

AN INVESTIGATION INTO THE EFFECTS OF TOTAL REWARD ON
EMPLOYEE RETENTION IN THE INSURANCE SECTOR: A CASE OF
XPLICO INSURANCE COMPANY LIMITED

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ABSTRACT

Kenyan insurance sector has experienced rapid growth in profits, deposits and revenues in the recent years and this has triggered a lot of competition among Insurance firms. In response, Insurance firms have developed new strategies to weather down the competition and thrive in business, the major one being rewarding of employees. This strategy has been hampered by economic pressure on Insurance firms to cut down on cost and particularly labour costs while maintaining employee job satisfaction and retention in order to remain competitive in the business environment. Various Insurance firms have therefore opted for various favourable reward strategies in order to enhance job satisfaction and retention of its employees. However, it appears that despite having a reward strategy in place, organizations are still having retention challenges. The purpose of this study was to establish the effect of total reward management on employee retention. The study was a descriptive survey. A sample of 32 respondents was chosen from a population of 320 employees of XIC limited. Data was collected from respondents using questionnaires. Data was analyzed using Statistical Package for Social Sciences and Microsoft Excel. The study found that compensation, work-life balance, training and career growth have positive impact in employees' decision to stay or leave an organization. However, a poor compensation structure and lack of career growth were seen to be the components that have the most profound impact on employee retention Xplico Insurance Company limited. It was further revealed that among other factors, compensation, work-life balance, training and development and career growth are key determinants of employee retention from a human resource management perspective.