Peach Consulting Limited are positively involved to their organization and that county employees possess self-efficacy while disagreeing on the fact that female employees are more engaged compared to their male colleagues. These findings concur with Hackman and Oldham (1980) who claim that Employees who understand how to contribute to an organization’s strategic goals are more likely to feel a sense of belonging (or fit). Prior research in this area: specifically, job design.

5.3.1.2 Affective Engagement Effect on Employee Engagement

The respondents agreed that the organization culture puts emphasis on staff engagement, that strategic HR policies and initiatives promote employee engagement at all levels and that in the past year, they have had opportunity to learn and grow at work. These findings conform to Lazarus (1982) who argues that an observer’s emotional reactions to a target are an outcome of cognitive appraisals.

The respondents again agreed on the fact that in the past six months, someone at work talked to them about my progress, that management encourages employees’ engagement, that the organization encourages the sharing of information knowledge and resources and that this past year, they have had opportunities at work to learn and grow. These findings are in line with Laschinger et al. (2000) who conclusively demonstrated that increased trust in management influenced employees’ levels of affective commitment.

However the respondents were neutral on the facts that their supervisor, or someone at work, seem to care about them as a person and that they have the materials and equipment what they need in order to do my work right. These concur with Connell et al. (2003) who
reported that trust in management, rather than directly influencing extra role performance (ERP), indirectly influenced ERP through its influence on affective commitment.

5.3.1.3 Behavioral Engagement Effect on Employee Engagement
The respondents agreed that that my coworkers are committed to doing quality work and that in the last seven days; they have received recognition or praise for doing good work. This correlate with Kahn (1990) who specifically emphasized the adaptive requirements of modern organizations, and described engaged employees as those who were able to adapt, take initiative and be responsive in ever changing circumstances.

The respondents again agreed on the fact their opinions seem to count and that they will continue working for Peach for as long as they can while disagreeing on the fact that they are highly involved in routine decision making at Peach Consulting Limited. These findings are in line with Macey and Schneider (2008) who addressed the notion of turnover in their discussion of behavioral engagement, despite their positioning of behavioral engagement as strategically focused and bounded by organizational purpose and relevance.

5.3.2 Antecedents of Employee Engagement
The study sought to explore the extent to which antecedents of employee engagement affect employee retention within an organization.

5.3.2.1 Task Level Effect on Employee Retention
The respondents agreed that challenging job allows employees to use different skills influences employee retention, that job characteristics may influence employee retention and that Peach Consulting Limited has a dedicated officer responsible for work planning for staff. This correlate with Hackman and Oldham (1980) who argued that core job characteristics are skill variety, task identity, task significance, autonomy, and feedback.

The respondents also revealed that job characteristics are positively related to job engagement and that Peach Consulting Limited has policy that governs career growth for staff. These findings are in line with Kahn (1990) who states that employees who are involved in jobs, which are high on the core job characteristics, are more likely to be engaged.

The findings also revealed that Peach Consulting Limited doesn’t discusses job plans with staff before decisions are taken on what is appropriate for both parties and that lack of feedback and autonomy may not lead to burnout. These findings are in line with Bakker
and Demerouti (2007) where in their study of job resources it was found that feedback and autonomy were positively associated with work engagement (as they help in achieving work related goals and may stimulate personal development.

5.3.2.2 Organization of Work Level Effect on Employee Retention
The participants agreed that employee development opportunities may influence employee engagement and retention, that they desire to maintain their job at Peach Consulting Limited and that every task is a new experience for them. These results correlate with Kahn’s (1990) who view pointed that the ability to learn and to apply new knowledge increases meaningfulness for employee, which in turn positively influences engagement.

Respondents also agreed that their job is inventive and interesting and that they have the autonomy of applying new approaches to daily tasks. However the respondents disagreed that learning and applying new knowledge increases meaningfulness for my work. These results are similar to Ologbo and Saudah (2011) who claim that employee development opportunities were also found to have a positive influence on job engagement.

5.3.2.3 Interpersonal Level Effect on Employee Retention
It was revealed that support from colleagues keeps the employees going at Peach Consulting Limited and that employees supervisors are very supportive which make my work enjoyable. These findings are in line with Bakker and Demerouti (2007) who argue that supportive colleagues and proper feedback from supervisors increases the likelihood of being successful in achieving work goals.

