INFLUENCE OF COMPETENCY MANAGEMENT ON EMPLOYEE RETENTION IN SERVICE PROVIDER ORGANIZATIONS IN KENYA

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Abstract:
Retaining talented employees is a critical management issue in both private and public organizations. Employees form a key component of any organization. However, as a result of globalization, economic growth and shortage of skilled labor, many organizations including service providers are finding it difficult to retain valued employees. Turnover is even occurring against a background of varied human resource management 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 practitioners due to talented candidates in the global job skills market having the luxury of choice. The objective of this study was to investigate the influence of competency management on Employee Retention in the service provider sector in Kenya. This study was informed by human capital theory. Explanatory research design guided the study. The target population of this study was 519 employees of Mobile service provider organizations. The sample size was 226 respondents. Stratified, purposive and simple random sampling was used to select respondents. The data was collected using self-administered questionnaires. The data was analyzed using both descriptive and inferential statistics to explore the various variables of the study using Statistical Package for Social Sciences Software version 22. From the regression model, \( R^2 = .630 \) shows that competency management practices account for 66.3\% variation in employee retention at service provider organizations. There was a positive significant relationship between competency management practices and employee retention at service organizations \( (\beta_1=0.751 \text{ and } p<0.05) \). There is a positive and significant relationship between competency management and Employee Retention in the service provider organizations in Kenya. Competency management should always be considered as a key component and outcome of strategic human resource management for enhanced employee retention and performance. Organizations should consider competency management as core human resource practices if they were to retain their employees.

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1. Introduction

In this era of hyperactive environment, the formulation and implementation of traditional human resource management (HRM) strategies and practices are not enough to retain talented workforce. With the inclusion of more and more Generation X and Y employees in the workforce, utilization of these traditional retention strategies is becoming less effective to meet the requirements of these generations (Kashyap & Rangnekar, 2014). Organizations are compelled to find gateways to be more adaptive, accommodative, and cooperative as the challenges and pressures of competition in the global changing markets are nerve breaking and highly intense (Park, Appelbaum, & Kruse, 2010).

Employee turnover is a part of normal business activity, employees come and go as their life situations change. Employers realize this and, indeed, large organizations typically have entire departments devoted to the management of human resources in order to make the transition as painless as possible for both management and employee and to minimize the associated hiring and training costs. In smaller organizations, however, each individual incident of employee turnover has a relatively larger effect on the organization; in a ten-employee organization, the loss of one employee translates into a 10 percent turnover rate. Therefore, loss can put a strain on the organization’s ability to do business. Small organizations also have a higher failure rate than large organizations and this adds to the employee’s side of the risk equation. To mitigate these and other detrimental employment characteristics of small organizations, economic theory posits that small businesses should have to pay higher wages than large organizations (Hope & Mackin, 2007).

According to observations by Hope and Mackin (2007) employees of large establishments stay in their jobs longer than employees of small establishments. Offering benefits improves employee retention. When an organization offers benefits, it decreases the probability of an employee leaving in a given year by 26.2 percent and increases the probability of staying an additional year by 13.9 percent. Employee retention is considered as the heart of organizational success. It is defined as a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the objectives (Singh & Dixit, 2011). The basic aim of employee retention strategies and practices is twofold within the organizations. One is to reduce employee turnover and, second, to considerably reduce the associated expenses of hiring and training orientation of the new employees (Iqbal & Hashmi, 2015).

In the modern-day competition, talent has become a precious resource, sought and fought over by competitors in a global ‘war for talent’ (Cheese, Thomas & Craig, 2008). For most organizations, filling key positions is a very important means of developing and ensuring sustainability of the competitive edge (Thunnissen, Boselie & Fruytier, 2013).
Retention of talented employees is the priority of many organizations and it is the key differentiator of human capital management in many organizations (Mohammed, 2015). Organizations have increasingly recruited talent away from their competitors, creating retention tension (Capelli, 2015). The demand for competent employees is high especially for key decision-making workforce; therefore, organizations are exposed to a continuous competitive fight for the best and talented employees (Kibui, 2015). Studies have shown that employees who are satisfied as a result of proper career management practices always tend to be committed to an organization hence stay longer (Cooper-Hakim & Viswesvaran, 2005), and employees who are satisfied and committed are more likely to stay with the organization (Ngirande & Muzana, 2014).

