EFFECT OF EMPLOYEE RETENTION STRATEGIES ON ORGANIZATIONAL PERFORMANCE IN MERGERS IN KENYA: A CASE OF QUICK MART LTD

Anastasia Wambui Karanja

Lead Supervisor: Dr. Hellen Mugambi

Co-supervisor: Dr. Stephen Macharia

A Dissertation Submitted to St. Paul's University, Faculty of Business and Communication Studies in Partial Fulfilment of the Degree of Master of Business Administration (MBA)

September 2021

DECLARATION

I hereby declare that this dissertation is my original work and has not been presented in any other institution of learning for examination.

Name: **Anastasia Wambui Karanja : MBADIST140619**

Signed:  Date: 03/09/2021

Word Count: 23,300

This dissertation has been submitted to St. Paul's University for examination with our approval as the university supervisors.

Lead Supervisor: **Dr. Hellen Mugambi** Signature: 

Date: 03/09/2021

Co-supervisor: **Dr. Stephen Macharia** Signed: 

Date: 03/09/2021

DEDICATION

I dedicate this dissertation to my dear sons, Mr. Kevin Ndambiri and Mr. Erick Karanja for their understanding and continued support during this process. Without their support, I may not have accomplished this work.

ACKNOWLEDGEMENT

I wish to delightedly acknowledge the inspirational instructions and guidance of Dr. Hellen Mugambi and Dr. Stephen Macharia, both of St. Paul's University. They have given me a profound appreciation of research, its outcomes and the effects that it can have in different scenarios.

Abstract

This dissertation investigated on the effect of employee retention strategies on organizational performance in mergers, in Kenya. Employee retention post-merger has become a challenge to organizations due to uncertainties brought about by mergers, and employees are not sure whether they will still have their jobs. This study involved a case study research design which helped in exhausting the merits, efficacy, and relevance of employee retention strategies in organizational performance in mergers. It identified and explained employee retention strategies employed by organizations during the merger process and their impact on organizational performance post-merger. The objective of this study was to investigate the effect of rewards, communication, job security and work-life balance employee retention strategies on organizational performance post-merger. This study was necessary in order to provide future merging organization with the optimum employee retention strategies that can help them retain their competent, mission critical and highly valued employees post-merger and ultimately achieve organizational performance. The study's targeted population included 535 employees of Quick Mart Limited. They included managers, executive staff, supervisors, and sub-ordinate staff of six branches of Quick Mart Limited located in Nairobi. Stratified sampling technique was used in this study. Sample population was 30 percent of the target population. A total 161 respondents made up the sample population. A mixture of open and close-ended questions questionnaire was used as the data collection tool in this study. Questionnaires were delivered to the respondent physically at the supermarket branches. The researcher collected qualitative data from the respondents which was analyzed to bring to light the reality of the subject matter. A pilot study was conducted through 10 percent of the sample population. A total of 16 questionnaires were distributed to part of the sample population at Quick Mart Ruai branch, analyzed, tested for validity and reliability, and corrected before issuing questionnaires to the sample population. Validity and reliability of this research was realized through eliminating bias and increasing the researcher's trustworthiness using triangulation. Descriptive data analysis was used in this study. Analysis of qualitative data was done through developing and applying codes, identifying themes, patterns, relationships, and summarizing the data. The findings of the study were that reward, communication and job security employee retention strategies have a positive and statistically significant association with organizational performance, while work-life balance does not. The researcher concluded that rewards, communication, and job security employee retention strategies have a significance influence on organizational performance while work-life balance does not. The researcher recommended that future research can be performed focusing on other employee retention strategies like employee-management relationships, HR policies, working conditions as well as training and development. This research can take the form of a case study and it can further the knowledge on employee retention strategies employed in retaining the competent and highly valued employees post-merger. For any organization to perform well in the marketplace, they have to start by performing well internally through having satisfied and happy employees.

TABLE OF CONTENTS

DECLARATION ii
DEDICATION iii
ACKNOWLEDGEMENT iv
Abstract v
TABLE OF CONTENTS vi
LIST OF ABBREVIATIONS AND ACCRONYMS ix
LIST OF TABLES x
LIST OF FIGURES xii
CHAPTER ONE 1
INTRODUCTION 1
1.1 Background of the Study 1
1.2 Statement of the Problem 9
1.3 Research Objectives 10
1.4 Research Questions 10
1.5 Justification of the Study 11
1.6 Scope of the Study 11
1.7 Limitation of the Study 12
CHAPTER TWO 13
LITERATURE REVIEW 13
2.0 Chapter Overview 13
2.1 Theoretical Review 13
2.2 Empirical Review 19
2.3 Conceptual Framework 31
2.4 Research Gaps 32
2.5 Chapter Summary 32
CHAPTER THREE 34
RESEARCH METHODOLOGY 34
3.0 Chapter Overview 34
3.1 Research Design 34

3.2 Study Population 34
3.3 Sample Design and Sampling Technique 36
3.4 Sampling Size Determination 36
3.5 Data Collection Instruments 37
3.6 Data Collection Procedure 37
3.7 Validity and Reliability 37
3.8 Data Presentation and Analysis 38
3.9 Ethical Issues 39
CHAPTER FOUR 41
DATA ANALYSIS AND PRESENTATION 41
4.0 Chapter Overview 41
4.1 Respondents 41
4.2 Response Rate of the Study 41
4.3 Pilot Study and Findings 42
4.4 Analysis of Demographics Data of Respondents 43
4.5 Reward Strategies Responses Analysis 45
4.6 Communication Strategies Responses Analysis 48
4.7 Job Security Related Responses Analysis 51
4.8 Work-Life Balance Related Responses Analysis 54
4.9 Organizational Performance Related Responses Analysis 57
4.10 Inferential Statistics 61
4.11 Chapter Summary 70
CHAPTER FIVE 71
DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS 71
5.1 Chapter Overview 71
5.2 Summary 71
5.3 Conclusions 73
5.4 Recommendations for Future Research 75
5.5 Limitations 76
References 77
APPENDICES 85

APPENDIX 1: QUESTIONNAIRE 85
APPENDIX 2: RESEARCH BUDGET 88
APPENDIX 3: RESEARCH TIME LINE 89
APPENDIX 4: Recommendation Letter from St. Paul's University 90
APPENDIX 5: PERMIT FROM NACOSTI 91

LIST OF ABBREVIATIONS AND ACCRONYMS

ANOVA	Analysis of Variance
CAK	The Competition Authority of Kenya
HR	Human Resource
M&A	Mergers and Acquisitions
SMART	Specific, Measurable, Achievable, Realistic and Timely
USA	United States of America
USD	United States Dollars
QM	Quick Mart Ltd

LIST OF TABLES

Table **Page**

2.1 Herzberg Motivation & Hygiene Factors ……..……17

2.2 Literature Review Summary ……..…….....28

3.1 Population Size ……..……...34

3.2 Population Size Breakdown ……..……...……34

3.3 Sample Size ……...…..……35

4.1 Respondents ……..…40

4.2 Response Rate ……..….41

4.3 Gender Analysis ……..…….…42

4.4 Positions Analysis ……..…..…...43

4.5 Rewards Strategies Related Responses ……...……..……45

4.6 Quick Mart Values Employee Retention (Responses)……..…….....46

4.7 Rewards Systems in Quick Mart is Systematic, Predictable, and based on Employee Performance …….....46

4.8 Communication Strategies Related Responses ……..……...47

4.9 Quick Mart's Vision and Mission are Clear and Understandable …….……49

4.10 Communication Strategies Applied at Quick Mart are Satisfactory.….....…….50

4.11 Job Security Strategies Related Responses …….……..51

4.12 Quick Mart Offers Long-term Incentives to Employees – Response.. ……..……52

4.13 Job Security Helps Employees Perform Better – Responses..…….…….....53

4.14 Work-Life Balance Strategies Related Responses..…….…….54

4.15 I Value Work-Life Balance – Responses ……..…….…….....56

4.16 Organization Performance Related Responses ……..….57

4.17 Employee Retention Post-Merger Has Contributed to Quick Mart's Performance – Responses ……..…….58

4.18 QM's Financial Performance Has Increased Post-Merger – Responses …...……..…58

4.19 Employee Related Strategy Rating per Strata ……...……..60

4.20 Correlation Analysis …….……...…….……...…...60

4.21 Linear Regression Between Reward Strategies and Organizational Performance ……..…61

4.22 Linear Regression Between Communication Strategies and Organizational Performance…….……....…….……63

4.23 Linear Regression Between Job Security Strategies and Organizational Performance…….…..……64

4.24 Linear Regression Between Work-life Balance and Organizational Performance…….…..……65

LIST OF FIGURES

Figure **Page**

2.1 Conceptual Framework ……..……..……..……..……..30

3.1 Qualitative Data Analysis Research Model ……..…….…….....38

4.1 Age Analysis of Respondents …….……..…….....43

4.2 Years of Service Analysis ……...…….…….44

4.3 Communication Strategies Employed at Quick Mart ……..…….…….48

4.4 Job Security Assurance at Quick Mart ……..…….…...……52

4.5 Work-Life Balance Strategies Employed at Quick Mart ……...……55

4.6 Work-Life Balance Creates Employee Commitment – Responses ……55

4.7 Overall Employee Retention Strategy Ratings …….……..59

4.8 Communication Strategies Line Fit Plot …….……...…….68

4.9 Reward Strategies Line of Fit Plot …….…...……..68

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Employee retention is the ability of an organization to hold onto its employees through various strategies in order to enhance their commitment and loyalty to the organization. Organizations face lots of problems relating to employee retention during mergers which significantly affect organizational performance (Shah, 2014). The success and prosperity of any organization is hidden in its committed and dedicated workforce. Utilization of critical employee retention strategies is now very essential to sustainable competitive advantage of organizations (Shah, 2014).

Employee retention post-merger may be challenging for the organizations involved as the employees might perceive the merger deal as a threat to their job security. A merger may generate uncertainty around the future of the organization, job security and may disillusion employees, thus creating retention issues (Norbert & Nicola, 2019). Globally, employee retention has become a serious concern to organizations' management. Employee retention has been known to play a key role in ensuring the successful continuity of business operations. Research has shown that in more than half of organization mergers failures, the root cause is failing to attend to the people-related factors (Ochieng, Kavagi & Nyakundi, 2020).

To retain highly valued employees and create a sustainable competitive advantage, businesses are inventing new ways to ensure their survival, performance and development as well as retaining their intellectual property. Studies have shown that mergers have been adopted as organizations' survival strategy, to remain competitive, ensure organizational growth, improve profitability, improve operational efficiency, and create incremental value (Norbert & Nicola, 2019). Merger deals often give the retained employees a feeling of loss of the previous organizational culture, confusion brought about by lack of communication, perceptions of the absence of leadership credibility, as well as perceptions of increased job stress and workload (Deloitte, 2014).

Handling change is often problematic for employees particularly where they are not well involved in decisions that have an impact on their jobs. An organization's ability to retain the right people can make or break element in merger deals. Organizations and their shareholders should recognize that achieving the merger's strategic goals depends on retaining the right people, with the right skills in the right places (Jerjawi, 2015).

In merger deals, organizations are in most cases not able to retain every employee, thus, they should start selecting which employees they wish to retain early in advance and make arrangements like retention agreements, retention bonuses or time to stay provisions with an aim to retain the highly valued employees (Jerjawi, 2015). Organizations hope that merger deals will help them to create operating synergy, decrease the cost of capital, enhance economies of scale, reduce risks, acquire specific assets, and achieve their highest performance levels. They hope to gain financial synergy, get access to intangible assets, human capital as well as customer capital. This can only be achieved if they manage to retain their intellectual property way past the merger (Afande, 2015).

For the deal implementation to succeed post-merger, organizations need to create an implementation plan early, decide on the people to be involved, and ensure that those responsible for delivering on the deal later buy in to the deal (Jerjawi, 2015). This would aid in integrating the cultures of the merging organizations well. When organizations merge cultures well, value is created, otherwise, value is destroyed. It is best to pick one culture as the host and then merge the other culture into it. Corporate culture is truly a good and sustainable competitive advantage for organizations (Afande, 2015).

Retaining highly competent and valued employees post-merger is a strategic necessity for any business success and excellent performance. Achieving this retention objective requires identifying the key employees and working towards retaining them. To foster the long-term success of the newly formed firm beyond retention, an intensive effort is very necessary to re-engage key employees during mergers. The presence of divergent organizational culture and lack of retention planning has been seen to negatively impact the deal's future (Gill, 2015).

Provision for human factors during the merger process is very important since mismanagement of the human factor could spell doom for the deal (Weber & Tarba, 2010). A merger means that

employees from different organizations must work together. In most merger deals, employees' participation in the process is minimal and employees are left to just accept the decisions made by the management, which in turn negatively impacts their performance and overall organizational performance (Chalikias, Lalou & Skordoulis, 2016).

Human capital is a very important success factor. Clear communication to all stakeholders before and during the execution of the merger is very important (Laveren, 2017). Post the merger process, retention of highly valued and qualified employees is very important to the involved firms for posterity. To retain these employees, they need to be well informed, feel motivated, safe, assured of their job security, well-compensated and be able to integrate with ease. For the purposes of this study, the researcher will focus on reward, communication, job security and work-life-balance of the human capital.

Mergers are employed to save a business and spread risks (Chalikias *et al.*, 2016). They generate many changes to the employees which include work stress, uncertainty, and speculations. Failure of the employees from the involved organizations to cooperate and work together for the benefit of the merged organizations may lead to merger-deal failures (Aristos, Georgios, Chalikias & Grigorios, 2018).

In Kenya, the Employment Act, 2007 as well as the Labour Relations Act, 2007 are silent on mergers and acquisition (M&A) deals concerning the employees-related issues. Practically, employment contracts are terminated by employers with reasons of redundancy subject to compliance with the conditions set out under section 40 of the Employment Act. The Competition Authority of Kenya (CAK) which was established under the Competition Act, 2010 undertakes a public interest assessment to ascertain the extent to which M&A deals cause substantial loss of jobs and impose conditions to mitigate these occurrences, but only for a period (Ochieng, Kavagi & Nyakundi, 2020).

The Kenya Law Reform Commission has recently prepared a draft Employment (Amendment) Bill, 2019 which among other provisions proposes to amend the Employment Act, 2007 by introducing a new section 15a which provides for the transfer of employees during M&A transactions. Fundamentally, this Bill seeks to eradicate difficulties prompted by M&A deals, ensuring that employees are not left out in the cold when their employer is bought out. It creates

an obligation for employees who shall be affected by the M&A deal to be consulted. This might make the M&A deals more complex and strenuous on the part of the transferee (Ochieng *et al.*, 2020).

1.1.1 Global Perspective of Employee Retention in Mergers

Employee retention ensures that organizations perform well after mergers (Schweiger & DeNisi, 1991). Mergers have been happening on a global scale and have had differing effects on employee retention. Clear communication that is focused on reducing employee uncertainties in the merger process can help them in coping with the changes and strengthen their confidence in the company (Schweiger & DeNisi, 1991).

In the USA, in June 2019, there was a merger of two equal companies. United Technologies Corporation and Raytheon Company entered into an agreement where the two would combine in an all-stock merger of equals. Raytheon was a leading defense company, while United Technologies was an established name in the aerospace domain. This combined entity deal was finalized in April 2020 and the new company was named Raytheon Technologies Corporation (Nasdaq, 2020). This merger brought together 195,000 employees. According to Cordell (2020), Raytheon Technologies brought together two concerns with combined strengths and capabilities that would make them uniquely prepared to support their customers, supplier, and partners. They have managed to retain all their employees as well as their diverse businesses. Employee retention increased employee commitment to the organization and has aided the merged organization in continuing with its high-performance ratings. Diversity and inclusion have continued to fuel their business (Robert, 2020).

According to the European Pharmaceutical Review (2019), in 2019 Pfizer merged with Array BioPharma after the deal was approved by both boards of Directors. This merger was aimed at strengthening their innovative biopharmaceutical business and enhancing their long-term growth trajectory. Employee retention was given a back seat in these merger deals, although professional doctors were treated as partners in these deals.

In April 2019, in the USA, SunTrust and BB&T banks merger was announced, the two banks continued operating as two separate companies awaiting their systems merger. However, it was noted that any near branches were combined. Approximately 3000 branches were combined and

many employees with overlapping roles lost their jobs. Employee retention was not a priority but cost reduction. The merger deal was completed in December 2019, and the new bank was named Trust Financial. Some services were also moved online leading to more branch closures and layoffs (AJC, 2020).

1.1.2 Regional Perspective of Employee Retention in Mergers

In 2014, in South Africa, online retailers Takealot.com and Kalahari.com announced October that they would merge their operations. The e-commerce business stores said that this move was due to a lack of scale in the South African online market. The combined entity would continue to operate under the Takealot.com brand. The deal was completed in February 2015. The main aim of the merger was to get into a position where they could compete successfully with Amazon and Alibaba, to survive and prosper. During this merger deal, employee retention was ensured. Although Kalahari.com ceased to exist, all its employees joined Takealot.com with an aim and focus of growing takealot.com into the leading online shopping destination in Africa (Coetzee, 2015). Employee retention has made Takealot.com the most customer-centric online destination in Africa.

According to Nigeria's Security and Exchange Commission, Nigeria recorded 24 mergers and acquisitions in 2014. These M&A were largely brought about by the Central Bank of Nigeria's directive upping authorized and fully paid share capital of all Nigerian banks to N25 billion from N2 billion. The enormous increase was achieved through mergers. Out of the eighty-nine (89) banks, only twenty-five (25) survived. Employee retention was not considered affecting a huge number of employees with varying capabilities who lost their jobs. Banks that lost their highly competent and valued employees did not perform as well as before and the cost of training increased. Employees' rights were downplayed in place of successful mergers (Odetoyinbo, 2020).

1.1.3 Kenyan Perspective of Employee Retention in Mergers

Loss of jobs is also frequent in merger deals in Kenya. Post mergers, there is so much confusion on what will follow. Mergers do not consider the diversity of the merging organization's work cultures. Human resources are not considered a high priority factor and thus employees are overlooked in merger decisions leading to ambiguity in the work environment (Ochieng, Kavagi,

& Nyakundi, 2020). Mergers have continued to ensue in all sectors in the country, including the banking sector, dairy sector, manufacturing sector as well as retail industry. Organizations also suffer the loss of competent and valued employees who choose to quit in favor of other organizations during the merger process.

In 2008, Stanbic Bank Kenya Ltd and CFC Bank Ltd merger which had started in 2007 was stopped by the court for some time due to a court case filed by 15 former employees of Stanbic Bank. They later merged in June 2008 forming CFC Stanbic Holdings (Kanina, 2008). Employee issues are often swept below the mat in most Kenyan M&A deals and often come into the limelight due to employees' desperate move to get their rights respected.

In 2019, Commercial Bank of Africa merged with NIC Group to form NCBA Group Plc, the second-largest bank in Kenya (Reuters, 2019). In this deal, employees will know their fate in one year, once the job loss mitigation conditions issued by the Competition Authority of Kenya expires (Insider, 2019). There were job losses since branches that are located close to each other have been consolidated.

In the oil and gas sector mergers have been witnessed too. KenolKobil is a merger between Kenya Oil Company Limited (Kenol) and Kobil Petroleum Limited. This merger was completed in 2007 and the merged organization was called KenolKobil. This merger enabled these 2 (two) companies to lower their operating cost and enhance their profitability (KenolKobil, 2015). This merger has had its share of lawsuits filed by employees in fear of the effect that the mergers would have on their jobs. In February 2020, the Competition Authority of Kenya (CAK) approved a merger between KenolKobil and Gulf Energy. CAK announced several conditions that should be met before the merger is finalized to safeguard the interests of third parties and the general public. This merger is aimed at increasing the market share of liquefied petroleum gas and enhance KenolKobil's competitiveness (Ilako, 2020). In this deal, a section of employees will lose their jobs after the set conditions expire.

Quick Mart and Tumaini Self Service retail supermarkets have merged their operations. This was triggered by the capture of a controlling stake in Quick Mart by Sokoni Retail Kenya, who are incidentally the majority shareholders in Tumaini (Kenyan-tribune, 2018). Sokoni Retail Kenya is a special vehicle controlled by a private equity Adenia Partners. Forty (40) employees

lost their jobs as two head offices of the two supermarket chains merged into one. Tumaini Self Service outlets have been rebranded with the Quick Mart brand to reflect the merger.