The study also revealed that social climate in an organization may influence employee engagement and retention and those respondents have a cordial work experience at Peach Consulting Limited. These results correlate with Maslach et al (2010) who claim that job burnout literature has also extensively studied social support and has shown that there is consistent and strong evidence that lack of social support is linked to burnout.

5.3.2.4 Organization Level Effect on Employee Retention
The study revealed that Peach Consulting Limited employees love their work because they feel secure and that the management exchanges experiences with junior employees to improve job problems in the workplace. These results correlate with the feeling of safety presented by Kahn (1990) is influenced by the predictability and consistency of the procedures used to assign rewards, resources etc. at work.
The study also revealed that there is adequate clarification and communication of a company's goals and objectives and that there is predictability and consistency of the procedures used to assign rewards and resources. These findings are in line with Maslash et al. (2010) who also suggested that the lack of rewards and recognition can lead to burnout; from this we can say that a sufficient amount of rewards and recognition is important for engagement.

Further it was revealed that the management suggests specific strategies to accomplish work objective, that lack of rewards and recognition may not lead to burnout and that here are rewards and recognition systems in the organization. These results are similar Koyuncu et al. (2006) who showed that the level of rewards and recognition is an important part of work experience and a strong predictor of engagement.

5.3.2.5 Individual Antecedents Effect on Employee Retention

The respondents agreed that perceived organizational support makes employees feel obligated to care about the organizations welfare, that employees’ self-efficacy, organizational-based self-esteem and optimism can influence employees’ engagement and that the amount of support and care employees’ perceive to receive from organization influences their psychological safety. These results are similar Xanthopuolou et al. (2007) who showed that there is also a connection between personal resources and an employees’ engagement.

However the respondents were neutral that being able to recover in the evening after a working day, or during weekends, is important for restoring an employees’ physical, emotional and psychological resources necessary for engaging at work. These results correlate with Kahn (1990) stated, at work employees employ themselves physically, cognitively and emotionally, therefore they use their inner resources.

5.3.3 Employee Engagement and Retention

Under this the study sought to establish the extent to which employee engagement affect employee retention within an organization. The findings are presented in subsequent subsections.

5.3.3.1 Vigor Element Effect on Employee Retention
The study revealed that the employees believe the organization will enable me achieve my life goals, that sometimes respondents work extra time to meet deadlines at no extra pay and that respondents always develop alternative ways to achieve the objective whenever faced with new challenges. These findings are in line with Schaufeli et al. (2002) whose vigor is characterized by high levels of energy and mental resilience while working, the willingness to invest effort in the work and persistence even in the face of difficulties.

The study also revealed that respondents work is challenging but very interesting and that respondents can do anything to protect my job. These findings are in line with Richman (2006) who identified engagement as a key driver of individual attitudes, behavior, performance as well as organizational performance, productivity, retention, financial performance, and shareholder return.

The study also found that the respondents are fairly optimistic that the organization is on track and the future is brighter and that respondents will not likely renew their contract to remain with the organization for a long period of time. These results correlate with Schaufeli and Bakker (2014) who claimed that engaged employees are likely to be more attached to their organization and would have a lower propensity to leave it.

### 5.3.3.2 Dedication Effect on Employee Retention

It was revealed that respondent’s job is inventive and interesting, that respondents are proud of the work that they do and that respondent’s job inspires them. These findings are in line with Macey and Schneider (2008) who argued that measuring dedication among employees is difficult as it involves assessing complex feelings and emotion.

It was also revealed that respondents find the work that I do full of meaning and purpose. However it was found that to respondents my job is not very challenging and that respondents are fairly enthusiastic about my job. These results correlate with Karatepe and Ngeche (2012) who argue that stay implies that the employee has an intense desire to be a member of the organization despite opportunities to work elsewhere. Turnover intentions tend to render poor service and corrode organizational effectiveness.

### 5.3.3.3 Absorption Effect on Employee Retention

It was showed that time flies when respondents are at working and that respondents are immersed in their work. These findings are in line with Freene (2006) who argues that
absorption rate enables organization members to draw deeply on their personal selves in role performances hence reduce staff turnover intention.

The study also found that respondents rarely feel happy when they are working intensely, that it is easy to detach themselves from their job and that when respondents are working they don’t forget everything else around them. However the respondents don’t get carried away when they are working. These results correlate Demeroutietal (2010) whose model indicates that job demands i.e. physical demands, time pressure, shift work) are associated with exhaustion whereas lacking job resources i.e. performance feedback, job control, participation in decision making, and social support are associated with disengagement.