Talent management practices consist of a wide range of activities which different organizations adopt such as compensation management, talent attraction, talent development, talent retention, performance management, competency management, skill development, training and development, learning and development, leadership development, succession planning, career management, workforce planning and many others (Bersin & Deloitte, 2010; Armstrong, 2010). These are methods employed by organizations to assist in the retention of their employees (Human Capital Institute, 2008). The practices adopted generally differ from industry to industry in many cases and certain practices are more suitable for certain industries over others (Ochieng, 2016). The overall attitude toward TM practices differs from country to country, while findings on TM in emerging-market organizations show that at different levels TM challenges in all of these countries are to a larger extent influenced by the country’s culture, its organizational, institutional, industrial, and other individual factors (Cooke et al., 2010). Moreover, effective implementation of TM practices in organizations has a number of country-level consequences that can be measured by different economic development or competitiveness indicators (Morley et al., 2015).

In today’s competitive scenario, as awareness and technology play a vital role in developing the telecommunications industry, competition is becoming more vigorous and intense. Companies incur direct and indirect expenses which include the cost of advertising, headhunting fees, human resource costs, loss of productivity, new hire training, and customer retention, every time they have to replace an employee. These expenses can add up to anywhere from 30 to 200 percent of a single employee’s annual wages or salary, depending on the industry and the job role being filled (Beam, 2009). Retention becomes one of the biggest issues for the service industry in Kenya because employees are the ones who make profits and are considered as the capital or asset of the organization. With increased development in the mobile sector, players are outdoing each other with throat cutting strategies. Similar competition has been extended to the dealers who have invested so much in their employees in terms of training and compensation packages to retain the best labour force.

The telecommunications industry has undergone tremendous innovations with the proliferation of information and communication technology. At present, mobile telephones are an integral part of modern telecommunications. In many countries, more
than half of the population already uses mobile services and the market is still growing (Muturi, 2004). For the last one decade, the marketing environment facing organizations in Kenya has been dynamic. Generally, there has been a shift from a stable, non–volatile predictable and uncompetitive environment to one that is quite volatile, unpredictable and competitive (Muturi, 2004). Up to 1990’s many organizations in Kenya enjoyed unchallenged monopolies and government protection. Deregulation and globalization have however turned around the Kenyan marketing environment. Globalization has spearheaded the integration of the Kenyan economy with other world economies such that Kenya is now part of the global village. The power of information and technology, deregulation, globalization of markets and stiff competition has made customers better educated, more inquisitive, sophisticated and deciding. The marketing environment has tremendously changed thereby posing serious implications and challenges to the survival and profitability of organizations.

An organization’s most important people are often also the most likely to look elsewhere for other opportunities. Armstrong (2006) argues that talent will always be in high demand, and many talent groups will be attracted by the prospect of short periods of employment with a large number of employers. Service industry is no exception to these challenges. The uniqueness of the nature of services, industry newness in the Kenyan economy and low supply of skilled personnel increases competition for talent. Further, liberalization of the market has increased the number of participants in the industry creating job openings against a shortfall of supply.

Consequently, service providers suffer huge losses in terms of high turnover of specialized staff such as service specialist lured by lucrative pay offers from rival organizations. Finding qualified people to fill gaps left by turnover is difficult and the cost of providing specialized training to new recruits is high. Under these circumstances, organizations are better off engaging their employees with the objective of retaining them for long term growth and survival. The key players in the service industry in Kenya include Safaricom, Zain, Orange, YU, and Telkom Kenya. Safaricom has the largest number of subscriber base estimated at 13 million persons representing a market share in excess of 70 percent. Zain enjoys a subscriber base of approximately 3 million subscribers representing market share of 18 percent.

1.1 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.

Currently, organizations are facing the challenge of retaining their skilled talent (Schuler, 2011; Scullion, 2010; Tarique & Schuler, 2010). According to the Kenya National Bureau of Statistics (2012), at least 20 per cent of employees leave their organization, this severe drain of talents from organizations has not spared mobile telecommunication sector. The high rate of employee turnover in these organizations can be attributed to the fact that many managers have dismissed talent management as a non-issue and have not put in place strategies to retain talent in their organization (Rono & Kiptum, 2017).

Usually, the lack of staff retention in these organizations has had adverse effects on service delivery (Ng’ethe, Iraivo & Namusonge, 2012). According to the Annual Report, Safaricom has experienced a staff turnover of approximately 6.0 per cent (Safaricom Annual Report, 2016), 20 percent Airtel (Ndin’ori, 2015; Odembo, 2013) and 35 percent in Telkom Kenya (Muteti, 2013). However, none of the researchers has considered the effect of competency management on employee retention within an organization. This study therefore sought to fill this gap by establishing the influence of competency management on employee retention in Mobile phone service providers in Kenya, which this study sought to address.

2. Literature Review

2.1 Human Capital Theory
This study adopted the Human Capital theory. Human Capital Theory assists in the evaluation of the influence people have on a business entity and the value addition on the shares by providing a measuring yardstick upon which future employees, business plans and procedures are structured to improve on the effectiveness of Talent Management (Ochieng, 2016). The added value that people can contribute to an organization is emphasized by human capital theory (Armstrong, 2012). It considers people as assets and emphasizes that the investment by organizations in its personnel generates profitable returns. The theory therefore reinforces the beliefs of human resource management and human capital management. The Human capital theory is closely associated with the resource-oriented perception of the organization, as referred to by Barney (1991).