1.1.4 The Supermarket Chains Sector Perspective of Employee Retention in Mergers

Employee retention issues have been frequented in supermarket chains due to various reasons. Mergers have not been common in this sector, but recently we witnessed a merger between Quick Mart Ltd and Tumaini Self Service. In 2018, Tumaini Self Service sold its majority stake to Sokoni Retail Kenya. In 2019, Sokoni Retail Kenya also acquired a majority stake in Quick Mart. In 2019, in a joint statement, Quick Mart and Tumaini directors announced that Tumaini's 13 branches would be merged with Quick Mart's 11 branches to form a giant retailer. Currently, Sokoni Retail Kenya is merging the operations of Quick Mart with Tumaini to form a single retail operation that will give the investor a strong footing in the country's retail Market (Ciuri, 2019).

In August 2019, the CAK approved a merger between two (2) retailers Quick Mart and Tumaini Self Service, who are both under Sokoni Retail Kenya. Sokoni Retail Kenya is an investment vehicle used by Adenia Partners to invest in Kenya. Adenia Partners is a private equity firm dealing with fund management, headquartered in Mauritius and investing in Africa. The two retailers had been experiencing rapid growth and hope to create a bigger network of stores located in convenient neighborhoods. The merger prompted job cuts of employees working at both head offices. Forty (40) employees lost their jobs as the two head offices were merged into one. In the merger deal, Tumaini was to renounce its name and trade under the Quick Mart brand name. Tumaini branches have been rebranded by Quick Mart. This move brought uncertainty among employees since there are some supermarkets that are nearby from each other, and only time will tell whether they will continue running independently or may be merged leading to more job cuts. Upon merger, the management had planned to take on the 447 Tumaini employees as outsourced staff, a move that was barred by the Employment and Labour Relations Court after these employees filed a court case (Sunday, 2019).

In Quick Mart and Tumaini merger, Tumaini renounced its name and trades under the Quick Mart brand name. The merger was meant to enable the merged entity to strengthen its position in the competitive retail industry and increase their market share. This retail operation was

aimed at giving the investors (Adenia Partners) stability in Kenya's competitive retail space. The two merging entities have had their share of employee-instigated lawsuits. These legal litigations were dealt with by the employment and labor relations court before the Competitions Authority of Kenya could allow the supermarkets to merge.

Employee retention is often negatively affected by mergers. Loss of employees due to merger-related redundancies are treated as necessary since the merging organizations try to downsize their workforce to reduce role duplications and save on costs. According to Koome (2009), in his research on the effects of the merger on employees at CFC Stanbic Bank Ltd, he found that mergers reduce employees' job security, increases anxiety and stress levels, but resulted in reduced employee turnover post-merger.

According to Personeltoday.com, organizations hold on to key staff after mergers. Almost four-fifth of organizations that have gone through mergers have managed to hold on to their valued employees. Most organizations lay off at least 10% of their workforce post mergers (Faragher, 2017). A 2017 global M&A retention study found that 79% of acquirers were succeeded in retaining 80% of their employees after signing retention agreements. The Competition Authority of Kenya has stepped in trying to mitigate the issue of employee job loss through issuing mitigation condition before authorizing the M&A deals (CAK, 2019).

1.1.5 Organizational Performance

The overall effective organizations depend on the three basic performance determinants. They include efficiency and process reliability, human resource and relations, innovation, and adaptation to the environment (Mokaya, 2014). Efficiency is the utilization of the human capital and resources to perform important operations in a manner that minimizes costs. Where resources are utilized appropriately in comparison to the competition the cost of operations decreases, while the profit margin will increase enhancing organizational performance. Efficiency is achieved when the competitive approach of the organization offers products and services at lower rates than the competition. Human resource relation is a trust organizational commitment, collective identity and cooperation among the employees (Mokaya, 2014). Innovative adaption comprises of an increase in market share, sales growth year by year, as well as generating and maintaining a loyal customer base.

1.2 Statement of the Problem

In a merger situation, organizations strive to retain their competent, mission-critical and highly valued employees. Currently, employee retention has become a global challenge to organizations especially during the merger process. In 2019, a survey by iHire revealed that 75% of employee in the U.S. do not stay in their jobs for more than five (5) years, and job-hopping had become more common (Haileyesus, 2019). The loss of mission-critical employees is detrimental to the merging firms (Odetoyinbo, 2020). Organizations have realized that there is a need to evaluate the employee retention strategies employed in a merger process. This is necessary since the employee retention strategies that an organization employs during a merger had a great impact on the overall organizational performance post-merger (Odetoyinbo, 2020).

Where critical employee retention strategies are ignored, firms are unable to have any sustainable competitive advantage against their competitors post-merger. The absence of employee retention often leads to huge costs incurred in attracting, recruiting, training and developing new employees. Subsequently, too much time and money are spent in trying to ensure flawless transition in merger situations. Most mergers lead to job losses due to duplication of roles. Employees in duplicated roles are at risk of job loss, those whose value to the organization is unclear, change resistors as well as poor performers. In most merger deals, merging organizations normally put their interest first, while employee retention takes a back seat (Martin & Butler, 2015).

This study assessed the employee retention strategies employed during the merger of Quick Mart Ltd and Tumaini Self Service. It evaluated whether Quick Mart has been able to increase organizational performance post-merger and explored the employee retention strategies employed during the merger process. The study was necessary since mergers have led to many Kenyans workers losing their source of livelihood, employee unrest, highly qualified employee resigning once they learn that merger plans are underway, while other employees organize riots to oppose the merger (Business Daily, 2019). In the Quick Mart & Tumaini merger, already 40 employees have lost their jobs (Sunday, 2019).

Employee retention problems that occur post the merger process affect both the laid-off and retained employees and their families, the management, the entire organization, the community living around the locality where this organization is located, as well as the shareholders of these

organizations. The government is also affected especially where merger deals trigger employee unrest which requires government intervention (Sunday, 2019).

This study helped in identifying the favorable employee retention strategies in the merger process, with a focus on organizational performance post-merger. It extended previous studies in this area by looking at the importance of communication, job security, work-life balance as well as rewards strategies, and how they influence employee retention post-mergers. Quick Mart currently has 35 branches in the country. The study was conducted in six (6) out of the twenty (20) branches that existed in Nairobi during the merger. Mugenda and Mugenda (2003) argues that a sample size of 30% of the target population is adequate to meet the research objective. Quick Mart branches included in this research included Ruaka, Utawala 1, Utawala 2, Ruai, Eastern Bypass 1 and Eastern Bypass 2 branches.

1.3 Research Objectives

1.3.1 General Objective of the Study

The main objective of this study was to investigate how employee retention strategies affect organizational performance post-merger, a case of Quick Mart Ltd.

1.3.2 Specific Objectives

The specific objectives of this study are:

i. To assess how reward strategy affects organizational performance post-merger in Quick Mart Ltd.
ii. To determine how communication strategies affect organizational performance post-merger in Quick Mart Ltd.
iii. To explore how job security strategies affect organizational performance post-merger in Quick Mart Ltd.
iv. To evaluate how work-life balance strategies affect organizational performance post-merger in Quick Mart Ltd.

1.4 Research Questions

i. How do reward strategies affect organizational performance post-merger in Quick Mart Ltd?

ii. What are the effects of communication strategies on organizational performance post-merger in Quick Mart Ltd?
iii. How do job security strategies affect organizational performance post-merger in Quick Mart Ltd?
iv. In which ways do work-life balance strategies affect organizational performance post-merger in Quick Mart Ltd?

1.5 Justification of the Study

Retaining employee is more cost-effective than hiring. When an organization loses highly skilled and competent employees, this negatively impacts organizational operations with an ultimate effect on organizational performance. This study will benefit organizations that decide to use mergers as their turn-around strategy by providing them with the right employee retention strategies that will enable them to retain highly valued human resources and their intellectual property. It will help these organizations with the necessary information on how to implement the merger with a focus on human resources, to retain the competent, mission-critical and highly value employees after the merger process. As a result, the retained employees will ultimately support the organizations involved in boosting their growth, outperforming their competition and integrating properly.

1.6 Scope of the Study

This study investigated how Quick Mart Ltd managed to retain their competent and highly valued employees to achieve organizational performance way post-merger. It focused on managers, executive staff, supervisors, and subordinate staff in six (6) branches of Quick Mart Ltd which included Ruaka, Utawala 1, Utawala 2, By-Pass 1, By-Pass 2, and Ruai branches. The study concentrated on the stated objectives.

This research was conducted through a case study research design. The population was gathered from the managers, executive staff, supervisors as well as subordinate staff in Quick Mart Limited in the Nairobi area. The target population was gathered from six (6) branches of the Quick Mart Ltd supermarket chain, totaling 535 individuals. The sample was 30% of the population. Data collections was done through questionnaires. Data collected was analyzed and the findings were presented clearly.

This study was done between January 2020 and February 2021and costed the researcher Kshs. 30,500 which included research materials, software, books, printing, photocopying, binding, telephone, the internet as well as travelling expenses.

1.7 Limitation of the Study

This study focused on a few employee retention strategies that influence organizational performance in mergers. These included reward, communication, job security, and work-life-balance. Further research needs to be undertaken focusing on the other employee retention strategies that influence organizational performance in mergers. This study was an analysis of a single merger occurrence between two companies. As such, generalizations to other types of organizations and industries are uncertain. Mergers can take on many of distinct patterns, which differ based on the extent to which the pre-merger organizations are represented in the post-merger organization (Gleibs, Täuber, Viki, & Giessner, 2013). The two merger partners may come together in a true "marriage of equals" with each partner having an equal amount of representation in the merged organization, or instead a dominant partner might completely absorb its merger partner such that the identity of the absorbed partner is not represented at all in the merged organization. Thus, the pattern that a given merger takes might influence employee identity and attachment dynamics in unique ways. Future research is therefore needed to see if our results generalize to organizations that are undergoing mergers that display different merger pattern characteristics or to organizations in different industries.

There was a limitation brought by uncooperative and unresponsive respondents. Some respondents were unwilling to spend their time filling the questionnaires. The researcher ensured to make follow-up phone calls to reassure the respondents and request them to fill the questionnaires to facilitate the success of this research.

CHAPTER TWO

LITERATURE REVIEW

2.0 Chapter Overview

This chapter presents a literature review of this study. It discusses the motivational theories of human factors and their influence on employee retention and ultimately organizational performance in mergers. An empirical review on independent and dependent variables is presented and evidence through a review of past studies on employee retention during mergers is highlighted. A conclusion on this chapter is offered on how this study covers the knowledge gaps in the area concerning employee retention post the merger process.

2.1 Theoretical Review

According to Business Dictionary, a theory is a set of assumptions, propositions, or accepted facts that attempts to provide a credible or rational explanation of cause-and-effect relationships among a group of observed phenomena. It involves an element of speculations. Theories are used in studies as they attempt to explain why and to provide an understanding. Theories are recognized when they are accepted by a diverse community of people (Swanson, 2013).

Theories are used in studies to help the researcher in designing a research question, act as a guideline in the selection of relevant data, interpretation of the data, and in proposing explanations of the underlying causes or influences of the observed phenomena. Theories attempt to explain emerging research problems (Swanson, 2013).

In this study, the theoretical review focused on growth and motivation valid theories. This review highlighted the Strategic Realignment Theory, the Attribution Theory, the Human Relation Contribution Theory and the Herzberg Theory of Motivation concerning employee retention post-mergers.

2.1.1 The Strategic Realignment Theory

Realignment Theory was formulated by Thorndike in 1911. It was based on the ‘law of effect’. It states that, “over time people learn about the relationship between their actions and consequences, and this understanding guides their future behavior”. It holds that behavior is a function of its consequence. Thus, the behaviors of individuals depend on the consequences that

they will receive. People are rewarded for engaging in certain behaviors. This theory links consequences to voluntary behavior. Managerial options affect the motivation and retention of employees. Mergers are used as strategies for positive reinforcement by linking the good performance of each of the involved firms with the consequence that the other firm considers to be pleasant. In 1953, Fredrick Skinner and others build on these ideologies with the notion of 'operant conditioning' which was influenced by the work of Pavlov and his Salivating dogs (Armstrong & Taylor, 2014).

The strategic realignment will help this study by guiding the management on how to retain the well-skilled and competent employees in the organization for better performance and prosperity of the newly formed merger. Strategic alignment is the substance concept that makes everything else work successfully. Committed and engaged employees as well as effective teams, can only produce results when they are fully aligned with the organization's strategy (Amin, Divandari, & Haghani, 2015).

Strategic Realignment Theory suggests that organizations use the merger strategy to quickly adjust to changes in the external environment. The organization may acquire skills needed for increasing the current capabilities through external diversification as well as aggressively retaining the highly valued and qualified employees through the merger process (Denise, 2015). The theory is anchored in the strategic planning approach to mergers, implying that there is a possibility of achieving through utilizing the under-utilized managerial capabilities of the firm and achieving economies of scale.

Retaining the best employees during mergers can enhance rapid growth when making it impossible for rivals and competition to exploit the situation. The theory aids in creating a strategic fit. They argue that businesses should recognize that any strategy or management style is only appropriate in specific circumstances. Consequently, the search for universally applicable strategies and management styles should be abandoned. Strategic fit enables organizations to operate in their competitive situations at peak effectiveness (Amin *et al.*, 2015).

Denise (2015) argues that strategic realignment helps organizations define what matters most to them and then create a road map to achieving their purpose. It requires planning, a willingness to reconsider and adjusting regularly, retaining employees who feel involved and fully

responsible for the business in achieving its objectives. Organizations' management can come up with the best fitting employee retention strategies like rewards strategies, communications strategies, job security strategies or work-life balance strategies to utilize in ensuring that they can retain their mission-critical employees who will help in enhancing performance post-merger. The merged organizations should perform better than the merged organizations individually (Denise, 2015).

2.1.2 The Attribution Theory

The Attribution Theory was authored by Weiner in 1958. It seeks to explain the causes of an event or behavior. It involves a three-stage process that includes observations, determination of behavior, and attributing the causes. There are two types of attribution, namely internal and external. Internal attribution assigns the person himself for any behavior, while external attribution relates causality to outside agents. Weiner expounds on how attribution contributes to high ability, high achievement and giftedness. He also details that other-perception and self-perception form unity, which influence task persistence and thus actual ability (Armstrong, 2009).

In a merger environment, when an employer retains their highly valued employees, keeps them well informed on the happenings in the organizations as well as the future plans, the employees can attribute this to the idea that the employer trusts them, believes in them and so there is the hope of having their jobs secure well post the merger process (Nishii, Lepak & Schneider, 2008). Communication strategies can enhance employee retention in this environment. The employees will in turn have trust in the employer and shun any idea of jumping ship to the competitors. They will be motivated and put more efforts into their work which may lead to high organizational performance (Armstrong, 2009).

The attribution theory supports this study by looking at how employees attribute what happens to them during mergers. This theory emphasizes that people are on a continuous quest to explain events that they encounter and that the object of the attribution differs in different scenarios (Armstrong, 2009). Attributions that employees develop about retention-intentions of management have consequences on the employee's plans, behaviors and ultimately on organizational performance (Nishii *et al.*, 2008). The efforts employed by the management

while striving to retain their highly valued and competent employee, like job security strategies can enhance the employee's retention intentions which in turn benefits the organizations positively as continuity is achieved.

Mergers are processes in which managers play a central role in the actual decision making as well as ensuring the success of the integration of the employees of the organizations involved. Collaboration from all the employees is very important. In these ways, the workforce can in a way control the outcome of the merger, thus the outcome is attributed to them (Rimi & Yusoff, 2013). Cultural differences are external causes that can be used in explaining the success or failures of mergers. Therefore, one would expect the workforce to downplay the importance of cultural factors in successful cases and emphasize them in cases of failure (Aristos *et al.*, 2018). In this scenario, the workforce would attribute success to their efforts, and in turn attribute failures to the organizations' cultural differences.

2.1.3 The Human Relation Contribution Theory

The Human Relation Contribution Theory was authored by Likert in 1955. This theory was derived from Likert's research in the industrial sector considering human factor behavior in an organization through a deep investigation of organization and management style. Likert concluded that organizations must focus on optimum utilization of human resources to gain higher productivity, maximum profitability, and good employee and management relationships. Once this is achieved, the organization is assumed as the most effective workgroup and part of a similar hierarchical groups system (Armstrong & Taylor, 2014).

Likert categorized the four patterns of effective management. First is the exploitative authoritative system where decisions are imposed plus threats-based motivation, there is little communication and absence of joint teamwork. The second is the benevolent authoritative system and refers to the master-servant trust relationship, reward-based motivation and only higher management seem responsible with little teamwork. The third is the consultative system where the superior leadership is incomplete but has substantial trust in employees at the workplace and motivation through reward and some involvement. This type of management displays moderate teamwork (Armstrong & Taylor, 2014).

The fourth type is the participative group system that exhibits superior leadership with complete harmony at the workplace with employees. Economic rewards are goal-based and through participation. This is a human-oriented management style based on effective communication and substantial teamwork. As a result, this theory is more focused on effective management which encourages employee retention. Where employees participate in a process, like in a merger process in this instance, they tend to own the process and to accept it positively. This is likely to encourage them to work hard in ensuring that the merger is successful and that the organizations involved attaining their set objectives post-merger (Armstrong & Taylor, 2014).

Assurance of employee job security, providing pay to stay schemes as well as utilization of communication strategies enhances employee commitment to the organization. Keeping employees very well informed in the merger process inspires employees' retentions intentions (Kossivi *et al.*, 2016). This aids in organizations' employee retention, continuity, and post-merger trajectory of organizational performance, enabling the merged organization's growth and development. Happy employees relate that happiness to the customers giving them a good experience and making them return customers. For any organization to win in the marketplace, they must first win in the workplace. Their human resources bring together all the factors of production leading to organizational performance.

2.1.4 The Herzberg's Theory of Motivation

This theory was authored by Herzberg in 1966. Herzberg developed the concept of job motivation through his research on factors of job contentment and dissatisfaction. According to Herzberg, job satisfaction has two dimensions which are Motivation factors and Hygiene factors (Herzberg, 1968).

Table 2.1

Herzberg's Motivation & Hygiene Factors

Motivation Factors	**Hygiene Factors**
Recognition/achievement	The organization
Work/interest in the job	Interpersonal relations
Responsibility	Supervision

Growth/Advancement	Salary, status, and security
	Working conditions

Additionally, the factors of satisfaction differ from dissatisfaction factors. Herzberg (1968) explains that Hygiene factors do not directly affect job satisfaction and motivation of employees. Therefore, ineffective application of these factors like better company policies, supervision, salary, interpersonal relations, and workplace environment can develop dissatisfaction. These factors are not the source of higher levels of motivation but without them, there is dissatisfaction (Armstrong, 2007).

Motivation factors which include achievement, recognition, the work itself, responsibility, and advancement create satisfaction in employees. According to Herzberg's theory of motivation, appropriate management Motivators and Hygiene enhances motivators for enhanced job contentment and productivity of the workforce. Employee retention is a result of motivation factors on employees. Certain organizational adjustments for merger objectives are managed post-merger process (Armstrong, 2007).

Employees' positive attitude can be developed through engaging them in interesting and significant work (work itself), through accountable work and development (Herzberg, 1968). Furthermore, achievements are more effective than recognition to increase the sense of responsibility in employees. Recognition is not expected only from management, even colleagues, customers, and subordinate staff can be the source of this feeling. Technical supervision is important as lack of job knowledge and inability to develop employee responsibility impacts negatively. Certainly, motivation factors must be applied simultaneously for both motivation and talent retention (Armstrong, 2007).