5.3.3.4 Positive Advocacy Effect on Employee Retention
The findings show that the respondents agreed on the fact that they plan to build my career with this organization, that they care about the success of this organization and that they feel a strong sense of belonging to this organization. These findings are in line with Bakker and Demerouti (2008) who proposed four reasons why engaged employees perform better than unengaged employees.

The respondents also agreed that they are prepared to put in a great deal of effort beyond what is normally expected in order to help this organization to succeed, that they are enthusiastic about their work and that they are proud to tell others that they are a member of the organization. These findings are in line with Xanthopoulou, Bakker, Demerouti, and Schaufeli (2007) who found in their study of highly skilled Dutch technicians that personal resources (optimism, self-efficacy and organizational-based self-esteem) resulted in higher levels of work engagement.

The respondents also disagreed on the fact that they proactively seek opportunities to serve the mission of the organization. These results correlate Xanthopoulouetal (2009) who found a link between work engagement of restaurant workers and objective daily financial returns.

5.4 Conclusion

5.4.1 Nature of Employee Engagement and Employee Retention
The study sought to examine the effect of nature of employee engagement on employee retention within an organization and concluded that it positively affects employee retention.
5.4.1.1 Cognitive Engagement Effect on Employee Engagement
Under this the study concluded that cognitive engagement positively affects employee retention. The study deduced that the employees in Peach Consulting Limited willingly that employees at Peach Consulting Limited work closely with colleagues to improve performance within the job for the benefit of the organization. It was also deduced that older employees are more engaged than young ones, that Peach Consulting Limited employees have amplified customer focus and that female employees are not more engaged compared to their male colleagues.

5.4.1.2 Affective Engagement Effect on Employee Engagement
The study also concluded that affective engagement positively affects employee retention. The study deduced that the organization culture puts emphasis on staff engagement and that employees have had opportunity to learn and grow at work. The again deduced that in the past six months, someone at work talked to employees about their progress and that this past year, they have had opportunities at work to learn and grow. However the deduced that supervisors, or someone at work, seem to care about employees as a person and that they have the materials and equipment that they need in order to do my work right.

5.4.1.3 Behavioral Engagement Effect on Employee Engagement
The study further concluded that behavioral engagement significantly affects employee retention. The study deduced that my coworkers are committed to doing quality work and that in the last seven days; they have received recognition or praise for doing good work and that they will continue working for Peach for as long as they can.

5.4.2 Antecedents of Employee Engagement
The study sought to explore the effect of antecedents of employee engagement within an organization and concluded that it positively and significantly affects employee retention.

5.4.2.1 Task Level Effect on Employee Retention
The study also concluded that task level positively affects employee retention. The study deduced that challenging job allows employees to use different skills influences employee retention and that Peach Consulting Limited has policy that governs career growth for staff. The findings also revealed that Peach Consulting Limited doesn’t discusses job plans with staff before decisions are taken on what is appropriate for both parties and that lack of feedback and autonomy may not lead to burnout.

5.4.2.2 Organization of Work Level Effect on Employee Retention
Under this the study concluded that organization of work level positively affects employee retention. The study deduced that agreed that employee development opportunities may influence employee engagement and retention, that they desire to maintain their job at Peach Consulting Limited and that every task is a new experience for them. Respondents also agreed that their job is inventive and interesting and that they have the autonomy of applying new approaches to daily tasks.

5.4.2.3 Interpersonal Level Effect on Employee Retention
The study further concluded that interpersonal level significantly affects employee retention. The study deduced that support from colleagues keeps the employees going at Peach Consulting Limited and that employees supervisors are very supportive which make my work enjoyable. The study also deduced that social climate in an organization may influence employee engagement and retention and those respondents have a cordial work experience at Peach Consulting Limited.

5.4.2.4 Organization Level Effect on Employee Retention
The study also concluded that organization level positively affects employee retention. The study deduced that Peach Consulting Limited employees love their work because they feel secure and that there is adequate clarification and communication of a company’s goals and objectives and that there is predictability and consistency of the procedures used to assign rewards and resources. Further it was deduced that the management suggests specific strategies to accomplish work objective, that lack of rewards and recognition may not lead to burnout and that here are rewards and recognition systems in the organization.