The sustained competitive advantage is achieved when the company has the human resources that cannot be imitated or substituted by its rivals in the market. The competitive advantage a company needs to survive is obtained by using methods different from those used by its competition; therefore, each company will try to find (consciously or not) rare resources that are impossible to imitate, copy or replaced (Buta,
According to the Human Capital theory the stock of knowledge and all that implies the knowledge becomes the ultimate resource for companies, i.e. the resource that ensures / maintains competitive advantage; so human resources in organizations as equivalent to human capital, become in time an important vector in carrying the knowledge that is inimitable (Manolescu, 2003).

2.2 Competency Management

Highest attention is paid to retention as it helps not only in reducing turnover outlays or in minimizing the cost of recruiting and training but because it aids in retaining talented workforce from getting poached (Sandhya & Kumar, 2011). However, when an employee terminates his job, the organization suffers loss of customer loyalty (in service sector), loss of expertise, more organizational cost (hiring, administrative, and training), and interruption in daily workflow, which may prove disastrous for the organizations in the end (Brandt, Bielitz, & Georgi, 2016; Karsan, 2007; Ton & Huckman, 2008).

Competency management, the lynch pin to talent management, helps organizations identify and define the current and anticipated knowledge, skills and/or behaviours required for optimum success (Aberdeen Group, 2007). Competency management; an integrated set of HR activities aimed at maximizing the development and the use of employee competencies to increase individual effectiveness, and eventually, to increase organizational effectiveness (Van Beirendonck, 1998).

Competency management is about assisting organizations understand the competency profile of each of their employee, each team and the organization. It starts with defining employees’ competencies, roles, capturing their assessment and analyzing the results. These results are then used in the development and deployment of people based on their core competencies (Andrew, 2011). Competency management is significant to talent management as it places competencies at the core of TM. This is a complete contrast to traditional job analysis; competency management ties the derivation of job specifications to the strategy of the organization (Sita & Pinapati, 2013).

The definition of competencies in a structured and consistent manner helps to bind and consolidate the organization’s TM processes; they act as a common denominator (Riitva & Viitala, 2007). Even though competencies were designed with emphasis on training and development, organizations must start using them in virtually all HR areas of functionality. This is because competencies can provide the linkage for developing a truly integrated human resource system (Andrew, 2011). Thus, by using the same competencies throughout the organization a specific language is created based, on which the organization’s strategy can be translated into human resource practices. Competency management if successfully implemented and well embedded can bring about many advantages for the organization (Becker & Huselid, 1999).

Generally, competencies link the larger organizational matters with a range of talent management applications (CHCI, 2012). Right from hiring and selection, organizations have a free hand in the use of behavioural-event interview techniques, scoring checklists in the identification of talented individuals who possess the right
competencies that are essential for success in the organization. In general, organizations dedicate a greater amount of effort in the identification of talent which is scarce and in areas that are considered difficult in development which are considered for immediate success (Schoonover, 2011; Washington State HR, 2012). Through such effort in hiring, organizations have to safeguard on the issue of retention. By the incorporation of competencies in to the learning, development and the career planning process of the organization, competencies become not only essential but useful in a number of ways. Over time, the competency-based curriculum design has become an all-time practise for many organizations.

Additionally, a number of organizations have continually used career planning practice across bands or roles (Wuim-Pam, 2014). In the recent past, competencies have been utilized to develop a variety of initiatives ranging from multisource feedback and assessment to coaching tools and complete and comprehensive learning frameworks. It is notable that, it is through the performance management process that organizations can succinctly communicate the behaviors important to the overall individual success. They can also help individuals see how well they demonstrate the competencies and develop plans for individual improvement and eventual retention of this talent in the organization (Wuim-Pam, 2014). Organizations implement competency management in order to; drive and instill a performance culture, make more precise, target-based and effective hiring decisions and to integrate talent management initiatives around a “common language” (Schweyer, 2012).

Competencies serve as the common language to align disparate talent processes and are at the very core of any talent management strategy. Competency management enables organizations to identify the critical skills, behaviors, and knowledge required to attract the right talent, manage talent, and develop talent to ensure a sustainable organization (CHCI, 2012). It is from this that an organization’s competency management can be defined as that activity that aims to safeguard and strengthen an organization’s operating capability and competitiveness by means of its knowledge base. Through competence management an organization is able to nurture and develop its core competencies on all levels, right from the general staff through the management in all the critical areas of operation. This demands for proper direction, clear definition, accurate evaluation, careful planning and development (Schweyer, 2012). The use of competencies in talent management appears to be growing.