Herzberg's theory implies that employees can be retained through minimizing dissatisfaction and maximizing employee satisfaction (Herzberg, 1968). He highlights that dissatisfiers include administration, company policy, working conditions, supervision, relationships, and salary, while satisfiers include the job, promotion, achievement, responsibility, and recognition. Garg and Yajurvedi (2016), argues that where employees experience work-life balance, they work on other aspects of their life like family, career, and development, thus they can gain self-actualization,

gain a sense of appreciation, achievement as well as growth and development. Work-life balance retention strategy gives an employer credit and gives the organization an image of a caring employer, who minds the well-being of the whole employee (Garg & Yajurvedi, 2016). Being able to have time off to take care of family, friends and other aspects of life gives employee a sense of appreciation by their employer. Employees are also able to develop themselves and achieve their self-actualization which in turn entices them to put more effort in their work thus enhancing organizational performance (Garg & Yajurvedi, 2016).

2.2 Empirical Review

An empirical review is a summary of research that have been conducted in the past on a certain subject of interest. It examines past research studies to answer a particular research question. It helps the researcher to discover the gaps in literature. An empirical review provides an overview of sources explored while researching and demonstrates how the research fits in the field of study. The independent variables in this study include reward, communication, job security, and work-life balance as employee retention strategies. These variables determine employee retention during mergers, which in turn influences organizational performance which is the dependent variable.

2.2.1 Reward Strategies and Organizational Performance

Rewards are both monetary and non-monetary recognition that organizations provide to their employees in expressing appreciation of their good performance or behavior (Waqas & Saleem, 2014). A reward can also be defined as an incentive plan to reinforce the desired behavior of employees by employers in return for their service to the organization (Kossivi *et al.*, 2016).

Gupta, Kumar, and Rajesh (2012), in their study on "Success of a merger or acquisition – A consideration of influencing factors", highlights that during the planning of a merger, way before settling on a partner, it is important to know what you are acquiring or who you are merging with. They looked at different factors that impact the success or failures of mergers at each step of the process. They found that an intensive analysis of synergies should be quite deep as well as employee due diligence. Merging organizations should look at their similarities in markets as well as resources, value chain including cost and demand drivers. This research concluded that it is imperative to develop success measures at each stage of the merger process (Gupta *et al.*, 2012). They recommended that sensitizing managers on the factors that lead to the success or

failure of a merger would contribute to ensuring that the merger is a success. An adequate performance management system is important in assessing the success of a merger's integration, operations, cultural and financial measures (Gupta *et al.*, 2012).

Sung, Woehler, Fagan, Grosser, Floyd and Labianca (2017), in their study on "Employees' responses to organizational Merger: Intraindividual change in Organizational Identification, Attachment, and Turnover", highlighted that financial reward in the form of retention incentives has long been considered a remedy for potential employee attrition during mergers. Most merger financial models include a retention plan line item, and the amount of money that is added for talent retention is often considered part of the cost of the deal (Sung *et al.*, 2017). In this study, respondents were requested to indicate their attitudes and perception in their workplaces on a 7-point Likert scale. Averages were used for all multi-item scales. There were scales on organizational attachment, intention to stay, job security, job continuity, distributive justice as well as personal status. Their findings were that managers were not significantly likely to leave voluntarily, distributive justice and personal status are significantly related to organizational identification, and that organizational identification does not have a significant impact on the likelihood of voluntary turnover (Sung *et al.*, 2017). In conclusion employees' organizational attachment including voluntary turn over can ultimately impact the success of a merger, and thus affect organizational performance post-merger (Sung *et al.*, 2017).

Kossivi, Xu, and Kalgora (2016), in their study titled "Study on Determining Factors of Employee Retention" emphasized that organizations want to believe that providing retention incentives to stay with the merged organization is enough reason for employees to stay. However, the retention incentives can only begin to build a bridge to restoring employee trust by buying time. These researchers looked at development opportunities, work-life balance, compensation, leadership, work environment, support, training, and development as strategies of employee retention. Kossivi *et al.* (2016), found that reward and retention do not hold any direct relationship. For instance, Google Inc. is famous for having a generous reward package and yet their employee tenure is around one year because tech-market is hyper-competitive and has many job opportunities (Business Insider, 2015). Kossivi *et al.* (2016) concluded that further investigations need to be conducted on employee retention to understand the complex field of HR management."

In their study on "Shareholder's Wealth Maximization: Objective of Financial Management Revisited", Zubair and Irem (2018) argued that mergers and acquisitions constitute a transfer of wealth from workers to shareholders. According to these authors, this occurs because acquirers do not honor implicit contracts with employees concerning wages and benefits. The revocation of these commitments enables the new owners of the company to use the M&A deal as a mechanism for enhancing the profitability of the firm, and ultimately, shareholder's wealth, at the expense of workers (Zubair & Irem, 2018). Their finding was that shareholders' wealth maximization principle proposes that business concerns should only consider the decision that maximizes the market value of the shareholder's wealth and nothing else. They concluded that an organization would be able to maximize the market value of its shares and thus maximize the shareholder's wealth through optimizing the risk and return relationship in all financial decisions made (Zubair & Irem, 2018).

The journals reviewed above differ from this study in that they looked at rewards offered by employers to employees during the merger process with an aim of employee retention as part of the cost of the merger deal, as a way of creating employee trust, and as a way of buying time. This study will look at rewards as strategies of retaining highly skilled and competent employees to enhance organizational performance post-merger.

2.2.2 Communication Strategies and Organizational Performance

In a workplace, communication is the process of exchanging information and ideas, both verbally and non-verbally within the organization. It includes sending/receiving e-mails, text messages, notes, phone calls as well as face-to-face conversations. Effective communication is critical in getting work done, building a sense of trust, and increasing the productivity of employees and the organization. It enhances teamwork, employee job satisfaction, reduces absenteeism as well as employee retention. The management must be able to communicate with employees and all parties able to express ideas to one another.

In their study on "Top Management retention in cross-border acquisitions: The roles of financial incentives, acquirer's commitment, and autonomy", Ahammad, Glaister, Weber and Tarba (2012), highlighted that practitioners and scholars found that merger activities foreshadow the high employee turnover, mainly from the weaker firms. The success of mergers remains a

challenge to employees and employers, and this has been attributed to the high rate of turnover of acquired executives and highly skilled and competent employees following a merger (Ahammad *et al.*, 2012). These researchers investigated the determinants of top management retention in cross-border acquisitions. They found that post-acquisition autonomy of the acquired firm and the acquirer's commitment to the acquired firm significantly affect top management retention. Ahammad *et al.* (2012), concluded that the less economically related and more socially oriented issues associated with autonomy and commitment are more important determinants of top management team retention.

In their study "The Moderating Effects of Executive Political Skill on Employee Uncertainty Post-Acquisition", Martin and Butler (2015) state that real communication can help reduce or even eliminate employee uncertainty and thus aide in employee retention. Retention of key employees is significantly important in merger scenarios. Employers should look for ways to strengthen the retention of their highly valued employees. Organizations should measure merger success based on the creation of competitive advantage and real shareholder value brought about by retaining the best employees (Martin & Butler, 2015). These researchers examined employee issues including uncertainty, turnover intent, job satisfaction, absenteeism, and job strain during M&A integration which occurs after negotiations are complete. These researchers found that impending M&A activity can have many negative outcomes including increased turnover intentions, decreased job satisfaction, increased absenteeism, and job stress (Martin & Butler, 2015). The researchers concluded that the top leadership should offer clear and constant communication to their employees, and before pursuing a deal, they should gain insights into industry challenges and future trends. They need to pass up mergers in non-related businesses, understand the merger process and establish owners, deliverables and timelines (Martin & Butler, 2015).

Goecke, Michaelis, and Schweizer (2018), in their study on "Retention Strategies in M&A Process – An exploratory Case Study on Turnover During Mergers and Acquisitions in German Software Industry", stated that communication should be concise, straight-forward, honest and respectful. The management should let employees know where they stand. The management should anticipate and focus on key merger decisions and drive every aspect of the merger deal from the top leadership level. The management should be prepared to walk away from a deal

that does not show potential and choose strategic moves that strengthen the organization. The human factor should never be ignored every step of the merger (Goecke *et al.*, 2018). This study was aimed at identifying reasons why employees choose to stay or leave in reactions to mergers and acquisitions. The case study research method was used as it is the recommended methodology in M&A research. An interpersonal contract between colleagues and managers as well as the acquirer's appreciation and treatment of the acquired company and its employees were found to trigger employee' turnover/retention (Goecke *et al.*, 2018). According to Goecke *et al.* (2018), in conclusion, one of the best practices in planning is the importance of early, detailed planning in combination with fresh teams, active senior management commitment, and a positive attitude.

The journals reviewed here looked at how communication can be used as a strategy in enhancing employee retention in different organizations. Goecke *et al.* (2018) concentrated their research on the German Software Industry. However, this study concentrated on Quick Mart Ltd.

2.2.3 Job Security Strategies and Organizational Performance

Job security is a state of having a job from which one is unlikely to be dismissed. Perceived job security is an indicator of the employees' emotional state during mergers. In their study on Impact on Job Security on the Organizational Performance in a Multiethnic Environment", Esuh *et al.* (2013) stated that selecting the human resources that you wish to retain and those to release is a huge part of the merger process. Yet, it is what an organization does after this process that determines how effective the employee retention policy will be. Job security is very important in achieving better organizational performance (Esuh *et al.*, 2013).

Job uncertainty at the workplace especially post-merger has been linked to stress and strain. Employees' increased stress levels decrease job commitment and may lead to turnover intentions. Merger-related issues have been identified as reasons that lead to employees leaving organizations (Martin & Butler, 2015). Role conflicts and ambiguity create job insecurity in employees as it generates a high level of uncertainty. Uncertainty surrounding mergers is brought by the anticipation for downsizing, media reports on projected layoffs resulting from the merger. Layoffs frequently occur during the merger integration phase leaving employees wondering whether they will have jobs in the new organization (Martin & Butler, 2015).

The employer must provide job security in exchange for an employees' continued attachment to the organization (Sung, Woehler, Fagan, Grosser, Floyd & Labianca, 2017). Employees evaluate each merger-related change as a personal benefit (for example, job security) or a cost (for example, an unfair reduction in pay), which relates to an increase or decrease in personal worth. This personal value evaluation is the basis for employees' change reactions during a merger (Sung *et al.*, 2017).

Mergers are inclined towards decreasing job security. Employees feel uncertain regarding how the organization will change and whether the new structure will still have a role for them to fill. Downsizing concerns increase stress and distractions from the job (Sung *et al.*, 2017). In contrast, retaining or increasing job security in a time of radical change like mergers can provide employees with great comfort, and would constitute positive personal valence. Even if employees believe that their job is secure, they might feel uncertain as to whether and how their job will change (Sung *et al.*, 2017).

Employees who work in a post-merger environment feel a strong threat to their job security while working in this environment. Employees may have skills and traits that are well suited to other jobs and firms, but not to their present job or employer. Aristos *et al.* (2018) found empirically that the greater the number of changes in an organization, the greater the perceived job insecurity by the employees and in turn, this perceived job insecurity is negatively related to organizational commitment, trust, job satisfaction, employee performance and ultimately, organizational performance.

Negative reactions after a merger may lead to significantly lower levels of job satisfaction and job security and less favorable attitudes toward the management. Employees often cope with the uncertainty surrounding a merger by reducing levels of commitment and instead use energy either to cope with anxiety and confusion or to try to find new employment opportunities. The feelings of job insecurity significantly increase, which is consistent with the fact that layoffs indeed do occur after mergers. Employee's organizational commitment significantly decreases, while intentions to leave and absenteeism increase (Aristos *et al.*, 2018).

The journal reviewed here supports this study in that they have looked at uncertainties and turnovers brought about by employees' lack of job security in various workplaces. Similarly,

this study looked at how the use of a job security assurance strategy enhances employee retention in Quick Mart Limited in Kenya.

2.2.4 Work Life Balance Strategies and Organizational Performance

Work-life balance is a sense of balance that working individual needs between time allocated for work and other aspects of their life. Areas of life other than work-life includes personal interests, family, social and leisure activities. Work-life balance involves creating and maintaining supportive and healthy work environments which enable employees to have a balance between work, family, training, and development, as well as friends, and in turn strengthens employees' loyalty, commitment, and performance (Garg & Yajurvedi, 2016).

In their study titled, "Impact of Work-Life Balance Practices on Employee Retention and Organizational Performance: A Study on IT Industry", Garg and Yajurvedi (2016) note that organizations have recognized that employees with a well-balanced work and other aspects of life are truly valuable to the firm. The quality of the employees' personal lives impacts work quality. The researchers used the survey method, collected data through questionnaires and managed to gather data on work-life balance practices and their impact on employee retention and organizational performance. They found that organizations provide work-life balance policies like tele-working, flexible work schedules, flextime, leave with pay, personal time offs, childcare facilities, financial assistance for childcare, job sharing as well as breaks from work once in a while (Garg & Yajurvedi, 2016). Garg and Yajurvedi (2016) concluded that a good balance between work and life is a win-win situation for employees and employers. They reduce work-life conflicts and increase positive appraisals on the organization. Work-life balance practices enhance employees' performance, reduce absenteeism, lower recruitment and training costs and increase retention of valued employees.

According to Kossivi *et al.* (2016), jobs that offer work-life balance provide opportunities for employees to fulfill their work, family, and other responsibilities like childcare, elderly care, growth and development plans as well as religious obligations. This boosts employee retention, reduces recruitment costs, and increases organizational performance. Work-life balance policies assist employees in managing their work and family in a better approach and enhances their

attitudes and behaviors such as organizational attachment, job satisfaction, and intention to stay enabling organizations to achieve high performance (Garg & Yajurvedi, 2016).

In his study on "Factors Affecting Employee Retention", Senevirathna (2017) states that present business, employees tend to demand flexible work schedules which provide a balance between personal life and professional life. In this kind of work environment, employees thrive and perform well enhancing organizational performance. In this study, the researcher looked at compensation, work-life balance, work environment, and superior-subordinate relationships as factors affecting employee retention in organizations. He found that work-life balance has increasingly become a significant factor in professional organizations (Senevirathna, 2017). The researcher concluded that for employee retention to be achieved in the long-term, all these employee retention strategies would have to be put into practice together, rather than individually (Senevirathna, 2017).

According to Mathimaran and Kumar (2017), in their study on "Employee Retention Strategies: An empirical Research", work-life balance is increasingly important for engagement and it affects employee retention. In their study, they looked at work-life balance, work environment, training, and development as well as employee's perceptions as employee retention strategies (Mathimaran & Kumar, 2017). They used the descriptive research method to report the factors as they happened. Primary data was collected through the use of questionnaires. They concluded that with the growing need of organizations to retain their best employees in the current competitive environment, work-life balance is crucial in influencing employees' decisions to either leave or remain in the organization (Mathimaran & Kumar, 2017).

The journals reviewed here support this study in that they look at how work-life balance has and can assist in employee retention in any business sector. This study looked at work-life balance as a strategy of employee retention to enhance organizational performance.

2.2.5 Organizational Performance

Measuring organizational performance involves analyzing a firm's performance against its set goals and objectives. It comprises actual results compared to the intended outputs. The analysis focuses on three main outcomes which are shareholder value performance; financial

performance; and market performance. Performance denotes how well an organization is doing to reach its vision, mission, and goals.

Mergers may lead to increased turnover intentions, decrease employee job satisfaction, and increased absenteeism (Martin & Butler, 2015). Media contributions like on Newspapers often publish projected negative outcomes of mergers. For instance, a trend towards increased mergers activities in Silicon Valley was accompanied by several discussions on layoffs. Nevertheless, another example of the trend in publishing negative outcomes in mergers is an article that discusses the merger between H.J. Heinz and Kraft Food that focused on cost-cutting measures of USD 15 billion, much of which was expected to be accomplished through layoffs (Martin & Butler, 2015).

When an organization undergoes critical transitions like mergers, normally issues on how to how to achieve competitive advantage over the competition have been instrumental in the organization's success. In most employee-driven organizations, what an organization is acquiring are the people, and if attention is not paid to them and are lost, the acquiring firm will have gained absolutely nothing. Some participating organizations in mergers only focus on top management, forgetting that it may be other employees that may be more important, like critical technologists whose retention may be more than the top management (Martin & Butler, 2015).

Many organizations are currently adopting work-life balance practices to attract better applicants and reduce work-life conflict among existing employees to enhance organizational performance. Organizations need to improve their practices to improve organizational performance, including enhanced social employee relationships, increased cost savings, improved productivity, and reduced turnover (Garg & Yajurvedi, 2016). After the merger process, the formed organization should be in a better position to grow than either of the organizations was before this process. To accomplish this, the formed organization needs to retain the best employees and release those that are least likely to support the planned growth, development, and targeted performance levels (Mugo, 2017).

Employee dissatisfaction can trigger employee turnover. Employee satisfaction index can be measured through employee attitude and engagement surveys, so that the management can act on ensuring that employees have job satisfaction, are committed to working for the organization,

which would contribute positively to organizational performance. Not all employee turnover is bad for the organization. Employee turnover is usually positive when bad performers leave the organization. Unwanted turnover rate is the number of good performers leaving as a percentage of all performers. Unwanted employee turnover hurts organizational performance, and the management should work on reducing it (Kossivi *et al.*, 2016).

The journals reviewed here support this study in that they appreciate the organizational performance as every organization's goal in their operation. They agree that the aim of mergers should be to form an organization that would perform better than any of the merging firms and that retention of highly valued employees should be a priority for organizational performance to be achieved.

Table 2.2

Literature Review Summary

Author	Title	Strategies Considered	Source	Findings	Research Gaps
Goecke, Michaelis & Schweizer, 2018	Retention Strategies in M&A Process – An Exploratory Case Study of Turnover During Mergers and Acquisitions in German Software Industry	Communication Integration Speed Appreciation Leadership Behavior Cultural Fit Contact with New Colleagues	Emerald Insight	Interpersonal relationship between colleagues and managers as well as employee appreciation and treatment post-M&A, onboarding as well as communication foster employee retention.	Does not comer merger a merger environment.
Zubair & Irem, 2018	Shareholders Wealth Maximization: Objective of Financial Management Revisited.	Investment Financing Dividends Risk & Return	International Journal of Enhanced Research in Management & Computer Applications	The wealth maximization objective is a risk-return trade-off. Shareholders of the company may use an M&A deal as a mechanism for enhancing the profitability of the firm, and ultimately, shareholder wealth, at the expense of workers.	Does not consider a merger environment.
Sung *et al.*, 2017	Employees' Responses to an Organizational Merger: Intraindividual Change in Organizational Identification, Attachment and Turnover	Job Security Job Continuity Distributive Justice Personal Status	Journal of Applied Psychology	Executives need to highlight both organizational and personal benefits of a merger to increase employees' organizational identification and attachment to reduce voluntary turnover.	Does not cover rewards, communication and work-life balance retention strategies.
Mathimaran & Kumar, 2017	Employee Retention Strategies – An empirical Research	Work-Life Balance Work Environment Training and Development Employee's Perception	Global Journal of Management and Business Research: E-Marketing	Variables like training and development, recognition/reward for good performance, competitive salary package, and job security are crucial, although a comprehensive blend of intrinsic and extrinsic motivational variables can enhance retention and reduce employee turnover rate.	Does not consider a merger environment.
Mugo, 2017	Effect of Mergers and Acquisitions on Financial Performance: Case Study of Commercial Banks	Profitability Ratios Capital Adequacy Ratio Solvency Ratios	International Journal of Business Management & Finance	Mergers influence the profitability of the bank, increases return on equity, influence capital adequacy ratio positively and also influence the long-term solvency ratio positively.	Does not cover rewards, communication, job security and work-life balance retention strategies.
Senevirathna, 2017	Factors Affecting Employee Retention	Compensation Work-Life Balance Work Environment Superior-subordinate Relationship	Research Gate	A positive change in all these factors assists organizations in achieving employee retention, minimizing cost-burdens and disruption of operations.	Does not cover a merger environment. Does not consider rewards, communication and job security retention

					strategies.
Garg & Yajurvedi, 2016	Impact of Work-Life Balance Practices of Employee Retention and Organizational Performance – A Study of IT Industry	Job Sharing Self-Rostering Tele-working Flextime	Indian Journal of Applied Research	For organizational performance to be achieved through employees, work-life balance concern must become a crucial feature in human resource policy and strategy. Work-life balance practices have a direct influence on employee retention and also enhances organizational performance.	Do not cover a merger environment. Does not consider rewards, communication, work-life balance and job security retention strategies.
Kossivi, Xu & Kalgora, 2016	Study on Determining Factors of Employee Retention	Development Opportunities Compensation Work-Life Balance Management/Leadership Work Environment Social Support Autonomy Training and Development	Open Journal of Social Sciences	Although all these factors are crucial in enhancing the retention of an employee who contributes highly towards organizational performance, this is a complex HR area that needs further investigations to enable organizations to gain insights into the best strategies of employee retention.	Does not cover a merger environment. Do not consider communication and job security retention strategies.
Martin & Butler, 2015	The Moderating Effects of Executive Political Skill on Employee Uncertainty Post-Acquisition	Strain Turnover Intent Job Satisfaction Political Skill Absenteeism	Journal of Managerial Issues	Researchers need to focus on employee issues (turnover intent, job satisfaction, absenteeism, and job strain) that result from M&A activities. M&A has been linked to the loss of employees, which has an impact on the expected synergies and organizational performance.	Does not cover a merger environment. Do not consider rewards, communication and job security retention strategies.
Esuh, Mohd & Hamzar, 2013	Impact of Job Security on the Organizational Performance in a Multiethnic Environment	Job Security	Research Journal of Business Management	Organizations must find ways of assuring employees to hold on to their jobs to increase and maintain organizational performance.	Does not cover a merger environment. Does not consider rewards and communication retention strategies.
Ahammad, Glaister, Weber & Tarba, 2012	Top Management Retention in Cross-border acquisition: the role of financial incentives, acquirer's commitment and autonomy	Financial Incentives Autonomy Commitment Relatedness	European J. International Management	Granting financial incentives, autonomy and commitment to the retained managers increase retention. In some situations, less economically related and more socially oriented issues associated with autonomy and commitments were found to be more important determinants of top management team retention.	Does not consider rewards, communication, work-life balance and job security retention strategies.
Gupta, Rajesh & Kumar, 2012	Success of a Merger – A Consideration of Influencing Factors	Strategic Fit Relatedness and Performance Due Diligence Management Capabilities and Relations	International Journal of Management Practice	To ensure successful M&A, managers need to keep these factors in mind during the pre-merger phase.	Does not consider rewards, communication, work-life balance and job security retention strategies.