5.4.2.5 Individual Antecedents Effect on Employee Retention
The study finally concluded that individual antecedents positively affect employee retention. The study deduced that perceived organizational support makes employees feel obligated to care about the organizations welfare and that the amounts of support and care employees’ perceive to receive from organization influences their psychological safety. The further deduced that being able to recover in the evening after a working day, or during weekends, is important for restoring an employees’ physical, emotional and psychological resources necessary for engaging at work.
5.4.3 Employee Engagement and Retention
Under this the study sought to establish the effect of employee engagement affect within an organization and concluded that it positively and significantly affects the employee retention.

5.4.3.1 Vigor Element Effect on Employee Retention
The study further concluded that vigor element significantly affects employee retention. The study deduced that that the employees believe the organization will enable me achieve my life goals, that sometimes respondents work extra time to meet deadlines at no extra pay and that respondents always develop alternative ways to achieve the objective whenever faced with new challenges. The study also revealed that respondents work is challenging but very interesting and that respondents can do anything to protect my job.

5.4.3.2 Dedication Effect on Employee Retention
The study concluded that dedication significantly affects employee retention. The study deduced that that respondent’s job is inventive and interesting, that respondents are proud of the work that they do and that respondent’s job inspires them. It was also deduced that respondents find the work that I do full of meaning and purpose and that to respondents my job is not very challenging.

5.4.3.3 Absorption Effect on Employee Retention
The study also concluded that absorption significantly affects employee retention. It was deduced that time flies when respondents are at working and that respondents are immersed in their work. The study also deduced that respondents rarely feel happy when they are working intensely, that it is easy to detach themselves from their job and that when respondents are working they don’t forget everything else around them.

5.4.3.4 Positive Advocacy Effect on Employee Retention
The study also concluded that positive advocacy significantly affects employee retention. It was deduced that the they plan to build my career with this organization and that they feel a strong sense of belonging to this organization The study deduced that they are prepared to put in a great deal of effort beyond what is normally expected in order to help this organization to succeed, that they are enthusiastic about their work and that they are proud to tell others that they are a member of the organization.
5.5 Recommendations

Further regarding the cognitive engagement the study found that employees in Peach Consulting Limited fairly make changes within their department willingly and voluntarily. Therefore the study recommends that the employees should be encouraged to be willingly and voluntary be involved in making changes in their respective departments. This will improve the employee retention within the organisation accordingly Peach Consulting Limited.

In relation to affective engagement the study found that in Peach Consulting Limited employees are fairly encouraged to offer ideas and suggestion on how to improve the organization. The study therefore recommends that employees should be encouraged to give and offer ideas on how to improve the organisation. This will assist in improving the employee retention of the organisation as well as giving the employees morale to perform better. It also encourages team work since the employees feel valued as well as increasing the sense of ownership for all the employees who will feel part of the organisation.

The study recommends that the duration taken to evaluate employee performance should be long enough to allow comprehensive assessment and the process of evaluation should involve wide consultations especially in setting performance targets. This will ensure that employees feel that they are part and parcel of the institution and they tend to retain their work for longer periods.

The study recommends that Peach Consulting Limited can improve employee retention by providing welfare benefits that meet the need of employees. For employees to understand the usefulness of welfare benefits, Peach Consulting Limited should provide the employees with sufficient information that will enable them to appreciate the benefits and enhance their loyalty to the organisation.

Regarding behavioral employees’ engagement, the study found that employees are not highly involved in routine decision making at Peach Consulting Limited. The study recommends that the employees should be engaged in decision making since when employees are involved in making decisions, they gain a professional and personal stake in the organization and its overall success which leads to increased productivity as employees are actively participating in various aspects of the company and wish to see their efforts succeed overall. Again the involvement of the employees in decision making increases
overall company morale where employees understand their ideas are an important contribution to the company, and gives them the power to influence the outcome of their work, leading to increased job satisfaction and a positive attitude, not only toward their position but also to the company itself.

5. 6 Suggestions for Further Studies

The study recommends that to add weight to this study, another study should be done to investigate other the factors affecting employee retention such as corruption within the management other than those considered in this study. Researchers should go ahead and establish how corruption as well as inadequate human resource affects the employee retention.

Further studies on this topic could be carried out over a longer period of time and should also include economic and political. Most of organizations in Kenya may fail to perform well due to political reasons like political instability in a country.

The study again recommends that other factors in line with affective engagement at Peach Consulting Limited should be studied further since they touch on the employees who are the main contributors to the employee retention within the organisation.
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APPENDICES

Appendix I: Introduction Letter

To Whom It May Concern
Dear Sir/Madam,

I am a graduate student at the United States International University pursuing a Master of Business Administration degree. As partial fulfillment for my degree, I am conducting a research on **Effect of Employee Engagement on Employee Retention within an Organization using the case Peach Consulting Limited**. Please be advised that any information you will give will be treated with utmost confidentiality and it will not be used for any other purpose other than for the academic purpose of this project. Your honest perceptions, feelings and opinions regarding this subject will be of great value to the accuracy of the study and your responses will be reported in combination with responses from other respondents.