Mercer HR Consulting 2004-2005 U.S. Compensation Planning Survey reported that just 36 percent of companies used a competency-based performance management system at that time, while 16 percent were considering it. A study by Arthur Andersen in 2001 found out that 48 percent of participating organizations used competency-based performance management systems. While it is impossible to make direct comparisons between the studies, it is fair to say that competency management has gone mainstream and is now a widely accepted best practice in talent management. Nonetheless, the use of competencies in organizations is, for the most part, in its infancy and very much a work in progress (Arthur Andersen, 2001). To ascertain retention it is necessary that, job
competency profiles, also referred to as job competency models, are created by the identification of the competencies necessary for someone to be successful in a role and the specification of the degree of proficiency essential for each one.

The competencies settled on however, depends on a number of critical factors, but is often based on the competencies that a high performer is already demonstrating in the role assigned (Lexonis, 2012). In a survey conducted by the Corporate Executive Board (CEB) (2014), a majority 85 per cent of Fortune 500 organizations studied tend to feel that they have a shortage of global leaders and talent supply. Therefore, to gain the all-important and critical advantage in the globalized marketplace, it is becoming essential for organizations to come up strongly and develop their strategic competency models that are tailored to meet their strategic business objectives. In addition to the development of employees in specific sectoral subjects, the most successful individual contributors and leaders are “T-shaped thinkers” – those that have a deep functional subject matter expertise in addition to a broad cross-functional knowledge base in the organization (CEB, 2014).

The development of a robust set of competencies organizationally and at the job level normally establishes a framework that supports the growth of organizations globally and across the critical dimensions of the talent wheel that include but are not limited to: recruitment and selection, onboarding, job profiles, learning and development, training, performance management, career development, and succession planning (IRHDC, 2014). The establishment of the core competencies at the organizational level assists employees to understand how the organization views talent and also promotes behaviors that reflect the organization’s vision and values (Andrew, 2011). The development of a competency framework is important as it also provides for a more consistent set of behaviors and language that can be used across talent management in the organization. Finally, competencies facilitate talent management strategy discussions in the organization and can therefore be leveraged into any organization’s talent management initiatives (IHRDC, 2014).

2.3 Employee Retention
To accomplish organizational business objectives, efforts that an organization adopts to keep productive and desirable employees are referred as employee retention (Frank, Finnegan, & Taylor, 2004). In every sector, employee retention is a major issue because high turnover cost results in failure for achieving organizational objectives. Employee retention issues are emerging as the most critical workforce management challenges of the immediate future (Rono & Kiptum, 2017). Once an organization has captured skilled employees, the return on investment requires the closing of the back door to prevent them from walking out (Kubraison, Mukangu & Rutiria, 2015). Most employees are likely to remain with the organization if; they believe that the organization shows more interest in and concern for them, know what is expected of them, are given a role that fits their capabilities, and receive meaningful and regular positive feedback and recognition (Samuel & Chipunza, 2013).
Employee retention and talent management practices of successful organizations are fundamental elements to the maintenance of their leadership and development in the marketplace (Kurbetta & Mehta, 2014). It is important therefore that, an organization’s talent management strategy contributes more to; employee engagement practices, effective recruitment and retention program for employees. This in essence fosters a positive employer brand and most employees will consider staying in the organization longer, which minimizes turnover and turnover intention (Julia, Hughes & Rog, 2008).

Retention of an organization’s talent; that employee who is a strong performer, has high potential or is in critical jobs is quite important during economic recoveries when organizations are competing aggressively for market share and talent (Kigo, 2016). This key talent immensely contributes to the organization performance and to future performance because they often become leaders. Their loss on the other hand costs considerably more since their impact and overall contribution to the organization is far greater than that of typically average employees (McMullen & Mark, 2012). Retention of talent in organisations is critical in the preservation of skills and knowledge in an organization (Chikumbi, 2011). By so doing, an organization can avoid losing customers so that they maintain high quality products that are marked by high sales. Research indicates that employees who work together for a long time enjoy an open and healthy working environment, good rapport with supervisors, effective succession planning and organisational knowledge and learning (Mendez & Stander, 2011).

For instance, a good compensation package is important in retaining employees, offering an attractive, competitive benefits package with components such as life insurance, disability insurance and flexi-time tends to motivates employees to commit themselves to an organization for longer (Ahmed, 2016). It is important at the same time difficult to retain talented employees under soaring unemployment levels. It is critical to retain them because of high training and recruitment costs therefore organizations use rewards to retain employees (Simon North, 2011). Furthermore, Ratna and Chawla (2012) argued that retention is more important than hiring, even though hiring knowledgeable people is essential for an employer.