2.3 Conceptual Framework

The conceptual framework below explains graphically the independent and the dependent variables studied, their operationalization, and the relationship between them. The conceptual framework for this study is depicted in the figure below:

INDEPENDENT VARIABLES

(Employee Retention Strategies) **MODERATING VARIABLE**

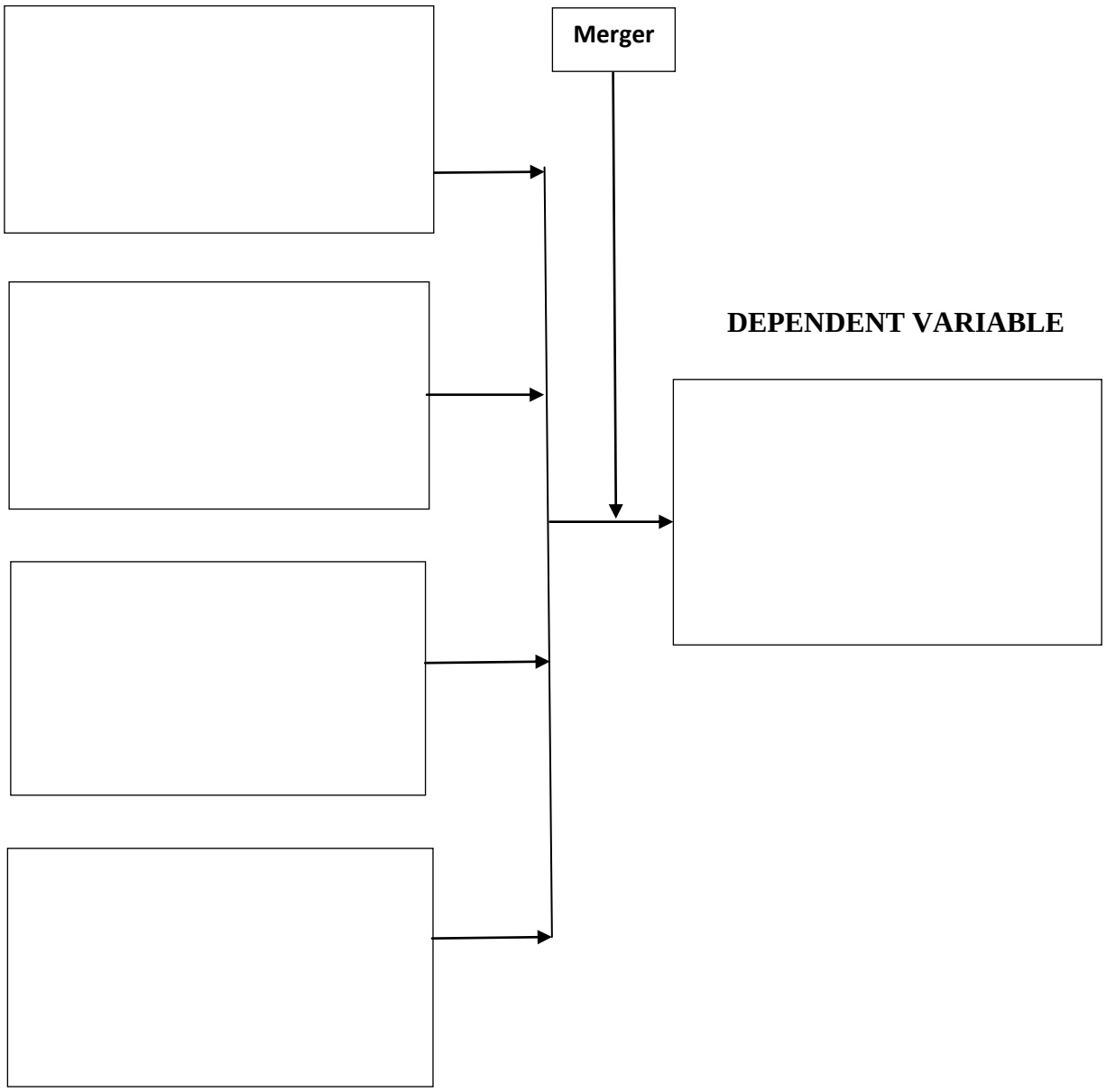


Figure 2.1: Conceptual Framework

In the above conceptual framework reward, communication, job security, and work-life balance are the independent variables, organizational performance is the dependent variable while the merger is the moderating variable. This conceptual framework links the concepts of this study with the empirical research and important theories that form the basis of this research. The merger is the environment within which this research is conducted. The moderating variable can alter, the association between independent and dependent variables (Sharma, Durand & Gur-Arie, 1981).

2.4 Research Gaps

Several studies have been conducted on the effect of employee retention strategies on organizational performance, but very few of these studies focused on employee retention strategies employed in a merger environment to achieve organizational performance post-merger (Mokaya, 2014). This study contributes to filling this gap.

Diverse researchers have looked at diverse retention strategies employed by organizations, but none has looked into rewards, communication, job security, and work-life balance as a combination in any research. This study filled in this gap.

In the reviewed journals, no specific strategy has been identified as prime in assuring employee retention (Mathimaran & Kumar, 2017). This study filled this gap as it sought to find the prime employee retention strategy among the ones considered, that can be implemented by organizations to enable them to achieve better performance post-merger.

Throughout the reviewed journals there was little information on the effect of employee retention strategies on organizational performance during the M&A process (Kossivi *et al.*, 2016). This research filled this gap, and it enlightens merging organizations on how to retain their valued employees in a merger environment to achieve organizational performance.

2.5 Chapter Summary

A proactive strategy for dealing with employee retention issues during the merger process is fundamental to organizational performance post-merger. However, human resource-related issues are rarely considered until serious difficulties arise. According to Martin and Butler (2015), the personnel function was involved in only one-third ($^1/_3$) of all the mergers and

acquisitions that they studied. The management often fails to acknowledge that human resource-related issues can cause post-merger organizational performance problems.

The management must recognize that the role of human resources in determining post-merger organizational performance outcomes is in reality undeniable. Failure to retain competent, highly skilled and mission-critical employees who produce the firm's goods and services, make decisions and conceive strategies, mergers would fail to achieve their synergizing potential as a wealth-creating strategy post-merger.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Chapter Overview

Research methodology is the approach taken to study the research topic. It is the framework underlying the strategy of research. This chapter highlights the research design and methodology that was used to carry out the study. It describes the source of data, target population and the sampling techniques used in selecting the sample size. It also describes how data was collected and analyzed.

3.1 Research Design

Research design is the plan, structure and strategy of investigation conceived to obtain answers to research questions (Kimencu-Mwenda, 2014). This study involved a case study design. It sought to describe Quick Mart Ltd in details on employee retention strategies employed during the merger process. The researcher carefully planned the study as well as the data collection instruments.

According to Kimencu-Mwenda (2014), a case study seeks to describe a unit in detail, in context and holistically. A case study design was chosen because the unit of analysis is one organization. A case study allows an investigation to retain the holistic and meaningful characteristics of real-life events (Mugenda & Mugenda, 2003). It involves a careful and complete observation of the social unit. This design was applied in the research to achieve the purpose of the study.

3.2 Study Population

The target population is the specific population about which information is desired. The population for this study consisted of employees from Quick Mart Ltd. They included managers, executive staff, supervisors, and sub-ordinate staff gathered from six (6) Quick Mart supermarket chain outlets within Nairobi, which includes Ruaka, Utawala 1 & 2, Ruai as well as Eastern Bypass 1 & 2 branches. These six (6) branches cover thirty (30) percent of the 20 branches that existed in Nairobi during the merger process. According to Mugenda and Mugenda (2003), a sample size of 30% of the target population is adequate to meet the research objective. Quick Mart Ltd currently has a total of 35 branches countrywide. The researcher selected the 6

branches due to their proximity to Nairobi. These branches have a total of 535 employees. The target population consists of the population in table 3.1 below.

Table 3.1

Population Size

Strata	**Target**	**Percentage (%)**
Managers	12	2
Executives	176	33
Supervisors	87	16
Sub-ordinate staff	260	49
Total	**535**	**100**

Source: Quick Mart Employee Register, 2020

The executive staff group included the accounts executives, sales executives, marketing executives, administrative executives as well as promotion executives. Further breakdown of the target population is as per table 3.2 below:

Table 3.2

Population Size Breakdown

	Ruaka	**Utawala 1**	**Utawala 2**	**Ruai**	**Eastern By-Pass 1**	**Eastern By-Pass 2**	**Totals**
Managers	1	1	1	1	1	1	**6**
Assistant Managers	1	1	1	1	1	1	**6**
Executive Staff	46	15	30	33	18	34	**176**
Supervisors	15	10	18	16	13	15	**87**
Sub-ordinate Staff	62	30	48	46	27	47	**260**
Totals	**125**	**57**	**98**	**97**	**60**	**98**	**535**

Source: Quick Mart Employee Register, 2020

3.3 Sample Design and Sampling Technique

A sample is a carefully selected sub-group of the accessible population that is representative of the population with the relevant characteristics. Sampling is the process of selecting individuals for the study. It can be snowball, random, stratified cluster convenience, systematic, or any other sampling process (Trochim, 2006).

Stratified sampling was used to get a proportional representation of the targeted respondents. The population was divided into four (4) groups or strata which are the managers, executive staff, supervisors, and sub-ordinate staff. The researcher then used simple probability sampling, which enabled the researcher to obtain a sample population that represented the entire population well. A total of 161 respondents were used in this research, covering 30% of the target population. Mugenda and Mugenda (2003) argue that a sample size of 30% of the target population is adequate to meet the research objective.

3.4 Sampling Size Determination

Mugenda and Mugenda (2003) argue that a sample size of 30% of the target population is adequate to meet the research objective. The sample size in this study was 30% of the target population. It was as follows:

$n = {}^{30}/_{100} * N$, where n is the sample population and N is the target population.

Table 3.3

Sample Size

Strata	**Target**	**Sample Size (30% of Target)**	**Percentage (%)**
Managers	12	4	2
Executives	176	53	33
Supervisors	87	26	16
Sub-ordinate Staff	260	78	49
Total	**535**	**161**	**100**

Source: Quick Mart Employee Register, 2020

3.5 Data Collection Instruments

A questionnaire is an instrument specifically designed to elicit information that is useful for analysis (Babbie, 2007). Questionnaires were delivered to the respondents physically at the supermarket branches for the collection of data for this study from managers, executive staff, supervisors, and sub-ordinate staff of Quick Mart Ltd.

3.6 Data Collection Procedure

Data collection is gathering empirical evidence to gain new insights on the situation and answering questions that prompted the research undertaking (Kombo & Tromp, 2006). Primary data was used in this study. Primary data was collected through the use of questionnaires. Copies of questionnaires were delivered physically at the supermarket branches to the sample population by the researcher. To improve the response rate of these questionnaires, follow-up telephone calls were used to remind the sample population to fill in the questionnaires and alert the researcher to pick them up when completed.

3.7 Validity and Reliability

The validity of research measures how accurate, meaningful, and truthful the research findings are and whether the study measure what it was truly intended to measure (Taylor, 2000). According to Harper and Thompson (2011), for data collection tools to provide useful results, the questions must be both valid and reliable. Validity is the ability of the instrument to truly be able to test what it is intended to. Validity is also the trustworthiness of the research, and if it can be maximized, then more credible and defensive results may lead to generalizability (Johnson, 1997). The quality of research is related to the generalizability of the results and thereby on the testing and increasing the validity or trustworthiness of the research.

Reliability or consistency measures the relevance of the questions included in the questionnaire (Harper & Thompson, 2011). Reliability enables researchers to identify the inadequacies and ambiguities in the research instrument. A reliable instrument is dependable and consistent. In his study on pilot studies, Connelly (2008) suggests that extant literature suggests that a pilot study sample should be 10 percent (10%) of the sample projected for the target population. Sixteen (16) questionnaires were issued to a part of the sample population to find out how well respondents were able to understand and respond to the questionnaires. All sixteen (16) questionnaires were responded to. An analysis was done on the responses, amendments were

made where necessary to ensure that questionnaires were clear and that respondents understood them well and were able to respond to them appropriately.

Reliability and validity are conceptualized as trustworthiness, rigor, and quality in the qualitative paradigm (Creswell & Miller, 2000). Achieving validity and reliability of this research was realized through eliminating bias and increasing the researcher's trustworthiness of a proposition using triangulation. Triangulation is a validity procedure where researchers search for convergence among multiple and different sources of information to form themes or categories in a study (Creswell & Miller, 2000). For the Sixteen (16) questionnaires from different respondents, content analysis was undertaken to find out whether the questionnaires addressed the set objective and also whether the data collected was valid and reliable.

3.8 Data Presentation and Analysis

Data analysis refers to observing what has been collected in a survey and making deductions and inferences. It is the process of reducing large amounts of collected data to make sense of them. Descriptive analysis is the analysis of data that helps in describing and summarizing data in a meaningful way showing patterns that may emerge from the data. Descriptive statistics were used in summarizing and presenting the data. Data was coded and categorized for each of the research variables and analyzed using descriptive statistics such as frequency and percentage tables. This method allows the researcher to dissect, recap and grasp large volumes of data and effectively communicate the significant aspects comparatively (Bell & Bryman, 2007).

The researcher has provided a numerical presentation of the mean, median and mode of the data collected. Scatterplots were used to show these measures of central tendency. Frequency tables and histograms were used to estimate the frequency distribution of the variables. The researcher used data triangulation which helps in correlating people, time and space. These three (3) data points are interrelated and ongoing. They take time like days, weeks, or even months to observe the ongoing interactions. Triangulation offers richness and clarity to research studies (Johnson, 2017). It helped in identifying the complexities of employee retention in a merger process concerning organizational performance. Data were coded and thematically analyzed. Triangulation ensures reliability and validation of the data and results (Marshall & Rossman, 2016).

Triangulation data analysis was able to determine how reward, communication, job security, and work-life balance strategies impact organizational performance. Data was plotted to help determine whether there is a relationship between the independent and dependent variables. Findings of the study objectives have been presented using narration, frequency tables, pie charts, bar charts as well as histograms. The analysis reveals the extent to which each strategy impacts employee retention during mergers. The research model for qualitative data analysis was:

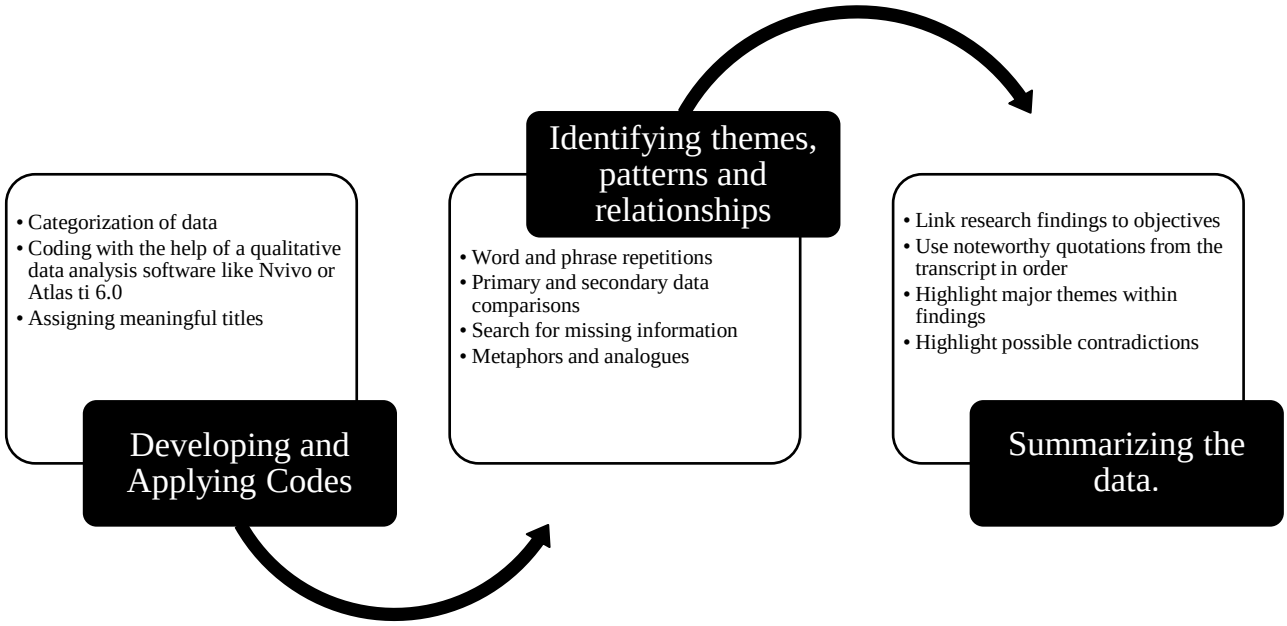


Figure 3.1: Qualitative Data Analysis Research Model (Flick, 2014).

3.9 Ethical Issues

The researcher first created sufficient rapport with respondents, explained the purpose of the research, and assured the respondents that confidentiality of their responses would be maintained, and that the information gathered would be used for educational purposes only. The researcher made sure that courtesy was maintained throughout the research process when dealing with respondents. Issues relating to the ethical conduct of research such as consent, anonymity, privacy and confidentiality were upheld. Voluntary and informed consent was encouraged by the researcher to enable respondents to participate freely after understanding the purpose of the study.

The researcher sought an authorization letter from St. Paul's University and a research permit from NACOSTI (National Commission for Science, Technology & Innovation) before starting the research. Consent from Quick Mart Limited's management was sought before commencing the data collection exercise. All the data collected has been used for educational research purpose only.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.0 Chapter Overview

This chapter presents the findings of the study. It consists of sections on respondents' demographics and profiles analysis, descriptive statistics as well inferential statistical analysis. In the descriptive and inferential statistics sections, the study presents the findings for each of the objectives. The data is presented in tables, figures, narrations, and supported by interpretations.