Kindly fill the questionnaire as accurately as possible. This survey should take you approximately 10 minutes to complete.

Thank you for your participation.

Yours faithfully,

CHRISTINE NYAWIRA THEURI

Appendix II: Research Questionnaire

Kindly answer the following questions by writing a brief answer or ticking in the boxes provided.

**PART A: BACKGROUND INFORMATION**

1) What is your gender?
   a. Male □   b. Female □

2) In which of the following age brackets do you belong?
a. 18-30 years □ b. 31-40 years □ c. 41-50 years □ d. Above 50 years □

3) What is your education level (state the highest level?)
   a. Primary □ b. Secondary □ c. Diploma □
   d. Undergraduate □ e. Post Graduate □ f. Other ____________

4) How many years have you worked in your current position?
   Less than 1 year □ 1-5 years □ 5-10 years □ 10-15 years □ 15-20 years □ More than 20 years □

PART B: EFFECT OF EMPLOYEE ENGAGEMENT ON EMPLOYEE RETENTION WITHIN AN ORGANIZATION

Nature of Employee Engagement

5) To what extent do you agree with the following statements on the level of employee engagement in your office? 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

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<tr>
<th>Cognitive Engagement</th>
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<td>Employees at the Peach Consulting Limited are aware of business context</td>
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<td>Female employees are more engaged compared to their male colleagues</td>
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<tr>
<td>Older employees are more engaged than young ones</td>
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<tr>
<td>Employees at Peach Consulting Limited work closely with colleagues to improve</td>
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<td>performance within the job for the benefit of the organization</td>
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<td>Employees in Peach Consulting Limited are positively involved to their organization</td>
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<td>Employees in Peach Consulting Limited willingly and voluntarily make changes within</td>
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<td>their department</td>
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</table>
Peach Consulting Limited employees have trust in their organization

County employees possess self-efficacy

Peach Consulting Limited employees aspire to achieve improvements within the organization

Peach Consulting Limited employees have amplified customer focus

**Affective Engagement**

The organization culture puts emphasis on staff engagement

My supervisor, or someone at work, seem to care about me as a person

The organization encourages the sharing of information knowledge and resources

I have the materials and equipment that I need in order to do my work right.

Management encourages employees’ engagement

Strategic HR policies and initiatives promote employee engagement at all levels

In the past year, I have had opportunity to learn and grow at work

In the past six months, someone at work talked to me about my progress

This past year, I have had opportunities at work to learn and grow

**Behavioral Engagement**

I am motivated to do my work

I am highly involved in routine decision making at Peach Consulting Limited

In the last seven days, I have received recognition or praise for doing good work
At work, my opinions seem to count
My coworkers are committed to doing quality work
I will continue working for Peach for as long as I can

Antecedents of Employee Engagement

6) To what extent do you agree with the following statements on the effect of antecedents of employee engagement on employee’s retention in Peach Consulting Limited? 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

<table>
<thead>
<tr>
<th>Task Level</th>
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<tr>
<td>Job characteristics are positively related to job engagement</td>
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<td>Challenging job, which allows employees to use different skills influences employee retention.</td>
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<td>Lack of feedback and autonomy may lead to burnout</td>
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<td>Job characteristics may influence employee retention</td>
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<td>Peach Consulting Limited discusses job plans with staff before decisions are taken on what is appropriate for both parties.</td>
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<td>Peach Consulting Limited has policy that governs career growth for staff</td>
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<td>Peach Consulting Limited has a dedicated officer responsible for work planning for staff.</td>
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<th>Organization of work Level</th>
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<tr>
<td>Employee development opportunities may influence employee engagement and retention</td>
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<td>I desire to maintain my job at Peach Consulting Limited</td>
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<td>My job is inventive and interesting</td>
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<td>Every task is a new experience for me</td>
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<td>I have the autonomy of applying new approaches to daily tasks</td>
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learning and applying new knowledge increases meaningfulness for my work

**Interpersonal Level**

Support from colleagues keeps me going at Peach Consulting Limited.