Ratna and Chawla (2012) state that “The process of employee retention will benefit an organization as the cost of employee turnover adds hundreds of thousands of money to a company’s expense.” It also means that if a company has a higher employee retention rate, it will motivate potential employees to join the company. McNally (2011) found some ways of retaining valued employees, such as designing a compensation programme to reward valued employees, career opportunity, development and growth paths they need to develop, encouraging work-life balance and good communication. McNally stated that “Give your most valued employees the best opportunities, coaching and rewards, knowing that the key to your company’s success is their retention.” To guarantee retention, employees in an organization must be able to see a clearly defined career path in their areas of operation, it is only then that they can stay longer (Bagga, 2013).

Provision of great career development opportunities makes the employees to stay in the in addition, creating a positive social work environment and adding content to the
jobs and tasks to be done by the employees enhances employee satisfaction and commitment, these all guarantee stay (Meganck, 2007). In a study to identify ways of retaining talented employees in professional organizations Govaerts et al., (2010) sampled and studied 972 employees and concluded that, to retain employees it is important to pay attention to learning of employees.

Learning and development of employees plays a key role in talent management strategy. Organizations should freely allow employees to learn more and do more in what they are good at in their areas of specialization. This kind of autonomy leads to satisfied employees, hence retention. The study identified a strong and positive relationship in intention to stay with the company and age of the employees. Using different talent management practices, the company is able to retain employee for a longer period, the less will be the intention of employee to leave job (Mehta, 2014).

In order to increase retention, managers must consider training of employees to attain the necessary KSA to perform better as critical, this is to ensure that younger employees are almost at par with regard to skill acquisition with older counterparts in the organization (Taplin, Winston & Winterton, 2007). Proper-trained are always loyal to the organization (Leidner, 2013). Well-crafted employee training program that considers the interests of older employees is important for better older employee retention (Marjorie, Stassen & Templer, 2004). Finally, it is critical to retain talented employees otherwise it leads to greater wastage of resources in training costs by organizations. With this in mind an effective employee retention program should be adopted by organizations to maintain an effective workforce as well as meet operational requirements (Kurbetta & Mehta, 2014).

A study by Oladapo (2014) on Impact of Talent Management on Retention in Strayer University. The study sought to unravel the challenges and successes of talent management programs and the reasons why some organizations choose not to have a program. Findings of the study revealed that for the organizations sampled with a talent management programs (69 per cent of those studied), respondents agreed strongly that an effective and strategic talent management program was an important aspect despite the fact that the organization faced challenges in the implementation. They reveal that, opportunity for job advancement is the most significant factor affecting retention rate.

For the organizations sampled without a talent management program (the remaining 31 per cent of those studied), indicated absence of executive management support. Ochieng (2016) carried out a study to establish the relationship between Talent Management Practices and Employee retention at DHL Supply Chain Kenya Ltd. The study employed a descriptive research design. The findings reveal a strong positive significant correlation between DHL’s talent management practices and employee retention. Isfahani and Busatani (2014) carried out a study on the effects of talent management on employee retention for staff of the University of Isfahan in Iran and found out that there is a positive relationship between talent management and employee retention regardless of the organizations’ characteristic.
A study by Mangusho (2015) on Evaluation of Talent Management on Employees Performance in Beverage Industry: a case of Delmonte Kenya Limited established that through career management practices such as job rotation there was increased employee competence and therefore achievement of high employee performance. The study also established that through a clear plan for the career growth and progression the organization was able to develop its talent which directly influenced employee performance (Mangusho, 2015).

3. Research Methodology

This research utilized explanatory research design. Explanatory research also aimed to understand phenomena by discovering and measuring causal relationships between variables. Explanation of why and how there is a relationship between two or more aspects of a situation or phenomenon was established by using explanatory design Earl (2010). The objective of explanatory research was to portray an accurate profile of persons, events or situations (Earl, 2010). Explanatory design approach builds on the assumption that the views obtained generate vital information on the research question thus, appropriate for this study.

The target population for this study was the staff of mobile service provider organizations in Western Region of Kenya. The organizations included Mobile service providers. They were categorized from these organizations and its agencies. These were staff in Western Region. The study employed both probability and non-probability sampling designs. A stratified sampling design was used to select strata from the hierarchies of employees in the mobile service provider sector and then random sampling used to select the participants from every stratum of employees in the organizational structure. This guaranteed, in the long run, every possible sample selected with known and equal chance of participating (Joseph, 2012). The employees were categorized into Area Sales Managers, Trade development representatives, Customer Care employees (under organization) and Customer care staff (under contract) formed the stratum. From the stratum, proportionate sample was obtained and to sample the actual individuals as respondents. The researcher adopted Yamane (1973) model for determining the sample size where the population size is known.