4.1 Respondents

Table 4.1

Positions	**Target Population**	**Sample Size (30% of target)**
Managers	12	4
Executives	176	53
Supervisors	87	26
Sub-Ordinate Staff	260	78
Total	**535**	**161**

4.2 Response Rate of the Study

The response rate was analyzed to enlighten the researcher on research participants. It is necessary to determine whether the participants in the study are a representative sample of the target population. The participant characteristics will also serve as independent variables in the research design.

The targeted number of respondents for the study was 161 respondents. The researcher, therefore, distributed 161 questionnaires to the targeted respondents. The response rate was 87% as indicated in Table 4.2 below.

Table 4.2

	Sample Size	No. of Responses Received	Percentage of Responses (%)
Managers	4	4	100
Executives	53	45	85
Supervisors	26	24	92
Sub-Ordinate Staff	78	67	86
Total	**161**	**140**	**87**

Source: Field Data

4.3 Pilot Study and Findings

The pilot study was conducted at the Ruai branch of Quick Mart Ltd. A total of 16 respondents were involved in this pilot study data collection. Questionnaires were distributed by the researcher to a part of the sample population. Respondents were requested to respond within 4 days after which the researcher would collect the questionnaires for data analysis. The researcher collected the questionnaires as agreed, and analyzed the data collected.

The response rate was 100% as all the respondents filled and returned the questionnaires. 68% of respondents were male, while 32% were female. 63% of the respondents ranged between 20 and 30 years, while 37% ranged between 31 and 40 years. 6% of the respondents were managers, 25% were executive staff, 19% were supervisors while 50% were the sub-ordinate staff. All the respondents in this pilot study had served Quick Mart Ltd for a period below 10 years. This could be attributed to the fact that the Quick Mart Ruai branch was opened in the year 2010 and thus has operated for slightly over 10 years. For this reason, the researcher decided that to capture more accurate data, it was necessary to restructure question three (3) in the questionnaire to read:

3. How many years have you worked for Quick Mart?

☐ Below 2 years ☐ 2 – 5 years ☐ 5 – 10 years ☐ Over 10 years

Under section three – communication strategies, the word ‘Never’ was replaced with ‘None’ in the responses to the question:

What communication strategies does Quick Mart employ during the merger process to ensure that they retain their competent and highly skilled employees?

Meetings [ ] Seminars [ ] Emails [ ] Billboards [ ]
~~Never~~ None [ ] Other - Describe: _____

A few grammatical errors were also corrected on the questionnaire.

4.4 Analysis of Demographics Data of Respondents

Demographics data of the participants in this study is analyzed to enlighten the researcher on research participants' gender, age, job positions as well as years of service in Quick Mart. It was necessary to determine whether the participants in the study are a representative sample of the target population. Demographic data were analyzed using tables and charts to understand the study sample under consideration. Table 4.3 illustrates the gender of the respondents indicating that 47% of respondents were male, while 53% were female. This indicates that each gender was well represented in this study.

Table 4.3

Gender	**Respondents**	**Percentage**
Male	66	47%
Female	74	53%
Total	**140**	**100%**

Source: Field Data

An age analysis of the respondents was performed, Figure 4.1 below illustrates the age of the respondents in this study. It indicates that 29% of the respondents range between 20 and 30 years, 66% range between 31 and 40 years, while 4% range between 41 and 50 years of age. This shows that each age group was well represented in this research study.

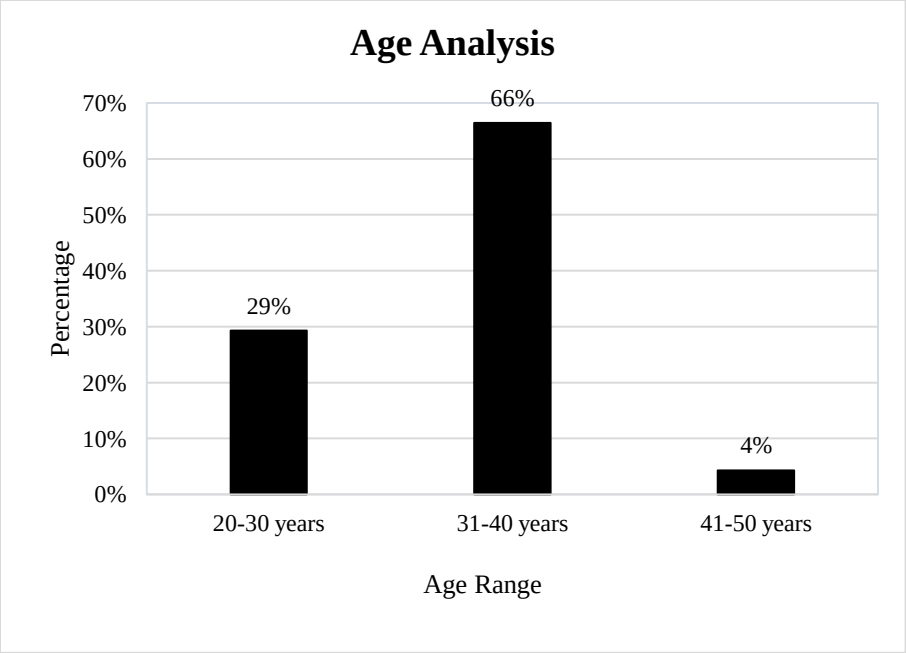


Figure 4.1 Age Analysis of Respondents

The data collected was then analyzed per strata as indicated in Table 4.4 below. It shows that among the respondents in this study, 3% were managers, 32% were executive staff, 17% were supervisors while 48% were the sub-ordinate staff. This outcome indicates that there was a good representation of all ranks of employees in the supermarket chain.

Table 4.4

Position	**Respondents**	**Percentage**
Manager	4	3%
Executive Staff	45	32%
Supervisor	24	17%
Sub-Ordinate Staff	67	48%
Total	**140**	**100%**

Source: Field Data

An analysis of years of service of the participants was conducted and the results are as illustrated in figure 4.2 below. It indicates that 14% of the employees have served Quick Mart for a period

of fewer than 2 years, 29% for a period between 2 to 5 years, 47% for a period between 5 and 10 years, while 10% have served for a period of over 10 years.

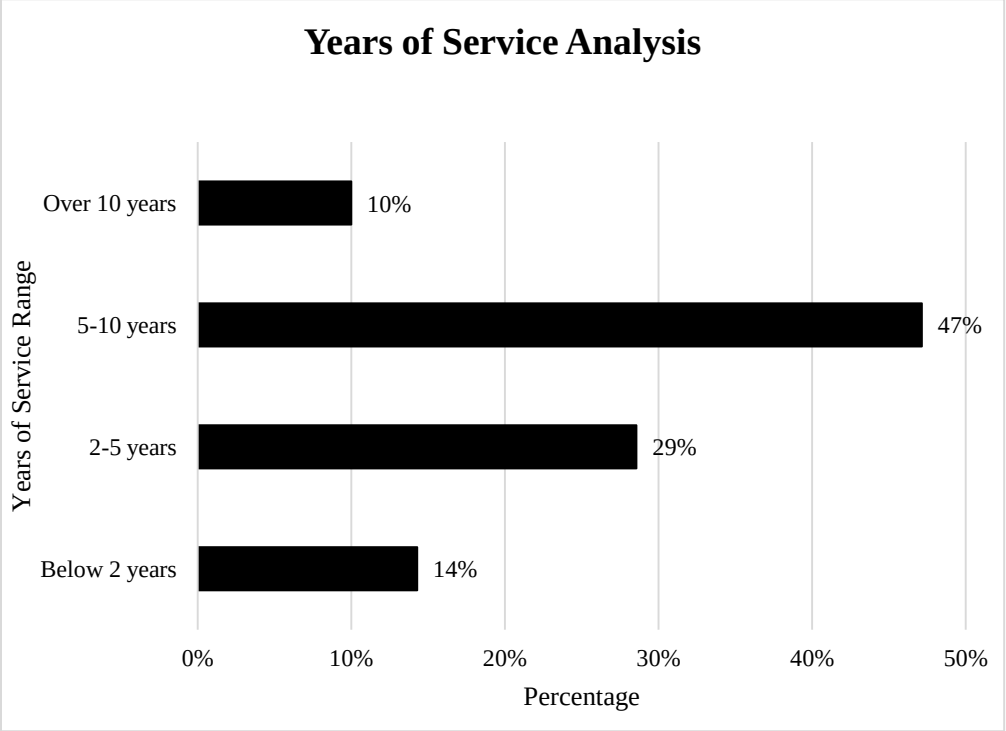


Figure 4.2 Years of Service Analysis

4.5 Reward Strategies Responses Analysis

An analysis of reward-related responses received was reviewed as indicated in Table 4.5 below. They indicate that 95% of the respondents agree that Quick Mart values employee retention strategies. 91% of the respondents agree that Quick Mart reward strategies enhance employee retention. 87% of the respondents agree that the reward strategies employed by Quick Mart during the merger process were satisfactory, 88% of the respondents agree that these strategies enabled Quick Mart to retain their highly valued employee post-merger. 67% of the respondent agrees that Quick Mart recognizes their best performers. 72% of the respondents agree with the statement that the rewards system in Quick Mart is systematic, predictable, and based on employee performance, 16% disagree with it, while 12% choose to remain neutral.

Table 4.5

Reward Strategies Related Responses

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Quick Mart values employee retention	0%	1%	4%	95%	0%	3.94	0.26
Quick Mart offers rewards that enhance employee retention	0%	5%	4%	91%	0%	3.86	0.47
During the merger, Quick Mart's reward strategies aimed at employee retention were satisfactory	0%	7%	6%	87%	0%	3.80	0.55
Reward strategies enabled Quick Mart to retain their highly valued employees post-merger	0%	6%	4%	88%	2%	3.86	0.53
At Quick Mart the higher your position, the higher the rewards	0%	2%	7%	88%	3%	3.91	0.42
Quick Mart recognizes their best performers	0%	16%	16%	67%	1%	3.52	0.77
The rewards system in Quick Mart is systematic, predictable, and based on employee performance.	0%	16%	12%	72%	0%	3.56	0.75

4.5.1 Question by Question Analysis

Analyzing Likert scale statement one (1) which states, "Quick Mart values employee retention." The responses received were as per Table 4.6 below. The responses received to this statement indicate that 95% or the majority of the respondents from all the strata agree that the organization values employee retention. Only 1% disagree with this statement, while another 4% neither agreed nor disagreed with this statement.

Table 4.6

Quick Mart Values Employee Retention (Responses)

Position	Agree	Disagree	Neutral	Grand Total
Executive Staff	43	0	2	45
Manager	4	0	0	4
Sub-Ordinate Staff	64	1	2	67
Supervisor	22	0	2	24
Grand Total	133	1	6	140
Percentage	**95%**	**1%**	**4%**	**100%**

Upon analyzing statement seven (7) which states, "The rewards system in Quick Mart is systematic, predictable and based on employee performance", responses were as indicated in Table 4.7 below. These responses indicate that 72% of the respondents agree that the reward systems employed at Quick Mart are systematic, predictable, and performance based. 16% of the respondents disagreed with this statement while the 12% chose to neither agreed nor disagreed with this statement.

Table 4.7

Rewards System in Quick Mart is Systematic, Predictable, and based on Employee Performance.

Position	Agree	Disagree	Neutral	Grand Total
Executive Staff	36	5	4	45
Manager	4	0	0	4
Sub-Ordinate Staff	41	17	9	67
Supervisor	20	0	4	24

Grand Total	101	22	17	140
Percentage	**72%**	**16%**	**12%**	**100%**

4.6 Communication Strategies Responses Analysis

An analysis of communication-related responses was reviewed as indicated in Table 4.8 below. They indicate that 85% of the respondents disagree with the statement that, "Quick Mart communicated merger plans to employees well in advance". Only 15% of the respondents agree with this statement. 96% of the respondents agree that Quick Mart's vision and mission are clear and understandable. This indicates that Quick Mart has worked hard in ensuring that their vision and mission is well understood by their employees. 75% of the respondents agree that the communication contents and frequency are satisfactory. In addition, 80% of the respondents agree that the communication strategies applied by Quick Mart are satisfactory. 82% of the respondents are happy with how the organization keeps them informed. 49% of the respondents disagree with the statement, "Quick Mart's response and feedback to employees' queries is satisfactory", 42% of the respondents agree with this statement, 2% strongly disagrees with this statement while 6% chooses to remain neutral. Consequently, 48% of the respondents disagree with the statement that information flows easily upwards and/or downwards and it is interactive. 46% of the respondents agree with this statement, 1% strongly disagrees with this statement while another 1% strongly agrees with it.

Table 4.8

Communicates Strategies Related Responses

Statement	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Mean**	**Standard Deviation**
Quick Mart communicated merger plans to employee well in advance	0%	85%	0%	15%	0%	2.30	0.72
Quick Mart's vision and mission are clear and understandable	0%	3%	0%	96%	1%	3.95	0.35

Quick Mart communication's content and frequency is satisfactory	0%	14%	11%	75%	0%	3.61	0.73
Communication strategies applied by Quick Mart are satisfactory	0%	17%	3%	80%	0%	3.63	0.76
I am happy with how Quick Mart keeps me informed	1%	11%	6%	82%	1%	3.71	0.69
Quick Mart's response and feedback to employees' queries is satisfactory	2%	49%	6%	42%	0%	2.89	1.00
In Quick Mart information flows easily downward, upward and it is interactive	1%	48%	4%	46%	1%	2.96	1.01

Responses received regarding the communication strategies employed at Quick Mart are as indicated in Figure 4.3 below. It exemplifies that 93% of the respondents indicated that meetings are employed as the communication strategy to keep employees informed, while 7% indicated that emails are used as the communication strategy.



Figure 4.3 Communication Strategies Employed at Quick Mart

4.6.1 Question by Question Analysis

Picking on question two (2) which says, "Quick Mart's vision and mission is clear and understandable". Responses received are as illustrated in Table 4.9 below. 1% of the respondents strongly agree with this statement, 96% of the respondents agree that the organization's vision and mission are clear and understandable. They include employees across the board from managers, executives, supervisors as well as sub-ordinate staff. This indicates that Quick Mart Ltd has communicated its vision and mission well to their employees and this enables employees to work towards the same goals and objectives, thus enhancing the performance of an organization. Only 3% of respondents disagree with this statement.

Table 4.9

Quick Mart's Vision and Mission are Clear and Understandable

Position	**Agree**	**Disagree**	**Strongly Agree**	**Grand Total**
Executive Staff	44	1	0	45
Manager	4	0	0	4
Sub-Ordinate Staff	64	2	1	67
Supervisor	23	1	0	24
Grand Total	135	4	1	140
Percentage	**96%**	**3%**	**1%**	**100%**

Analyzing statement four (4) which states, "Communication strategies applied by Quick Mart are satisfactory". The responses received from the respondents are as per Table 4.10 below. 80% of the respondents agree that the communications strategies applied are satisfactory, 17% disagree, while 3% of the respondents decided not to agree or disagree. This indicates that much needs to be done here to ensure that employees are satisfied with the communication strategies being employed in an organization. Communication is very important, and the best strategy needs to be employed to inform every employee.

Table 4.10

Communication Strategies Applied by Quick Mart are Satisfactory

Position	**Agree**	**Disagree**	**Neutral**	**Grand Total**
Executive Staff	42	3	0	45
Manager	4	0	0	4
Sub-Ordinate Staff	45	18	4	67
Supervisor	21	3	0	24
Grand Total	112	24	4	140
Percentage	**80%**	**17%**	**3%**	**100%**

4.7 Job Security Related Responses Analysis

An analysis of job security-related responses was reviewed as illustrated in table 4.11 below. They indicate that 26% of the respondents agrees that Quick Mart assured employees of their job security during the merger process. 74% of them disagree with this statement. 66% of the respondents agree that Quick Mart's performance metrics are fair and just, 19% disagree with this statement while 15% did not agree nor disagree with this statement. 61% of the respondents agree that their acquired skills together with training offered at Quick Mart enhance their job security. 29% of the respondents disagreed with this statement while 10% choose to remain neutral. In responding to statement four (4) which states that, "Quick Mart offers long-term incentives to employees.", only 19% of the respondents agree with this statement. 79% of the respondents disagreed with this statement, 1% strongly disagreed, while 2% of the respondents did not agree nor disagree with this statement. 92% of the respondents agree that job security helps employees perform better, while 7% of them strongly agreed with this statement, while 1% disagrees with this statement. This indicates that job security is a real performance motivator to most of these respondents. 99% of respondents agree that there is distributive justice in Quick Mart, 1% strongly agreed with this statement, while 1% choose not to agree or disagree with this

statement. 99% of the respondents agree that they have a balanced psychological contract with Quick Mart, while 1% of them strongly agreed with this statement.

Table 4.11

Job Security Strategies Related Responses

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Quick Mart have assured employees of their job security during the merger processes	0%	74%	0%	26%	0%	2.53	0.89
Quick Mart's performance metrics are fair and just	0%	19%	15%	66%	0%	3.48	0.79
My skills and trainings offered at Quick Mart enhance by job security	0%	29%	10%	61%	0%	3.31	0.90
Quick Mart offers long-term incentives to employees	1%	79%	2%	19%	0%	2.39	0.79
Job security helps employees perform better	0%	1%	0%	92%	7%	4.06	0.31
There is distributive justice in Quick Mart	0%	0%	1%	99%	1%	4.00	0.12
I have a balanced psychological contract with Quick Mart	0%	0%	0%	99%	1%	4.01	0.12

Responses on "How often does your employer assure you of your job security?" are as presented in figure 4.4 below. The majority of the respondents (91%) indicated that their employer assures them of their job security once in a year, 8% indicated that their employer assures them of their job security every quarter while 1% indicated that their employer never assures them of their job security. Job security assurance is important to the employees and therefore the more the frequency of assurance, the better for the entire organization.

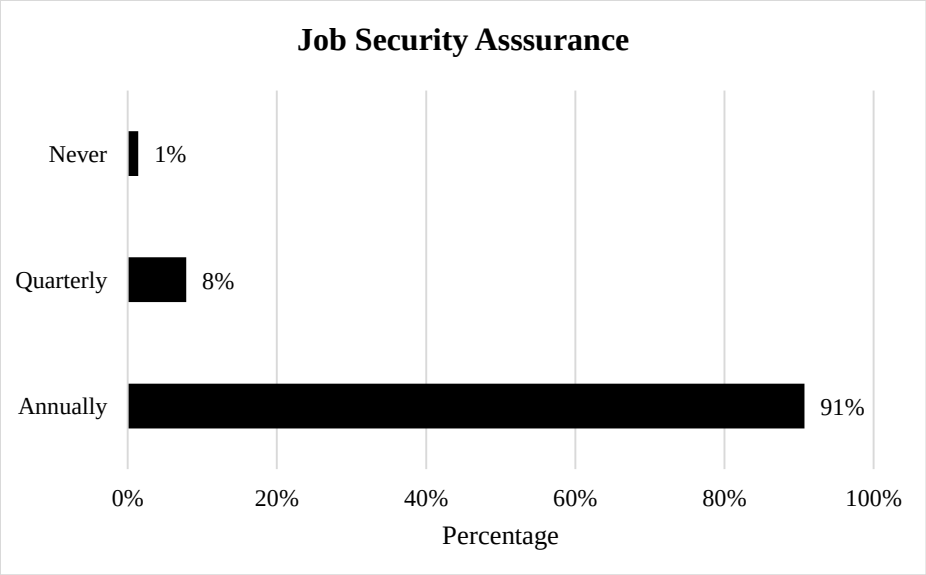


Figure 4.4 Job Security Assurance at Quick Mart

4.7.1 Question by Question Analysis

Picking on statement four (4) states, "Quick Mart offers long-term incentives to employees", the responses received are as illustrated in table 4.12 below. It indicates that only 19% of the respondents agree with this statement, 79% of the respondents disagreed, 2% choose not to agree nor disagree with this statement, while 1% strongly disagreed with this statement.

Table 4.12

Quick Mart Offers Long-term Incentives to Employees - Responses

Positions	**Agree**	**Disagree**	**Neutral**	**Strongly Disagree**	**Grand Total**
Executive Staff	5	39	1	0	45
Manager	4	0	0	0	4
Sub-Ordinate Staff	12	53	1	1	67
Supervisor	5	18	1	0	24
Grand Total	26	110	3	1	140
Percentage	**19%**	**79%**	**2%**	**1%**	**100%**

Analyzing statement five (5) which states, "Job security helps employees perform better", the responses received are as illustrated in Table 4.13 below. It indicates that 92% of the respondents agree with this statement while 7% strongly agree with it, while 1% disagreed. Employers should therefore assure their employees of their job security more often for the benefit of the entire organization.