My supervisors are very supportive which make my work enjoyable

We have a cordial work experience at Peach Consulting Limited

Social climate in an organization may influence employee engagement and retention

**Organization Level**

I love my work because I feel secure

There are rewards and recognition systems in the organization

There is predictability and consistency of the procedures used to assign rewards and resources

Lack of rewards and recognition can lead to burnout

There is adequate clarification and communication of a company’s goals and objectives

The management suggests specific strategies to accomplish work objectives

The management exchanges experiences with junior employees to improve job problems in the workplace

**Individual Antecedents**

The amount of support and care employees’ perceive to receive from organization influences their psychological safety

Perceived organizational support makes employees feel obligated to care about the organizations welfare

Employees’ self-efficacy, organizational-based self-esteem and optimism can influence employees’ engagement

Being able to recover in the evening after a working day, or during weekends, is important for restoring an employees’ physical, emotional and psychological resources necessary for engaging at work
## Employee Engagement and Retention

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<tr>
<th>Vigor Element</th>
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<tr>
<td>1. I can do anything to protect my job</td>
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<td>2. My work is challenging but very interesting</td>
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<td>3. We always develop alternative ways to achieve the objective whenever faced with new challenges</td>
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<td>4. I am optimistic that the organization is on track and the future is brighter</td>
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<td>5. Sometimes we work extra time to meet deadlines at no extra pay</td>
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<td>6. I will renew my contract to remain with the organization for a long period of time</td>
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<td>7. I believe the organization will enable me achieve my life goals</td>
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<tr>
<td>I find the work that I do full of meaning and purpose</td>
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<td>I am enthusiastic about my job</td>
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<td>My job is inventive and interesting</td>
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<td>My job inspires me</td>
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<td>I am proud of the work that I do</td>
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<td>To me, my job is challenging</td>
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<td>Time flies when I’m working</td>
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<td>I feel happy when I am working intensely</td>
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<td>I am immersed in my work</td>
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<td>It is difficult to detach myself from my job</td>
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<td>I get carried away when I’m working</td>
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<td>When I am working, I forget everything else around me</td>
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### Positive Advocacy

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<td>I am proud to tell others that I am a member of this organization</td>
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<td>I care about the success of this organization.</td>
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<td>I feel a strong sense of belonging to this organization.</td>
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<td>I plan to build my career with this organization.</td>
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<td>I am prepared to put in a great deal of effort beyond what is normally expected in order to help this organization to succeed.</td>
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<td>I proactively seek opportunities to serve the mission of the organization</td>
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<td>I am enthusiastic about my work</td>
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### EMPLOYEE RETENTION

Please respond appropriately to the following items.

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<tr>
<td>I am satisfied with the organization as a place to work</td>
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<td>I feel emotionally attached to my organization</td>
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<td>I have turned down job offers from other organizations</td>
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<tr>
<td>I would be happy to spend the rest of my career with this organization.</td>
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<tr>
<td>I don't have any specific idea how much longer I will stay in the organization.</td>
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<tr>
<td>I have substantially higher overall wellbeing because of the employer I work for today.</td>
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<tr>
<td>There is work-life balance in the organization.</td>
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<tr>
<td>I receive the support I need to do my Job</td>
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<tr>
<td>Leaders in my organization treat people with dignity and respect</td>
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<tr>
<td>This organization meets my work aspirations</td>
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<tr>
<td>I feel valued by my organization.</td>
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<tr>
<td>I feel proud to tell other people about the organization I work for.</td>
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<tr>
<td>How many people do you think left this organization last year? Please specify</td>
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<td>--------------------------------------------------------------------------</td>
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I will remain with this organization even if I am offered a better opportunity elsewhere.

Yes ☐       No ☐

THANK YOU
### Appendix III: Implementation Schedule

<table>
<thead>
<tr>
<th>Duration in weeks/Activity</th>
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<th>7</th>
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<td>Report writing and presentation</td>
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<tr>
<td>Compilation of final report/dissemination</td>
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## Appendix IV: Research Budget

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<th>ITEM</th>
<th>UNIT COST</th>
<th>QUANTITY</th>
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<tr>
<td><strong>HUMAN RESOURCE</strong></td>
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<td>(a) Training of research assistants</td>
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<td>Research assistants allowance (4)</td>
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<td>Principal researcher (1)</td>
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<td><strong>b) Pretesting of questionnaires</strong></td>
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<td>Research assistants allowance (4)</td>
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<td>Principal researcher (1)</td>
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<td><strong>c) Data collection</strong></td>
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