\[
N = \frac{N}{(1+Ne^2)}
\]

\[
N= \text{population size} = 519
\]
\[n= \text{sample size}\]
\[e= \text{standard error; acceptable level is 0.05.}\]
\[= 519/ (1+519(0.05) (0.05)); \]
\[= 226 \text{ Respondents.}\]

The sample size from each stratum was obtained using the proportionate sampling since the stratified random sampling design was adopted. Questionnaires were used in
collecting data for the study. The study used primary data which was obtained using structured questionnaires entailing question items on competency management and employee performance. The questionnaire used was based on likert scale. This design of questionnaire is preferred by Kothari (2003) due to its objectivity and precision thus accuracy in analysis. The study used drop and pick method for the all the respondents with strategic points placed at the reception for the respondents to deposit their filled in questionnaires for collection by the researcher four days after administration. Five-point Likert scale was used to design the questionnaire.

Regardless of the research procedure used and the method employed, researchers need to critically assess to what extent it is likely to consistently measure what it ought to measure accurately. Cronbach’s Coefficient Alpha was used to determine the reliability of the research instrument using SPSS V. 23 program. A reliability coefficient of 0.7 and above was assumed to reflect the internal reliability of the instruments (Fraenkel & Wallen, 2000). The entire questionnaire deemed as reliable after several typographical errors and omissions detected are corrected in the instrument organization that it is sufficient to be used in the main study.

Validity is the extent to which a construct measures what it is supposed to measure (Zikmund et al., 2010). Content validity is the most important validity test (Hair et al., 2007). Validity was based on the extent to which a measurement reflects the specific intended domain of content. Validity is not quantified using statistical methods, meaning that validity is a qualitative measure. To ensure content validity, discussions was held with experts during the questionnaire formulation stage to ensure that the measures include an adequate and representative set of items that tap the content. Content validity of the instrument was determined by the researcher using expert judgment. Validity was done by discussing the items in the instrument with the lecturers from the department and colleagues. Advice given will help determine the validity of the research instruments. After all data has been collected, the researcher will conduct data cleaning, which involved identification of incomplete or inaccurate responses then correct them to improve the quality of the responses. This involved inspection and editing for completeness, coding and accumulation of missing data. The data was categorized, coded and entered in the computer for analysis using the Statistical Package for Social Sciences (SPSS). The data was then coded using Likert scale values corresponding to the number of options in the research question. The coded data was then analyzed using descriptive statistics such as mean scores and standard deviations. The mean scores gave the standardized response for each of the research questions and the standard deviation established the variation of the responses from the standardized response. Data from the questionnaires were recorded and descriptive analysis was performed to summarize the data. The direction and strength of the relationship between the independent variable (Competency management practices) and dependent variable (employee retention) was examined using linear regression analysis. The interpretation of the results was based on the results used to draw conclusions concerning the significance of the findings.
4. Results

4.1 Competency Management
This study sought to find out the extent to which Mobile phone service providers carried out competency management on its employees. All the measures of competency management were used on a five-point Likert scale from 1=strongly disagree to 5=strongly agree. The results obtained were presented in Table 1. The analysis showed that all the item means were above 3.0 except there is no connection between the work I do and the company’s strategic objectives (M= 2.84; SD= 1.122) showing that the responses were significant. “My performance appraisal is done regularly” had the highest mean of (M=3.99; SD= 0.754) which is an indication that performance appraisal was done regularly.

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>S.D</th>
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<tbody>
<tr>
<td>Performance assessment based on individual competencies</td>
<td>3.99</td>
<td>0.754</td>
</tr>
<tr>
<td>Organization always encourages employees to undertake self-development initiatives in their area of operation</td>
<td>3.80</td>
<td>0.801</td>
</tr>
<tr>
<td>Organization regularly administers competence tests to ascertain our levels of skills in different aspects of our job/tasks</td>
<td>3.72</td>
<td>0.760</td>
</tr>
<tr>
<td>Organization allows all employees to utilize talent skills</td>
<td>2.84</td>
<td>1.122</td>
</tr>
<tr>
<td>Organization always stresses the importance of different competencies for different tasks</td>
<td>3.84</td>
<td>0.763</td>
</tr>
<tr>
<td>The organization allocates tasks based on specific competencies</td>
<td>3.11</td>
<td>0.968</td>
</tr>
<tr>
<td>The organization regularly looks for specific skills during recruitment and selection</td>
<td>3.90</td>
<td>0.664</td>
</tr>
<tr>
<td>The organization regularly undertakes training needs assessment to help identify training needs</td>
<td>3.90</td>
<td>0.539</td>
</tr>
<tr>
<td>Employees in this organization are involved in most of the decision making</td>
<td>3.41</td>
<td>0.785</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>3.61</strong></td>
<td><strong>0.80</strong></td>
</tr>
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On performance assessment, findings revealed that majority of the respondents agreed that Mobile phone service providers carried out performance assessment based on individual competencies (M= 3.99; SD= 0.754). Majority of respondents agreed that the organization always encouraged employees to undertake in self-development activities in their area of operation (M= 3.8; SD= 0.801). Most of respondents acknowledged that the organization administered regular competence tests to its employees to ascertain levels of skills in different aspects of job/tasks (M= 3.72; SD= 0.76). Most respondents were not sure that Mobile phone service providers allowed them to utilize their skills in their areas of operation (M= 2.84; SD= 1.12).