Table 4.13

Job Security Helps Employees Perform Better – Responses

Positions	**Agree**	**Disagree**	**Strongly Agree**	**Grand Total**
Executive Staff	44	1	0	45
Manager	1	0	3	4
Sub-Ordinate Staff	61	0	6	67
Supervisor	23	0	1	24
Grand Total	129	1	10	140
Percentage	**92%**	**1%**	**7%**	**100%**

4.8 Work-Life Balance Related Responses Analysis

An analysis of work-life balance-related responses was reviewed as illustrated in Table 4.14 below. They indicates that 100% of respondents agree that Quick Mart Ltd offers a work-life balance to employees. 63% of respondents are satisfied with the work-life balance strategies employed at Quick Mart, 33% are not satisfied, while 4% neither agreed nor disagreed with this statement. 68% of respondents agree that work-life balance has led to performance improvement, 1% strongly agree with this statement, 25% disagree with this statement, while 6% choose to remain neutral. 90% of the respondents agree that work-life balance motivates them to work harder 9% strongly agree with this statement, 1% disagree, while another 1% neither agreed nor disagreed with this statement. Only 8% of the respondents agree that work-life balance enables them to develop themselves for a more challenging position, 83% disagree with this statement while 9% of respondents neither agreed nor disagreed with this statement. 79% of

the respondents agree that work-life balance creates employee commitment, while 21% strongly agree with this statement. 70% of the respondents agree that they value work-life balance, while 30% strongly agreed with this statement.

Table 4.14

Work-Life Balance Strategies Related Responses

Statement	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Mean**	**Standard Deviation**
Quick Mart offers work-life balance scenarios to employees	0%	0%	0%	100%	0%	4.00	0.00
I am satisfied with the work-life balance strategies employed at Quick Mart	0%	33%	4%	63%	0%	3.30	0.93
Work-life balance offered at Quick Mart have led to performance improvement	0%	25%	6%	68%	1%	3.44	0.88
Work-life balance motivate me to work harder	0%	1%	1%	90%	9%	4.06	0.34
Work-life balance enables me to develop myself for more challenging positions with Quick Mart	0%	83%	9%	8%	0%	2.25	0.59
Work-life balance creates employee commitment	0%	0%	0%	79%	21%	4.21	0.41
I value work-life balance	0%	0%	0%	70%	30%	4.30	0.46

A question on the work-life balance strategies employed at Quick Mart gathered responses displayed in figure 4.5 below. It indicates that 100% of respondent recognized paid leave as the only work-life balance employee retention strategy employed at Quick Mart.

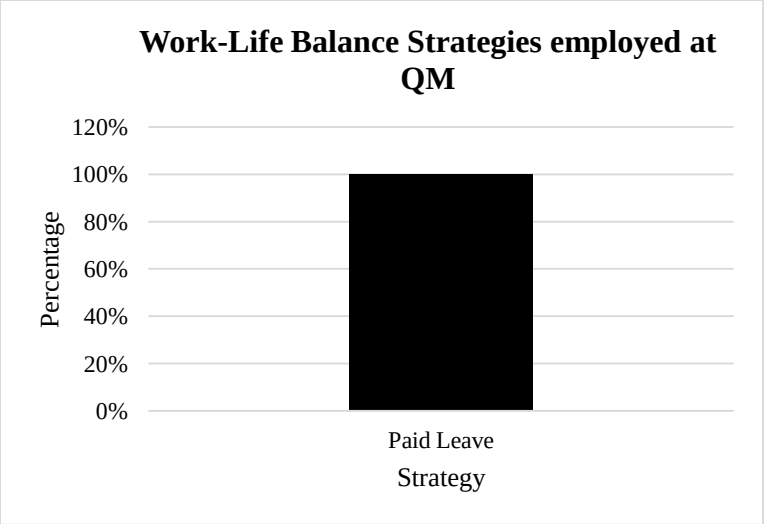


Figure 4.5 Work-Life Balance Strategies Employed in Quick Mart

4.8.1 Question by Question Analysis

Picking on statement six (6), "Work-life balance creates employee commitment", the responses gathered are as indicated in figure 4.6 below. In responding to this statement, 79% of respondents agree with this statement, while 21% strongly agreed with this statement.

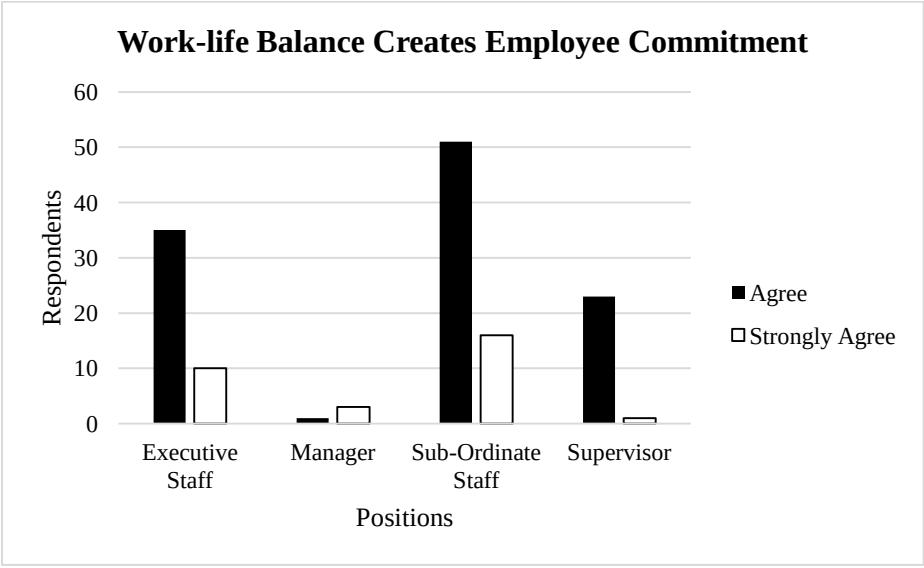


Figure 4.6 Work-Life Balance Creates Employee Commitment – Responses

Analyzing statement seven (7), "I value work-life balance", the responses received as indicated in Table 4.15 below. 70% of respondents agreed with this statement while 30% strongly agreed

with it. This indicates that work-life balance is very important to employees and thus employers should work on enhancing this strategy for the benefit of the entire organization.

Table 4.15

I Value Work-Life Balance – Responses

Positions	**Agree**	**Strongly Agree**	**Grand Total**
Executive Staff	35	10	45
Manager	1	3	4
Sub-Ordinate Staff	39	28	67
Supervisor	23	1	24
Grand Total	98	42	140
Percentage	**70%**	**30%**	**100%**

4.9 Organizational Performance Related Responses Analysis

An analysis of organizational performance-related responses was reviewed as illustrated in Table 4.16 below. They indicate that 94% of respondents agree that the employee retention strategies employed by Quick Mart have helped them retain their competent and highly skilled employees, 1% strongly agrees with this statement, 2% disagree with this statement, while another 3% chose not to agree or disagree with this statement. 96% of respondents agree with the statement that employee retention post-merger has contributed to Quick Mart's performance, 2% strongly agree with this statement while 1% disagrees with this statement.

57% of the respondents agree with the statement that Quick Mart's performance goals are SMART, 42% strongly agree with this statement while 1% disagrees with it. 81% of the respondents agree with the statement that Quick Mart has managed to increase their employee's job satisfaction post-merger, 17% strongly agree with this statement, while 1% neither agreed nor disagreed with this statement. 61% of the respondents agree with the statement that Quick Mart has managed to increase its customer base post-merger while 39% of the respondents

strongly agree with this statement. 40% of the respondents agree with the statement that Quick Mart's financial performance has increased post-merger while 60% of the respondents strongly agreed with this statement. 33% of the respondents agree with the statement that organizational performance is paramount to Quick Mart while 67% strongly agree with this statement.

Table 4.16

Organizational Performance Related Responses

Statement	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Mean**	**Standard Deviation**
Quick Mart employee retention strategies have helped them to retain their competent and highly skilled employees	0%	2%	3%	94%	1%	3.94	0.34
Employee retention post-merger have contributed to Quick Mart's performance	0%	1%	0%	96%	2%	3.99	0.28
Quick Mart performance goals are SMART (Specific, Measurable, Achievable, Realistic and Time-bound)	0%	1%	0%	57%	42%	4.41	0.54
Quick Mart have managed to increase their employee's job satisfaction post-merger	0%	0%	1%	81%	17%	4.16	0.40
Quick Mart have managed to increase its customer base post-merger	0%	0%	0%	61%	39%	4.39	0.49
Quick Mart's financial performance has increased post-merger	0%	0%	0%	40%	60%	4.60	0.49
Organizational performance is paramount in Quick Mart	0%	0%	0%	33%	67%	4.67	0.47

4.9.1 Question by Question Analysis

Analyzing question two (2), which states, "Employee retention post-merger has contributed to Quick Mart's performance", the responses gathered are as indicated in table 4.17 below. The responses illustrate that 2% of the respondents strongly agree with this statement, 96% of respondents agree with the statement, while only 1% disagree with this statement.

Table 4.17

Employee Retention Post-Merger has contributed to Quick Mart's performance – Responses

Row Labels	**Agree**	**Disagree**	**Strongly Agree**	**Grand Total**
Executive Staff	45	0	0	45
Manager	4	0	0	4
Sub-Ordinate Staff	63	2	2	67
Supervisor	23	0	1	24
Grand Total	135	2	3	140
Percentage	**96%**	**1%**	**2%**	**100%**

Analyzing statement six (6), "Quick Mart's financial performance has increased post-merger", the responses gathered are as illustrated in table 4.18 below. They indicate that 40% of respondents agree with this statement while 60% strongly agree with it.

Table 4.18

Quick Mart's Financial Performance has Increased Post-Merger – Responses

Row Labels	**Agree**	**Strongly Agree**	**Grand Total**
Executive Staff	29	16	45
Manager	0	4	4

Sub-Ordinate Staff	15	52	67
Supervisor	12	12	24
Grand Total	56	84	140
Percentage	**40%**	**60%**	**100%**

In response to a question requesting the respondents to rate employee retention strategies depending on what they deem to be least and most important to them on a general level, the responses were as indicated in Figure 4.7 below. The respondents rated rewards strategies as the most preferred strategy at 34%, followed by communication strategies at 33%, then job security strategies at 20% and finally work-life balance strategies at 13%.

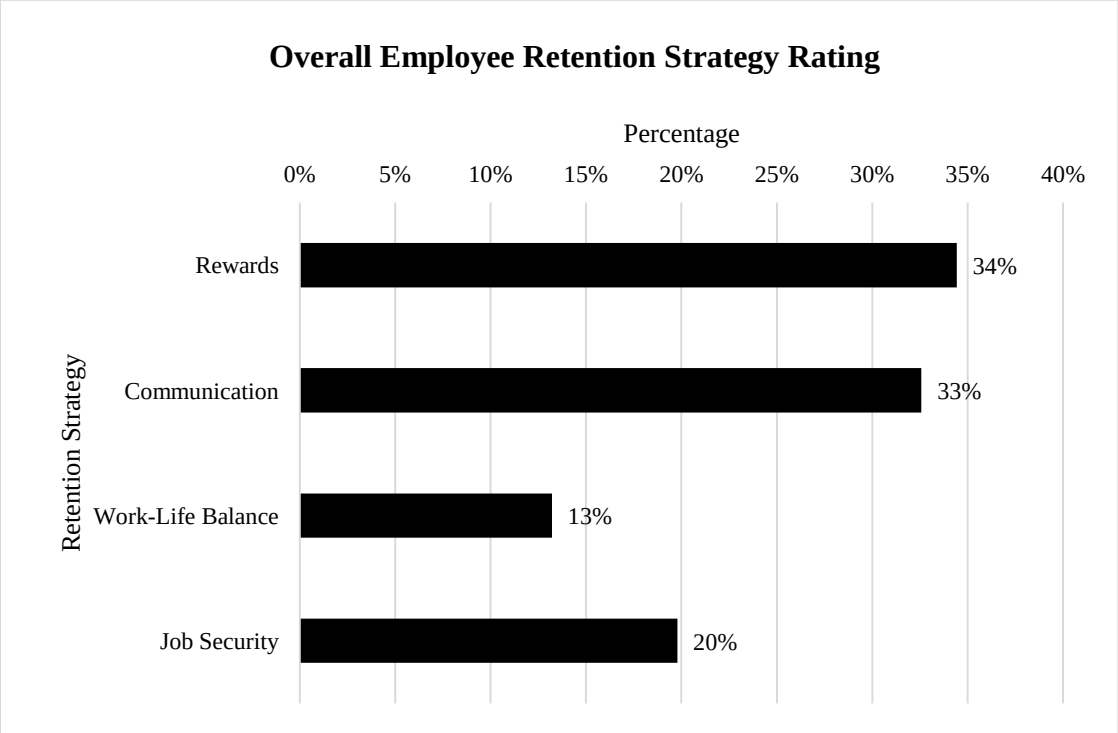


Figure 4.7 Overall Employee Retention Strategy Ratings

At the strata level, this rating was as per table 4.19 below. Sub-ordinate staff rated job security strategies as the most important to them, while managers rated rewards, communication, and job

security as equally important to them. Executive staff rated work-life balance as their most important strategy, while supervisors rated communication as the most important strategy.

Table 4.19

Employee Retention Strategy Ratings per Strata

Position	**Rewards**	**Communication**	**Work-Life Balance**	**Job Security**
Supervisor	17%	19%	15%	17%
Manager	3%	3%	2%	3%
Executive Staff	30%	35%	38%	27%
Sub-ordinate staff	50%	43%	45%	53%
Total	**100%**	**100%**	**100%**	**100%**

4.10 Inferential Statistics

4.10.1 Correlation Analysis

A Pearson's correlation analysis was performed on the data collected in this study to test the relationship between the variables. Using the data collected from the sample size of 161 individuals, the results were as per table 4.20 below:

Table 4.20

Predictor	**Organizational Performance**	**Reward Strategies**	**Communication Strategies**	**Job Security**	**Work-life Balance**
Organizational Performance	1				
Reward Strategies	0.8419	1			
Communication Strategies	0.6251	0.8404	1		
Job Security	0.5022	0.5970	0.7556	1	
Work-life Balance	0.0768	0.2392	0.4399	0.6467	1

Source: Field Data

The above results show that the correlation between reward strategies and organizational performance is 0.8419. This shows that there is a strong positive relationship between reward strategies and organizational performance. They indicate a strong positive relationship between communication strategies and organizational performance i.e., a correlation of 0.6251. These results also indicate a strong positive relationship between job security strategies and organizational performance – a correlation of 0.5022. The test results indicate that there is a weak positive relationship between work-life balance strategies and organizational performance, a correlation of 0.0768. Based on the results obtained in Table 4.20, the researcher can conclude reward strategies, communications strategies, and job security strategies strongly affect organization performance while work-life balance strategies do not affect organizational performance.

The findings above on communication strategies concurs with the finding of Goecke *et al.* (2018), in their research on, "Retention Strategies in M&A Processes. An Exploratory Case Study on Turnover during Mergers and Acquisitions in the German Software Industry." Their findings were that there was a strong positive relationship between communication strategies and organizational performance. The above findings on reward strategies concur with the findings of Mathimaran and Kumar (2017), in their research on, "Employee Retention Strategies – An Empirical Research". Their findings were that there is a strong relationship between reward strategies and organizational performance.

4.10.2 Linear Regression

To establish the relationships between reward strategies, communication strategies, job security strategies, work-life balance strategies, and organizational performance the researcher conducted a linear regression analysis on each of the variables.

4.10.2.1 Linear Regression between Reward Strategies and Organizational Performance

A linear regression test between reward strategies and organizational performance was conducted and the results are as presented below:

Table 4.21

Regression Statistics	
Multiple R	0.842

R Square	0.709
Adjusted R Square	0.707
Standard Error	7.935
Observations	140

Analysis of variance (ANOVA)

	df	SS	MS	F	Significance F
Regression	1	21145.719	21145.719	335.805	0.000
Residual	138	8689.905	62.970		
Total	139	29835.624			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-12.944	2.305	-5.615	0.000	-17.502	-8.386	-17.502	-8.386
Reward Strategies	0.215	0.012	18.325	0.000	0.192	0.239	0.192	0.239

In a linear regression, Multiple R is the Coefficient of Determination. It is a measure of explained variations. Results show 84% of the variation in organizational performance is explained by this regression. This means that 84% of the variation in organizational performance is explained by changes in reward strategies employed at Quick Mart Ltd. The Standard Error is a measure of unexplained variation. R square is used in multiple regression.

ANOVA or the analysis of the valuation table was used for hypothesis testing. F statistic is a test of significance for the entire regression model. In the ANOVA results above, the f-value is 335.805 while f-critical is 0.000. Since the f-critical value is smaller than the f-value the researcher thus rejects the null hypothesis.

P-value and t Stat were used in the hypothesis testing of individual variables and it give the confidence interval for each variable. P-value tells us whether to accept or reject the null hypothesis (H_0). Since reward strategies have a p-value of less than 0.05 then the null hypothesis is rejected.

4.10.2.2 Linear Regression between Communication Strategies and Organizational Performance

To establish the relationships between communication strategies and organizational performance, the researcher conducted a linear regression analysis, and the results are as presented below:

Table 4.22

Regression Statistics	
Multiple R	0.625
R Square	0.391
Adjusted R Square	0.386
Standard Error	11.477
Observations	140

ANOVA

	df	SS	MS	F	Significance F
Regression	1	11659.615	11659.615	88.525	0.000
Residual	138	18176.008	131.710		
Total	139	29835.624			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.164	3.060	0.054	0.957	-5.886	6.215	-5.886	6.215
Communication Strategies	8.760	0.931	9.409	0.000	6.919	10.601	6.919	10.601

In a linear regression, Multiple R is the Coefficient of Determination. It is a measure of explained variations. Results show 62.5% of the variation in organizational performance is explained by this regression. This means that 62.5% of the variation in organizational performance is explained by changes in communication strategies employed at Quick Mart Ltd. The Standard Error is a measure of unexplained variation.

ANOVA or the analysis of the valuation table was used for hypothesis testing. F statistic is a test of significance for the entire regression model. In the ANOVA results above, the f-value is 88.525 while f-critical is 0.000. Since the f-critical value is smaller than the f-value the researcher thus rejects the null hypothesis.

P-value and t Stat were used in the hypothesis testing of individual variables and also give the confidence interval for each variable. P-value tells us whether to accept or reject the null hypothesis (H_0). Since communication strategies has a p-value of less than 0.05 then the researcher rejects the null hypothesis.

4.10.2.3 Linear Regression between Job Security Strategies and Organizational Performance

To establish the relationships between job security strategies and organizational performance, the researcher conducted a linear regression analysis, and the results are as presented below:

Table 4.23

Regression Statistics	
Multiple R	0.502
R Square	0.252
Adjusted R Square	0.247
Standard Error	12.716
Observations	140

ANOVA

	df	SS	MS	F	Significance F
Regression	1	7523.209	7523.209	46.530	0.000
Residual	138	22312.414	161.684		
Total	139	29835.624			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-11.760	5.851	-2.010	0.046	-23.328	-0.191	-23.328	-0.191
Job Security	11.574	1.697	6.821	0.000	8.219	14.928	8.219	14.928

In linear regression, where the predictor is one, Multiple R is the Coefficient of Determination. It is a measure of explained variations. Results show 50.2% of the variation in organizational performance is explained by this regression. This means that 50.2% of the variation in organizational performance is explained by changes in communication strategies employed at Quick Mart Ltd. The Standard Error is a measure of unexplained variation.

ANOVA or the analysis of the valuation table was used for hypothesis testing. F statistic is a test of significance for the entire regression model. In the ANOVA results above, f-value is 46.53 while f-critical is 0.000. Since the f-critical value is smaller than the f-value the researcher thus reject the null hypothesis.

P-value and t Stat are used in the hypothesis testing of individual variables and also give the confidence interval for each variable. P-value tells us whether to accept or reject the null hypothesis (H_0). Since job security strategies have a p-value of less than 0.05 the null hypothesis is rejected.

4.10.2.4 Linear Regression between Work-life Balance Strategies and Organizational Performance

To establish the relationships between work-life balance strategies and organizational performance, the researcher conducted a linear regression analysis, and the results are as presented below:

Table 4.24

Regression Statistics	
Multiple R	0.077
R Square	0.006
Adjusted R Square	-0.001
Standard Error	14.660
Observations	140

ANOVA

	df	SS	MS	F	Significance F
Regression	1	175.836	175.836	0.818	0.37
Residual	138	29659.788	214.926		
Total	139	29835.624			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	11.902	17.257	0.690	0.492	-22.221	46.025	-22.221	46.025
Work-life Balance	0.144	0.160	0.905	0.367	-0.171	0.460	-0.171	0.460

In linear regression, Multiple R is the Coefficient of Determination. It is a measure of explained variations. Results show 7% of the variation in organizational performance is explained by this regression. This means that 7% of the variation in organizational performance is explained by changes in communication strategies employed at Quick Mart Ltd. The Standard Error is a measure of unexplained variation.

ANOVA or the analysis of the valuation table was used for hypothesis testing. F statistic is a test of significance for the entire regression model. In the ANOVA results above, the f-value is 0.818 while f-critical is 0.37. Since the f-critical value is smaller than the f-value the researcher thus rejects the null hypothesis.

P-value and t Stat were used in the hypothesis testing of individual variables and also gives the confidence interval for each variable. P-value tells us whether to accept or reject the null hypothesis (H_0). Work-life balance strategies have a p-value of 0.171 which is higher than 0.05 and therefore, the researcher fails to reject the null hypothesis.

4.10.2.5 Linear Regression Results Summary

The confidence level used in the linear regressions above was 95% with an alpha value of 0.05. Results show the p-values for each variable in our research. The results indicate that only work-life balance is statistically insignificant in predicting organizational performance, since its corresponding p-value is 0.171 which is greater than 0.05. These findings differ from the finding of Garg and Yujurvedi (2016), in their research on, "Impact of Work-Life Balance Practices on Employees Retention and Organizational Performance – A Study of IT Industry." They found a significant relationship between work-life balance practices and organizational performance. The researcher believes that work-life balance strategies like flexitime, tele-working, self-rostering, and child-care assistant are quite new in Kenya and thus has not gained enough popularity among employee, which could have led to these finding that work-life balance is statistically insignificant in determining organizational performance in this research.

Reward strategies had a p-value of 0.000, communication strategies have a p-value of 0.000 and job security strategies has a p-value of 0.000 meaning that they are statistically significant in predicting organizational performance since their p-values are less than 0.05. The researcher thus rejects the null hypothesis.

Job security strategies have a p-value of 0.000 meaning that job security strategies are statistically significant in predicting organizational performance. The above findings concur with the finding of Martin and Butler (2015), in their research on, "The Moderating Effects of Executive Political Skill on Employee Uncertainty Post-Acquisition." They found a positive relationship between employee job security and employee retention in a merger environment.

The researcher thinks that the management should communicate well with employees, be transparent on the merger deal and the merger process and be able to communicate in a manner that resonates with the employees. These would create a positive work climate and reduce job insecurity hence encourage job commitment which can translate to improving organizational performance.

The findings on communication strategies concur with the finding of Goecke *et al* (2018), in their research on, "Retention Strategies in M&A Processes. An Exploratory Case Study on Turnover during Mergers and Acquisitions in the German Software Industry." Their findings were that there was a strong positive relationship between communication strategies and organizational performance. They highlighted that mergers are critical and often painful occasions that highly affect peoples' lives and jobs thus causing uncertainty, anxiety, resistance and often conflicts among employees and employers. The researcher is of the opinion that events like mergers should be communicated to all involved in a concise, honest, respectful, and straight-forward manner throughout the merger process. The researcher agrees that communication strategies significantly affect organizational performance post-merger.

Reward strategies have a p-value of 0.000 indicating that they are statistically significant in predicting organizational performance since their p-values are less than 0.05. This research concurs with the findings of Mathimaran and Kumar (2017), in their research on, "Employee Retention Strategies – An Empirical Research". Their findings were that there is a strong relationship between reward strategies and organizational performance. The researcher is of the opinion that for an organization to keep their highly skilled and competent employees, respect, recognition, and rewards should be well implemented. The rewards offered should also be worth the employees while caring for the organization, work hard and go beyond their expectations.

4.10.3 Line of Fit Plots

The line of fit or a line through the scatter graph points expresses the relationship between these points. The scatter graph below shows the line of fit on communication strategies versus organizational performance. It is visible here that when communication strategy increase, organizational performance increases too, and so, there is a positive linear relationship between these two variables.

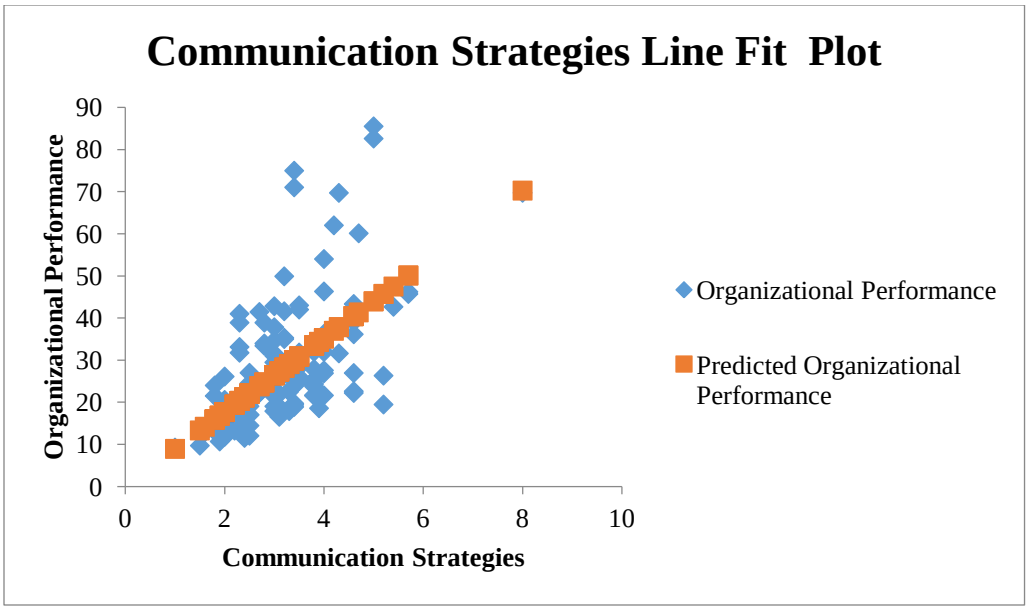


Figure 4.8 Communication Strategies vs Organizational Performance

The scatter graph below shows the line of fit on reward strategies versus organizational performance. It is visible here that when reward strategy increase, organizational performance increases too, and so, there is a positive linear relationship between these reward strategies and organizational performance.

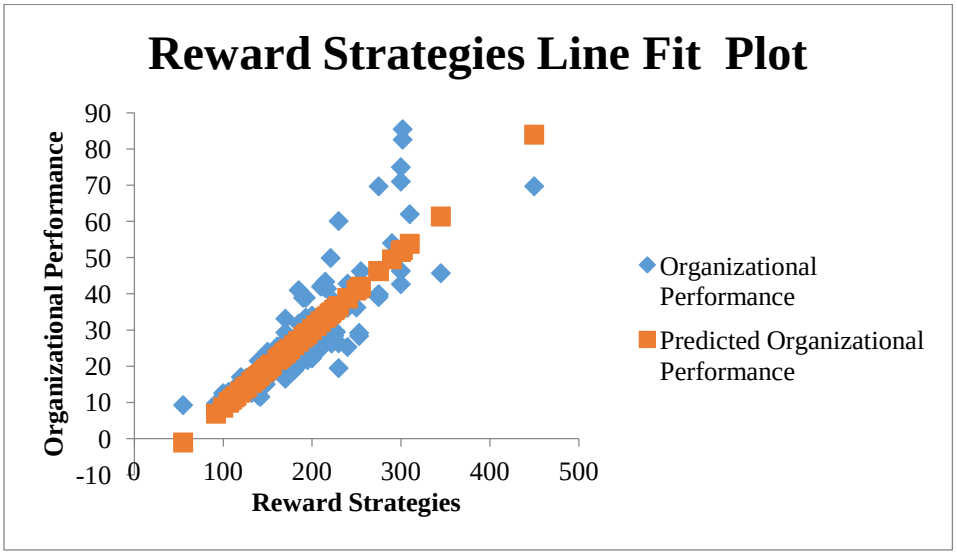


Figure 4.9 Reward Strategies vs Organizational Performance

4.11 Chapter Summary

This chapter has presented the research findings in both descriptive and inferential statistics. The data was presented in tabulations, figures, and narrations. It has sections on demographics of the respondents as well as descriptive statistics of each independent variables in this research. The findings display the effects of employee retention strategies on organizational performance in a merger environment. Chapter five of this research will provide discussions, conclusions, and recommendations on future research studies.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Chapter Overview

This chapter covers the discussions on findings, conclusions, recommendations for future research, and research limitations experienced during this research. The summary recaps the results briefly and discusses results in non-statistical terms. It seeks to answer the research questions. The conclusions discuss the implications of the results. Recommendations for future research provides specific guidance on necessary future research, why they are needed, and the form that they should take. The limitations include the weaknesses that potentially limit the validity of the results which are largely outside the control of the researcher.

5.2 Summary

This study investigated how employee retention strategies, which include reward strategies, communication strategies, job security strategies, and work-life balance strategies, have affected the organizational performance of Quick Mart Ltd post-merger.

The study adopted a case study design that targeted the population of Quick Mart branch managers, executive staff, supervisors as well as sub-ordinate staff at Ruaka, Utawala 1 & 2, Ruai as well as Eastern Bypass 1 & 2 branches. The target population for the study was 535 staff and the sample size was 161 staff employed in the merged organization from the merger of Quick Mart Ltd and Tumaini Self-Service. Stratified sampling was used to achieve a proportional representation of the targeted respondents.

The response rate of the research was 87%. 53% of the respondents were female while 47% were male. This shows that there is a good representation of both genders in the organization. 9% of the respondents were aged between 20 and 30 years, 66% were aged between 31 and 40 years while 4% were aged between 41 and 50 years. According to this analysis, Quick Mart Ltd employees are quite youthful and energetic enough to help the organization thrive in its daily operations, and retaining these employees would help the organization reduce training expenses since they can serve the organization for a longer period before retirement.

Upon analyzing the positions held by the respondents, 3% were managers, 32% where executive staff, 17% were supervisors while 48% were the sub-ordinate staff. In response to years of service of the respondents, 14% of the respondents have served Quick Mart Ltd for a period of fewer than 2 years, 29% for a period between 2 to 5 years, 66% for a period of 5 to 10 years while 10% have served for over 10 years. Employee commitment to Quick Mart can be seen in their years of service analysis.

5.2.1 Reward Strategies

Most respondents agreed that Quick Mart values employee retention, offers rewards that enhance employee retention, these rewards are satisfactory, and that the organization recognizes best performers. Reward strategies were rated as the most important employee retention strategy by the respondents. Therefore, reward strategies have significant influence on organizational performance post-merger.

5.2.2 Communication Strategies

As per the responses received, Quick Mart and Tumaini Self-service merger plans were not well communicated in advance to the employees. However, the organization's vision and mission are clear and understandable. The communications content and frequency of response were found to be satisfactory. The communication strategies, which include meetings and emails were found to be satisfactory. The respondents were found to be happy about how the organization keeps them informed. However, the information does not seem to flow easily upwards/downwards and is not as interactive as it should be. Utilizing communication strategies well in a merger environment is paramount to the organizational performance post-merger.

5.2.3 Job Security Strategies

The responses received indicate that Quick Mart makes a point of assuring their employees of their job security. The majority (91%) of respondents indicated that Quick Mart assures them of their job security once in a year. Their performance metrics are indicated as fair and just, and that they offer training to their employees. However, Quick Mart does not offer long-term incentives to its employees. Most employees (92%) agree that job security assurance helps them to perform better, and that they have a balanced psychological contract with their employer.

When job security strategies are employed well in a merger situation, organizational performance post-merger can be achieved just as it has been achieved at Quick Mart Ltd.

5.2.4 Work-Life Balance Strategies

The only work-life balance strategy employed at Quick Mart Ltd is paid leave. 63% of employees are satisfied with this strategy while 33% are not satisfied. A good number of respondents agreed that work-life balance has led to performance improvement. All the respondents' value work-life balance and that it creates employee commitment. Majority (99%) concur with the statement that work-life balance motivates them to work harder. However, majority of them disagrees that work-life balance enables them to develop themselves for more challenging positions in the organization. Work-life balance strategies therefore, influence organizational performance post-merger positively or negatively depending on the specific strategy and how it has been implemented.

5.2.5 Organizational Performance

Majority (95%) of respondents agree that employee retention strategies helped Quick Mart to retain their highly skilled and competent employees. They also agree that employee retention post-merger has contributed to organizational performance. Many participants agree that Quick Mart has also increased its employee job satisfaction, customer base, and financial performance post-merger. The majority of the respondents also agreed that organizational performance is paramount to Quick Mart Ltd. Therefore, employee retention strategies employed before, during as well as post-merger determines how an organization performs post-merger.

5.3 Conclusions

5.3.1 Reward Strategies and Organizational Performance

The first objective of the study was to assess how the reward strategies influences organizational performance post-merger. This study found that there is a positive and statistically significant association between reward strategies and organizational performance. Sung *et al* (2017), in his research on "Employees' Responses to an Organizational Merger: Intraindividual Change in Organizational Identification, Attachment, and Turnover", highlighted that financial rewards in form of retention incentives are considered as remedy for employee attrition during mergers and are considered as part of the cost of the deal. The finding of this study concurs with the finding

of Sung *et al*. The researcher therefore concludes that reward strategies influence organizational performance post-merger.

5.3.2 Communication Strategies and Organizational Performance

The second objective of this study was to determine how communication strategies affect organizational performance post-merger. The findings show that there is a positive and statistically significant association between communication strategies and organizational performance post-merger. According to Goecke *et al* (2018), in his research on "Retention Strategies in M&A Processes. An Exploratory Case Study on Turnover during Mergers and Acquisitions in the German Software Industry", mergers are critical and often painful occasions that highly affects peoples' lives and jobs thus causing uncertainty, anxiety, resistance and often conflicts among employees and employers. Events like mergers should be communicated to all parties involved in a concise, honest, respectful, and straight-forward manner throughout the merger process. The findings in this study are consistent with the finding of Goecke *et al.* (2018). The researcher thus concludes that communication strategies significantly affect organizational performance post-merger.

5.3.3 Job Security Strategies and Organizational Performance

The third objective of the study was to explore how job security strategies affect organizational performance post-merger. The findings indicate that there is a positive and statistically significant association between job security and organizational performance post-merger. Martin and Butler (2015), in their research on "The Moderating Effects of Executive Political Skill on Employee Uncertainty Post-Acquisition", concluded that job uncertainties in a workplace are linked to employee stress and strains which lead to decreased employee job satisfaction and poor job performance. In this study, major organizational changes like mergers and job insecurities have been identified as the most important factors linked to employee job stress. This research agreed with Martin and Butler's findings. The researcher therefore, concludes that job security strategies employed to ensure competent and highly skilled employees were retained had a positive influence on organizational performance post-merger.

5.3.4 Work-life Balance and Organizational Performance

The fourth objective was to evaluate how work-life balance strategies affect organizational performance post-merger. Garg and Yajurvedi (2016), in their research on, "Impact of Work-life Balance Practices on Employees Retention and Organizational Performance – A Study on IT Industry", found that a good balance between work and family life is beneficial to both the employers and employees. It is important to maintain the right balance that has both employer and employee support to reduce work-life conflicts and increase positive organizational appraisals. The findings of this study show that work-life balance is insignificant to employee retention and organizational performance post-merger.

The researcher therefore, concludes that work-life balance strategies have minimum effects on organizational performance post-merger. Lack of work-life balance may not necessarily demotivate employees, may not lead to loss of employees, and thus may not affect organizational performance post-merger. These findings are inconsistent with the findings of Garg and Yajurvedi (2016).

5.4 Recommendations for Future Research

The researcher recommends similar research to this one could be undertaken after a period of three (3) to five (5) years to observe the significant changes in the variables. Such results can be compared to the results of this study, and this would aid in understanding the effects of employee retention strategies on organizational performance. This research can take the form of a case study.

This study focused on reward strategies, communication strategies, job security strategies, and work-life balance strategies of employee retention. The researcher recommends future research looking at other employee retention strategies like employee-management relationships, HR policies, working conditions as well as training and development. This research can take the form of a case study. This research will further the knowledge on the employee retention strategies to be employed in retaining competent and highly skilled employees in a merger environment.

5.5 Limitations

This research was conducted during the COVID-19 pandemic period. Holding face-to-face meetings was not possible due to COVID-19 restrictions. The researcher was not able to hold any face-to-face interviews. Due to this, questionnaires were used exclusively for this research study.

There was a challenge of uncooperative and unresponsive respondents. Some respondents were unwilling to spend their time filling the questionnaires thus the researcher only achieved an 87% response rate from the questionnaires distributed.

Despite this relatively high response rate in this case study, this research covers only a single merger event between two organizations i.e., supermarket chains. Due to this issue, generalizations to other types of industries and companies are uncertain.

References

Afande, F. O. (2015). Factors Motivating Mergers and Acquisitions in Kenya: Case of Firms Listed on the Nairobi Stock Exchange. *Journal of Poverty, Investment and Development. An International Peer-reviewed Journal Volume 10(2015).* https://www.iiste.org/Journals/index.php/JPID/article/viewFile/20853/21059#:~:text=Findings%20of%20the%20study%20further,risk%20reduction%3B%20decrease%20in%20cost

Ahammad, M. F., Glaister, K. W., Weber, Y., & Tarba, S. Y. (2012). Top Management Retention in Cross-Border Acquisitions: The Roles of Financial Incentives, Acquirer's Commitment and Autonomy. *European J. International Management*. https://doi.org/10.1504/EJIM.2012.048158

AJC. (2020). *SunTrust Bank Merger Completed with BB&T, Creating Truist.* AJC Atlanta News Now. https://www.ajc.com/news/breaking-news/suntrust-bank-merger-completed-with-creating-truist/8yBfVTumakPUll1CJ65VJM/

Amin, F., Divandari, A., & Haghani, M. (2015). Alignment of Business Strategies and Human Resource Strategies in Banking Industry. *European Online Journal of Natural and Social Sciences* 2015 Vol.4. https://www.researchgate.net/publication/324828644

Armstrong, M. (2007). *A Handbook of Human Resource Management Practice*. (10th ed.). Kogan Page Limited.

Armstrong, M. (2009). *Armstrong's Handbook of Performance Management*. An Evidence-Based Guide to Delivering High Performance (4th ed.). Kogan Page Limited.

Armstrong, M., & Taylor S. (2014). *Armstrong's Handbook of Human Resource Management Practice (*13th ed.). Kogan Page Limited. https://www.academia.edu/32280546/ARMSTRONGS_HANDBOOK_OF_HUMAN_RESOURCE_MANAGEMENT_PRACTICE_i

Aristos, D., Georgios, S., Chalikias, M., & Grigorios, K. (2018). The Impact of Mergers and Acquisitions on Corporate Culture and Employees: The Case of Aegean & Olympic Air. *Academy of Strategic Management Journal.*

Asharq Al-Awsat Media. (2018, November 16). *$1.5 Billion in Mergers and Acquisitions in Egypt in 2018.* Asharq Al-Awsat. https://aawsat.com/english/home/article/1465451/15-billion-mergers-and-acquisitions-egypt-2018

Babbie, E. (2007). *The Practice of Social Research (*12th ed.). Chapman University, USA.