On competence analysis, the results indicated that Mobile phone service providers stressed the importance of different competencies for different tasks (M= 3.84; SD= 0.763). In addition, majority agreed that tasks in the organization are allocated based on specific competencies (M= 3.11; SD= 0.968). Most of them agreed that organization looked for specific skills and competencies during recruitment and selection (M= 3.9; SD= 0.539).
Overwhelming most of the respondents agreed that the organization regularly undertakes training needs assessment to help identify training needs ($M=3.9; SD=0.539$). On the other hand, most of the respondent disagrees that employees in this organization were involved in most of the decision making ($M=4.1; SD=0.785$).

From the findings there was consistency to indicate that Mobile phone service providers had a competency management framework in place that emphasizes on performance based on skills set and competencies and that task allocation at the organization is based on specific skills and competencies ($M=3.61; SD=0.80$). Mobile phone service providers look for specific skills and competencies during recruitment and selection. In all responses, there was consistency to indicate that Mobile phone service providers had a competency management framework in place that emphasizes on performance based on skills set and competencies and that task allocation at the organization is based on specific skills and competencies. The competency management was a core practice at Mobile phone service providers.

### 4.2 Employee Retention

The study sought to determine the extent to which employees at Mobile phone service providers were retained to the organizations. The predicted variable of employee retention was operationalized by the indicators of turnover, intention to stay and intention to leave. Similarly, all measures of employee commitment used a five-point Likert scale as from $1= $strongly disagree (SD) to $5= $strongly agree (SA). The results obtained were as shown in Table 2. The results from analysis of data on mean and standard deviation showed that all the variable means were above 3.0 showing that all the responses were significant.

On turnover the findings presented revealed that a majority of respondents simply agreed that Mobile phone service providers had a minimal turnover ($M=3.92; SD=0.391$). Majority of respondents agreed that they had no intention to leave Mobile phone service providers ($M=3.71; SD=0.554$). Most of the respondents revealed that they were satisfied by the work they were doing at Mobile phone service providers ($M=3.93; SD=0.449$). Majority of respondents agreed that they saw a future for within this Mobile phone service providers organization ($M=3.88; SD=0.395$). Similarly, the result indicated that most agreed that if they were up to them, they would still work for Mobile phone service providers for the next five years ($M=3.87; SD=0.453$).

In addition, the findings revealed that a majority of respondents agreed that they loved working for the organization ($M=3.72; SD=0.552$). At the same time most of them agreed that the work they were doing at Mobile phone service providers was very important to them ($M=3.79; SD=0.492$). These findings could also mean that these employees were satisfied with their current organization and therefore did not feel like taking up other jobs elsewhere. On the intention to leave, results revealed that if they were to start their careers afresh, then it would not be with the current organization ($M=3.92; SD=0.926$). Most of them agreed that if they could receive an attractive job offer from...
another organization, they would not hesitate to leave Mobile phone service providers (M= 3.89; SD= 0.859).

Table 2: Descriptive Statistics for Employee Retention

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>S. D</th>
</tr>
</thead>
<tbody>
<tr>
<td>My organization has had minimal rate of turnover</td>
<td>3.92</td>
<td>0.391</td>
</tr>
<tr>
<td>I have no intention of leaving the organization</td>
<td>3.71</td>
<td>0.554</td>
</tr>
<tr>
<td>Within this organization, my work gives me satisfaction.</td>
<td>3.93</td>
<td>0.449</td>
</tr>
<tr>
<td>I see a future for myself within this organization.</td>
<td>3.88</td>
<td>0.395</td>
</tr>
<tr>
<td>I will be working for this organization for the next five years.</td>
<td>3.87</td>
<td>0.453</td>
</tr>
<tr>
<td>I love working for this organization.</td>
<td>3.72</td>
<td>0.552</td>
</tr>
<tr>
<td>The work I am doing is very important to me</td>
<td>3.79</td>
<td>0.492</td>
</tr>
<tr>
<td>If I could start over again, I would choose to work for another organization.</td>
<td>3.92</td>
<td>0.926</td>
</tr>
<tr>
<td>If I received an attractive job offer from another company, I would take the job.</td>
<td>3.89</td>
<td>0.859</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>3.85</td>
<td>0.563</td>
</tr>
</tbody>
</table>

From the findings it was clear that majority of respondents were willing to stay in the current organization. They were satisfied with the work they were doing and were committed to Mobile phone service providers (M= 3.85; SD= 0.056). The findings, however, indicate clearly that a majority of respondents would take an attractive job offer any time should it come their way. This is a clear indication of the threat Mobile phone service providers faces from rival telecommunication organizations in retention.