Bell, E., & Bryman, A. (2007). The Ethics of Management Research: An Exploratory Content Analysis. *British Journal of Management, 18*(1), 63-77.

Business Daily. (2019). *Bank Mergers Signal Sharper Job Cuts*. Business Daily. https://www.businessdailyafrica.com/corporate/companies/Bank-mergers-signal-sharper-job-cuts/4003102-5084124-pb6axg/index.html

CAK. (2019). *CAK Decision on Proposed Acquisition by KBC GROUP PLC of up to 100% of The Ordinary Shares of National Bank of Kenya Ltd.* Competition Authority of Kenya. http://www.cak.go.ke/node/287

Chalikias, M., Lalou, P., & Skordoulis, M. (2016). Modelling a Bank Data Set Using Differential Equations: The case of the Greek Banking Sector. *Proceedings of 5th International Symposium and 27th National Conference of HEL.O.R.S on Operation Research*

Ciuri, S. (2019). *Quick Mart, Tumaini Merge to Form Newest Giant Retailer*. Nairobi News. https://nairobinews.nation.co.ke/hustle/quick-mart-tumaini-merge-to-form-newest-giant-retailer

Coetzee, J. (2015). *Kalahari Ceases to Exist with Finalisation of Takealot Merger*. Venture Burn. https://ventureburn.com/author/jacquescoetzee/

Connelly, L. M. (2008, December). Pilot studies. *MedSurg Nursing, 17*(6), 411+.

Cordell, C. (2020, April 3). *Raytheon Completes Merger with United Technologies*. Washington Business Journal. https://www.bizjournals.com/washington/news/2020/04/03/raytheon-completes-merger-with-united-technologies.html

Creswell, J.W., & Miller, D. L. (2000). Determining Validity in Qualitative Inquiry. *Theory into Practice*, 39(3), 124-131.

Deloitte. (2014). Retention after a Merger. Keeping Your Employees From "Jumping Ship" and Your Intellectual Capital and Client Relationships "On Board". Leading Through Transition: Perspectives on the People Side of M&A. *Deloitte.* https://www2.deloitte.com/content/dam/Deloitte/jp/Documents/human-capital/hcm/jp-hcm-hr-retention.pdf

Denise, H. (2015). Talent Retention: An Interpretive Study of Talent's Pull-to-Stay Post-Acquisition – A Multiple Case Study. PhD Thesis. *J.E. Cairnes School of Business and Economics*. http://hdl.handle.net/10379/5535

Esuh, O. L., Mohd, S. M., & Hamzah, A. R. (2013). Impact of Job Security on the Organizational Performance in a Multiethnic Environment. *Research Journal of Business Management*. https://dx.doi.org/10.3923/rjbm.2013.64.70

Flick, U. (2014). *The Sage Handbook of Qualitative Data Analysis*. Sage Publications Ltd. London.

Garg, P., & Yajurvedi, N. (2016). Impact of Work-Life Balance Practices on Employees Retention and Organizational Performance – A Study of IT Industry. *India Journal of Applied Research.* https://www.researchgate.net/publication/326607206

Gill, S. (2015). Mergers & Acquisitions in Kenya. *KPMG Advisory Services Limited*. https://home.kpmg/ke/en/home/insights/2016/09/mergers-and-acquisitions-in-kenya.html

Goecke, T., Michaelis, B., & Schweizer, L. (2018). Retention Strategies in M&A Processes. An Exploratory Case Study on Turnover during Mergers and Acquisitions in the German Software Industry. *Emerald Insight*. https://doi.org/10.1108/S1479-361X20180000017008

Gleibs, I. H., Täuber, S., Viki, G. T., & Giessner, S. R. (2013). When What we Get is Not What we Want: The Role of Implemented Versus Desired Merger Patterns in Support for Mergers. *Social Psychology*, 44, 177–190. http://dx.doi.org/10.1027/1864-9335/a000102

Gupta, M. A., Rajesh, U., & Kumar R. (2012). Success of a Merger or Acquisition. A Consideration of Influencing Factors. *ResearchGate*. https://www.researchgate.net/publication/264817019

Haileyesus, H. (2019). 75% of Your Employees May Not Plan to Stay for More Than 5 Years. https://smallbiztrends.com/2019/10/2019-employee-retention-statistics.html

Harper, L., & Thompson, L. (2011). *Research Methods in Education* (7th ed.). London: Routledge.

Herzberg, F. (1968). One More Time: How Do You Motivate Your Employees? *Harvard Business Review*, Jan–Feb, pp 109–120. https://www.academia.edu/6906939/One_More_Time_How_Do_You_Motivate_Employees_dud

Ilako, C. (2020). KenolKobil-Gulf Energy Merger Cleared with Conditions. https://www.the-star.co.ke/business/2020-2-26-kenolkobil-gulf-energy-merger-cleared-with-conditions/

Insider. (2019). Competition Authority Give Conditions for CBA-NIC Merger. https://www.standardmedia.co.ke/article/2001325284/competition-authority-gives-conditions-for-cba-nic-merger#

Jerjawi, K. (2015). The Role of Human Resource Executives in Mergers: A Comparative Case Study of Two Bank Mergers. The Merger of Westpac Corporation and St. George Bank (Australia) and The Merger of Emirates Bank International and the National Bank of Dubai (UAE). PHD Thesis, University of Western Sydney. *ResearchGate*. https://researchdirect.westernsydney.edu.au/islandora/object/uws:35949/datastream/PDF/view

Johnson, R. B. (1997). Examining the Validity Structure of Qualitative Research. *Education*, *118*(2), 282+. https://www.researchgate.net/profile/R_Johnson3/publication/246126534_Examining_the_Validity_Structure_of_Qualitative_Research/links/54c2af380cf219bbe4e93a59.pdf

Johnson, M., O'Hara, R., & Hirst, E. (2017). Multiple Triangulation and Collaborative Research Using Qualitative Methods to Explore Decision Making in Pre-Hospital Emergency Care. *BMC Med Res Methodol* 17, 11 (2017). https://doi.org/10.1186/s12874-017-0290-z

Kanina, W. (2008). *Kenya's CFC, Stanbic Banks Announce Start of Merger*. Reuters. https://uk.reuters.com/article/stanbic-cfc-idUKL05615920080605

Kenyan-tribune. (2018). CAK Gives Nod for Acquisition of Tumaini Supermarket https://www.kenyantribune.com/cak-gives-nod-for-acquisition-of-tumaini-supermarket/

Kimencu-Mwenda, L. (2014). *Introduction to Research Methods* (2014 ed.). Meru, Kenya Methodist University.

Kombo, J., & Tromp, J. (2006). *Introduction to the Philosophies of Research and Criticism in Education and the Social Sciences.* London: Prentice Hall.

Koome, A. (2009). The Effects of Mergers on Employees: A Case of the CFC Stanbic Bank Limited. http://erepo.usiu.ac.ke/11732/4826

Kossivi, B., Xu, M., & Kalgora, B. (2016). Study on Determining Factors of Employee Retention. *Open Journal of Social Sciences*. http://dx.doi.org/10.4236/jss.2016.45029

Laveren, E. (2017). *15 Success Factors for Merger and Acquisition Processes*. Antwerp Management School. https://blog.antwerpmanagementschool.be/en/15-success-factors-for-merger-and-acquisition-processes

Marshall, C., & Rossman, G. (2016). *Designing Qualitative Research* (6th ed.). Thousand Oaks, CA: Sage

Martin, J. A., & Butler, F. C. (2015). The Moderating Effects of Executive Political Skill on Employee Uncertainty Post-Acquisition. *Journal of Managerial Issues*. https://www.researchgate.net/publication/311453179

Mathimaran, K. B., & Kumar, A. A. (2017). Employee Retention Strategies – An Empirical Research. *Global Journal of Management and Business Research: E. Marketing*

Mokaya, L.O. (2014). Influence of Employee Retention Strategies on the Performance of Kenya Power and Lighting Company Limited. Unpublished MBA Project, University of Nairobi.

Mugenda, O. M. A., & Mugenda, A. G. (2003), Research methods: Quantitative and qualitative approaches. 2nd Ed.

Nishii, L. H., Lepak, D. P., & Schneider, B. (2008). Employee Attributions of the Why of HR Practices: Their Effects on Employee Attitudes and Behaviors, and Customer Satisfaction. *Personnel Psychology*, 61(3), 503-545. https://doi.org/10.1111/j.1744-6570.2008.00121.x

Norbert, S., & Nicola, M. (2019). Should I Stay or Should I Go? Multi-Focus Identification and Employee Retention in Post-Acquisition Integration. *Jonkoping International Business School, Jonkoping University, Sweden*. https://doi.org/10.1177%2F0018726719847521

Ochieng, J., Kavagi, S., & Nyakundi, S. (2020). *A `Dicey' Matter: The Fate of Employees in Mergers and Acquisitions.* Oraro & Company Advocates. https://www.oraro.co.ke/2020/02/03/a-dicey-matter-the-fate-of-employees-in-mergers-and-acquisitions/

Odetoyinbo, P. (2020). *Nigeria: Employee's Rights in A Merger: The Unheard Glass at The Elephants' Stomp?* LeLaw Barristers & Solicitors. https://www.mondaq.com/nigeria/contracts-and-commercial-law/949514/employees39-rights-in-a-merger-the-unheard-grass-at-the-elephants39-stomp

Rimi, N. N., & Yusoff, Y. M. (2013). High Commitment Human Resource Management Practices and Employee Outcomes, HR Attribution Theory and a Proposed Model in the Context of Bangladesh. *Information Management and Business Review* Vol. 5 https://ojs.amhinternational.com/index.php/imbr/article/view/1085/1085

Robert, M. (2020). *Marie Robert on How Diversity and Inclusion Fuel Our Business*. Raytheon Technologies. https://www.rtx.com/News/2020/04/03/Marie-Robert

Senevirathna, G. (2017). Factors Affecting Employee Retention. Staffordshire University. ResearchGate. https://www.researchgate.net/publication/318920807

Schweiger, D. M., & DeNisi, A. S. (1991). Communication with Employees Following a Merger: A Longitudinal Field Experiment. *Academy of Management Journal, 24, 110-135*. https://www.jstor.org/stable/256304

Shah, N. (2014). The Impact of Dispositional Traits and Job Satisfaction on Employee Turnover Intentions. *International Journal of Management Sciences and Business Research, 63-69*. https://www.researchgate.net/publication/273923106

Sharma, S., Durand, R. M., & Gur-Arie, O. (1981). Identification and Analysis of Moderator Variables. *Journal of Marketing Research*. Sage Publications, Inc. https://doi.org/10.2307/3150970

Sunday, F. (2019). Retailers Barred from Firing 447. *The Standard.* https://www.standardmedia.co.ke/business/article/2001354010/retailers-barred-from-firing-447

Sung, W., Woehler, M. L., Fagan, J. M., Grosser, T. J., Floyd, T. M., & Labianca, G. J. (2017, March 9). Employees' Responses to an Organizational Merger: Intraindividual Change in Organizational Identification, Attachment, and Turnover. *Journal of Applied Psychology*. Advance online publication. http://dx.doi.org/10.1037/apl0000197

Swanson, R. A. (2013). *Theory Building in Applied Disciplines*. San Francisco, CA: Berrett-Koehler Publishers.

Taylor, S. (2000). Occupational Pensions and Employee's Retention, Debate and Evidence. *ResearchGate* Vol 22, 3(246-256). https://www.researchgate.net/deref/http%3A%2F%2Fdx.doi.org%2F10.1108%2F01425450010332523

takealot.com. (2014). *Two of South Africa's Leading eCommerce Businesses Combine to Create a Platform of Scale*. Takealot.com. https://www.takealot.com/company-news/kalahari-merges-with-takealot-com

Trochim, W. M. (2006). Qualitative measures. *Research Measures Knowledge Base, 361*.

Waqas, Z., & Saleem, S. (2014). The Effect of Monetary and Non-Monetary Rewards on Employee Engagement and Firm Performance. *European Journal of Business and Management*, Vol.6, No.31, 2014

Weber, Y., & Tarba, S. (2010). Human Resources Practices and Performance of Mergers and Acquisitions in Israel. *Human Resource Management Review*, 20(2010), 203-211. https://doi.org/10.1016/j.hrmr.2009.08.007

Zubair, A. K., & Irem, H. (2018). Shareholders Wealth Maximization: Objective of Financial Management Revisited. *International Journal of Enhanced Research in Management & Computer Applications*. https://www.researchgate.net/profile/Zubair_Ahmad45/publication/331465338_Shareholders_Wealth_Maximization_Objective_of_Financial_Management_Revisited/links/5c7a2ced299bf1268d30b730/Shareholders-Wealth-Maximization-Objective-of-Financial-Management-Revisited.pdf

APPENDICES

APPENDIX 1: QUESTIONNAIRE
EFFECT OF EMPLOYEE RETENTION STRATEGIES ON ORGANIZATIONAL PERFORMANCE IN MERGERS, IN KENYA: A CASE OF QUICK MART LTD

Dear Sir/Madam,

As part of my dissertation, I wish to gather some information from you which will help me in an in-depth study of this project. I would be obliged if you co-operate with me in filling this questionnaire. **The questionnaire will be used for academic purposes only**. The information gathered will be held as strictly confidential.

Sincerely yours,

Anastasia Wambui Karanja

Kindly fill the following: (Please tick in the appropriate box)

SECTION ONE – BIO DATA

1. What is your gender?

   ☐ Male ☐ Female

2. What is your age group?

   ☐ 20 – 30 years ☐ 31 – 40 years

   ☐ 41 – 50 years ☐ Above 50 years

3. How many years have you worked at Quick Mart?

   ☐ Below 2 years ☐ 2 – 5 years ☐ 5 – 10 years ☐ Over 10 years

4. What is your position's level?

   ☐ Manager ☐ Executive Staff ☐ Supervisor ☐ Sub-Ordinate Staff

SECTION TWO – REWARD STRATEGIES

Tick appropriately on the scale of 1 to 5

		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1.	Quick Mart values employee retention					
2.	Quick Mart offers rewards that enhance employee retention					
3.	During the merger, Quick Mart's reward strategies aimed at employee retention were satisfactory					
4.	Reward strategies enabled Quick Mart to retain their highly valued employees post-merger					
5.	At Quick Mart the higher your position, the higher the rewards					
6.	Quick Mart recognizes their best performers					
7.	The rewards system in Quick Mart is systematic, predictable, and based on employee performance.					

Are the rewards financial or non-financial?

Financial [ ] Non-financial [ ] Both [ ]
Other - Describe: _____

What reward strategies did Quick Mart employ during the merger process to retain their competent and highly skilled employees?

Salaries & Benefits [ ] Performance Based Pay [ ] Allowances [ ]
Bonuses [ ] Terms of Employment [ ] Share Offers [ ]
Other - Describe: _____

SECTION THREE – COMMUNICATION STRATEGIES

Tick appropriately on a scale of 1 to 5

		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	Quick Mart communicated merger plans to employee well in advance					
2	Quick Mart's vision and mission are clear and understandable					
3	Quick Mart communication's content and frequency is satisfactory					
4	Communication strategies applied by Quick Mart are satisfactory					
5	I am happy with how Quick Mart keeps me informed					
6	Quick Mart's response and feedback to employees' queries is satisfactory					
7	In Quick Mart information flows easily downward, upward and it is interactive					

What communication strategies does Quick Mart employ during merger process to ensure that they retain their competent and highly skilled employees?

Meetings [ ] Seminars [ ] Emails [ ] Billboards [ ]
None [ ] Other - Describe: _____

SECTION FOUR – JOB SECURITY

		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	Quick Mart have assured employees of their job security during the merger processes					
2	Quick Mart's performance metrics are fair and just					
3	My skills and trainings offered at Quick Mart enhance by job security					
4	Quick Mart offers long-term incentives to employees					
5	Job security helps employees perform better					
6	There is distributive justice in Quick Mart					
7	I have a psychological contract with Quick Mart					

How often does your employer assure you of your job security?

Never [ ] Monthly [ ] Quarterly [ ]
Bi-Annually [ ] Annually [ ]
Other - Describe: _____

SECTION FIVE – WORK-LIFE BALANCE

Tick appropriately on a scale of 1 to 5

		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	Quick Mart offers work-life balance scenarios to employees					
2	I am satisfied with the work-life balance strategies employed at Quick Mart					
3	Work-life balance offered at Quick Mart have led to performance improvement					
4.	Work-life balance motivate me to work harder					
5	Work-life balance enables me to develop myself for more challenging positions with Quick Mart					
6	Work-life balance creates employee commitment					
7	I value work-life balance					

What work-life balance strategies does Quick Mart employ?

Paid Leave [ ] Childcare facilities [ ] Job-Sharing [ ]
Tele-Working [ ] Flextime [ ] Breaks from work [ ]
Other - Describe: _____

SECTION SEVEN – ORGANIZATIONAL PERFORMANCE

		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1.	Quick Mart employee retention strategies has helped them to retain their competent and highly skilled employees					
2.	Employee retention post-merger have contributed to Quick Mart's performance					
3.	Quick Mart performance goals are SMART (Specific, Measurable, Achievable, Realistic and Time-bound)					
4.	Quick Mart have managed to increase their employee's job satisfaction post-merger					
5.	Quick Mart have managed to increase its customer base post-merger					
6.	Quick Mart's financial performance has increased post-merger					
7.	Organizational performance is paramount in Quick Mart					

What other employee retention strategies does Quick Mart employ during the merger process?

Describe: _____

Rate below strategies in a scale of 1 to 4 (1 -the least important), (4-the most important).

Reward ☐ Communication ☐ Work-life Balance ☐ Job Security ☐

APPENDIX 2: RESEARCH BUDGET

Nature of Expense	**Amount (Kshs)**
Photocopying Papers (12 reams)	5,000
Software and books	3,000
Printing, photocopying and binding fees	10,000
Telephone & Internet	4,000
Travel expenses	5,000
Additional Stationary	1,000
Contingency	2,500
Total	**30,500**

APPENDIX 3: RESEARCH TIMELINE

Research will be carried out between January and October 2020. It will take approximately ten (10) months.

Activity	TimeLine			
	Jan-Sept. 2020	**Oct-Nov 2020**	**Dec'20 - Jan 2021**	**Feb. 2021**
Proposal Writing				
Proposal Defense				
Pilot Testing				
Data Collection				
Data Entry into the Computer System and Collection of Errors				
Data Analysis				
Interpretation, Discussion and Compiling Conclusions				
Presenting Findings and Corrections				
Submitting the Final Dissertation				

APPENDIX 4: Recommendation Letter from St. Paul's University

ST. PAUL'S UNIVERSITY

Private Bag 00217 LIMURU, KENYA
Email: office@spu.ac.ke
Website: www.spu.ac.ke

Tel Office: +254 (0) 20 - 2020505/10
Mobile: +254 (0) 728 - 669000
(0) 736 - 424440

9th November 2020

National Commission for Science and Technology,
P.O. BOX 30623-00100,
Nairobi.

Dear Sir/Madam,

RE: RECOMMENDATION FOR ANASTACIA WAMBUI KARANJA- MBADIST140619 TO CONDUCT RESEARCH

This letter confirms the above named person is a student of the Master of Business Administration program at St. Paul's University.

The second year consists of a major research work leading to a dissertation. The student's selected topic is 'Effect of employee retention strategies on organizational performance in mergers in Kenya: A case of Quickmart ltd'

Kindly grant this student the required permit.

Yours Faithfully,

Regina Ndinda
pp. Dr. Sammy Githuku
Director, Postgraduate Studies

BOARD OF POSTGRADUATE STUDIES
ST. PAUL'S UNIVERSITY
11 NOV 2020
P.O. PRIVATE BAG - 00217, LIMURU

APPENDIX 5: PERMIT FROM NACOSTI

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **498988**

Date of Issue: **23/November/2020**

RESEARCH LICENSE



This is to Certify that Ms.. Anastasia Wambui Karanja of St. Paul's University, has been licensed to conduct research in Nairobi on the topic: EFFECT OF EMPLOYEE RETENTION STRATEGIES ON ORGANIZATIONAL PERFORMANCE IN MERGERS IN KENYA: A CASE OF QUICK MART LTD for the period ending : 23/November/2021.

License No: **NACOSTI/P/20/7819**