4.3 Relationship between Competency Management and Employee Retention

A linear regression model was used to explore the relationship between competency management practices and employee retention at mobile phone service providers. The $R^2$ represented the measure of variability in employee retention at mobile phone service providers that competency management practices accounted for. From the model, ($R^2$ = .630) shows that competency management practices account for 63% variation in employee retention at mobile phone service providers. This finding corroborated the fact that competency management is a useful predictor of employee retention. This meant that employees who experience higher levels of competency management will also have highest levels of employee retention as compared to the rest. Therefore, the competency management practices predictor used in the model captured the variation in the employee retention at mobile phone service providers as shown in Table 3.

Table 3: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.793a</td>
<td>.630</td>
<td>.628</td>
<td>.69125</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Competency management.

The analysis of variance was used to test whether the model significantly fit in predicting the outcome than using the mean as shown in (Table 4). The regression model with competency management practices as a predictor was significant ($F$=382.148, p =0.000).
This shows that there is a significant influence of competency management practices and employee retention at mobile phone service providers. Thus, reject the null hypothesis that there is no effect of competency management practices on employee retention at mobile phone service providers.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>156.764</td>
<td>1</td>
<td>156.764</td>
<td>328.082</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>92.219</td>
<td>193</td>
<td>.478</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>248.984</td>
<td>194</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee retention.
b. Predictors: (Constant), Competency management.

### 4.4 Regression Coefficients

In addition, the β coefficients for competency management practices as independent variable was generated from the model, in order to test the hypotheses under study. The t-test was used to identify whether the competency management practices as predictor is making a significant contribution to the model. Table 5 shows the estimates of β-value and gives contribution of the predictor to the model.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-.178</td>
<td>.146</td>
<td>-1.221</td>
<td>.224</td>
</tr>
<tr>
<td>Competency</td>
<td>.982</td>
<td>.054</td>
<td>.793</td>
<td>18.113</td>
</tr>
<tr>
<td>management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee retention.

From the findings the t-test associated with β-values was significant and the competency management practices as the predictor was making a significant contribution to the model. The study hypothesized that there is no significant relationship between competency management practices and employee retention at mobile phone service providers. The β-value for competency management practices had a positive coefficient, depicting positive relationship with employee retention at mobile phone service providers as summarized in the model as:

\[ Y = -0.178 + 0.982x + \varepsilon \]

Equation 4.1

Where:
Y = Employee retention,
X = Competency management practices,
ε = error term
The study findings depicted that there was a positive significant relationship between competency management practices and employee retention at mobile phone service providers ($\beta_1=0.751$ and $p<0.05$). Therefore, a unit increase in competency management practices led to an increase in employee retention at mobile phone service providers. The null hypothesis ($H_0$) was rejected. Therefore, competency management practices had a significant influence on employee retention at mobile phone service providers. It thus implies that employees who experience high levels of competency management could most likely be retained in the organization.

This implied that for every increase in competency management, there was a predicted increase in the percentage of employee retention. The findings were supported by Pinapati (2013) in a study about competency management as a tool of talent management: A study in Indian IT organizations. They were supported by those of Schweyer (2012) who investigated the role of competency in Integrated Talent Management. Jain (2013), Kumar (2013) and Chitalu (2011) findings also reveal the same. Wuim-Pam (2014) and Kibui (2015) also corroborate these findings in the study, Employee core competencies for effective Talent Management. The study concluded that competency management through the tying core competencies with talent management was a win-win proposition as it provided organizations with a means of upgrading and retaining their valuable workforce.

5. Conclusion

The objective of this study aimed at finding out the influence of competency management on employee retention in the Mobile phone service providers in Kenya. Competency management was measured from the perspective of organizational activities and availability of competency mapping for the purpose of encouraging competency-based assignment of roles among employees. The study concluded that competency management had a significant influence on employee retention in the Mobile phone service providers in Kenya.

6. Recommendations

It was recommended that organizations should provide their employees with appropriate training on issues of talent management. Competency management should always be considered as a key component and outcome of strategic human resource management for enhanced employee retention and performance. Organizations should consider competency management as core human resource practices if they were to retain their employees.
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