

# Employee retention and organizational performance in Kabale District Local Government, Uganda

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## Article History

Received on 17 February 2024

1<sup>st</sup> Revision on 15 April 2024

2<sup>nd</sup> Revision on 19 April 2024

3<sup>rd</sup> Revision on 23 April 2024

4<sup>th</sup> Revision on 14 May 2024

Accepted on 14 May 2024

## Abstract

**Purpose:** This study investigates the connection between Kabale District Local Government (KLDG) staff retention and organizational performance.

**Research Methodology:** A correlational study design with the goal of reporting on the connection between staff retention and organizational performance in the local government of the Kabale District. A sample size of 96 respondents was chosen from among the 142 division personnel and staff in the sub-counties that participated in the survey. A survey consisting of questionnaires and interviews was conducted to gather data.

**Results:** The degree and intensity of the association between employee retention and organizational performance were determined using a correlation analysis. Qualitative data derived from interviews were documented and categorized verbatim. When the influence of the work environment was considered, the study discovered a very weak link between employee retention and organizational performance.

**Limitations:** This study was conducted to cover employee retention and employee performance in one district, and the results cannot be generalized.

**Contribution:** The study suggests that the Kabale District Local Government (KCLG) needs to make improvements to its workplace to encourage staff members to remain with the institution. The district should follow established protocols, including local government, public financial management, and public service standing orders. An independent investigation of the contribution of policy execution to the achievement of organizational objectives in Ugandan local governments is also warranted.

**Keywords:** *Employee Retention, Work environment, Organizational Performance, Kabale District Local Government (KDLG)*

**How to cite:** Mwosi, F., Eton, M., Olupot, S. P., & Ogwel, B. P. (2024). Employee retention and organizational performance in Kabale District Local Government, Uganda. *Annals of Management and Organization Research*, 6(1), 1-12.

## 1. Introduction

The current study highlights how Kabale District Local Government employee retention affects organizational effectiveness. Scholars such as Ooko (2020), Maholo (2021), Chauke (2021), Phina, Patrick, and Nwabuike (2022), and Sarmad, Ajmal, Shamim, Saleh, and Malik (2016) examine the functioning of public agencies and highlight the institutional environment inside them. However, they have paid little attention to actual human resource practices. Performance measures, such as profitability, company growth, workforce size, market size, productivity, customer service, and other

factors that characterize the private sector, are sufficient to measure performance in the public sector. Performance scores in the public sector indicate how public policies are implemented and how public resources are used to serve the needs and interests of the community, which is the intended beneficiary of any public policy implementation.

Generally, citizens and other stakeholders of the government want to know if taxes are being collected in a method that benefits the people. The case in point is the European Union member nations that have the highest Human Development Index, more than .90. This stems exclusively from local self-government systems, which are highly trusted by the public and provide excellent local public services (Nemec & de Vries, 2015). In sub-Saharan African nations, just three are in the top half of the world's rankings for cross-border trade, which precedes governance and performance challenges. In Uganda, Kakumba and Fennell (2014) demonstrate that developing nations face difficulties in keeping skilled workers. They find no correlation between the current growth of local government administration units and the efficient retention of talent.

The performance of local governments in Uganda is increasingly problematic because the legislature takes on a more central role in approving local government budgets (Aupal, 2017). It demonstrates that a lack of commitment at the local government level affects the provision of services, as evidenced by instances of victimization, unfair dismissals, irregular hiring and promotion processes, and delayed salaries (Obedgiu, Bagire, & Mafabi, 2017). Local administrations do not consider the concerns of the various parties. Consequently, performance at the local government level is not being implemented well, reaching a level at which citizens lose total trust in local administration (Zakaria, 2014). This seems to explain the performance of Uganda's public institutions, which decreased from 3.6 in 2008 to 3.1 in 2017, as measured by the Country Policy and Institutional Assessment score (Worldbank, 2017).

The high personnel turnover rate is one of the main causes of the growing difficulties in the service delivery of local government departments (Pietersen & Oni, 2014). Based on the local government of Mbale District, Wanda (2015) demonstrated that incentives (28.7%), training (32.3%), and performance reviews (43.2%) were responsible for employee retention. Between 2010 and 2015, the annual turnover rate among Ugandan workers was approximately 5% (Uganda Bureau of Statistics, 2018). This was attributed to poor remuneration. The public sector saw a 71% vacancy rate, primarily as a result of its expansion. Institutional markers for developing a strong workforce in the Kabale district local government include staff training, workshop facilitation, employee performance reviews, and job posts. However, there appears to be a growing staffing shortage, which has impacted the district's budget implementation and, as a result, reduced service delivery. The low level of service delivery in the district may be explained by the management's failure to encourage staff members to remain with the local government, even though the report remains mute on the reasons for the growing personnel gaps.

### ***1.1 Statement of the problem***

Public institutions in Uganda face serious problems with employee retention, which has a negative impact on organizational performance. Organizations have suffered significant losses resulting from the excessive turnover of workers, which creates a huge cost in the recruitment process, disruption of work, and training (Ekhsan, 2019). According to Hadj (2020), continuous high labor turnover may weaken employees' commitment and create a negative perception of the organization. Additionally, frequent turnover undermines morale and team cohesiveness, which affect worker motivation and job satisfaction. Low employee retention may result in insufficient skilled employees, heavy cost in the recruitment and impacts on the operation at work place (Zeng, Huang, Zhao, & Zeng, 2021). Ultimately, these problems undermine public institutions' overall performance and service quality by making it more difficult for them to carry out their mandates effectively and efficiently. The purpose of this study was to investigate the relationship between staff retention and the organizational effectiveness of the local government in Kabale District in an effort to close this gap.

### ***1.2 Objective of the study***

To establish the relationship between employee retention and organizational performance in the Kabale district local government in Uganda.

There is no significant relationship between employee retention and organizational performance in the Kabale district local government in Uganda.

## **2. Literature Review**

### ***2.1 Employee Retention***

Employee retention is seen to enhance continuity and stability of employee at work and boosts their moral (Darko, Bans-Akutey, Amoako, & Affum, 2024). Organizations make conscious efforts to encourage employees to feel a sense of commitment, attachment, and integration inside the company. Since employees are the organization's most valuable assets, keeping them on board is a crucial issue that must be managed correctly, quickly, and effectively to increase the organization's worth and competitiveness. Since brilliant people are key to high-performing businesses, employers and employing organizations alike must recognize the significance of attracting and maintaining these individuals. Employees that are subjected to undermining techniques experience stress, frustration, and are unable to reach their maximum potential (Kakar, Raziq, & Khan, 2015). Persistent feelings of annoyance and dissatisfaction can give rise to negative concerns that are harmful to productivity and performance, even if they remain within the same firm.

A number of studies correlate HR procedures and guidelines that keep ingenious workers from defecting from organizations with employee retention (Msengeti & Kumar, 2017; Msengeti & Obwogi, 2015; Sawaneh & Kamara, 2019; Seran et al., 2022). They argue that employee retention is a human resource management strategy that helps workers remain with an organization for a longer period of time. This implies that businesses must develop measures to lower employee turnover. Many organizations are facing a challenge in retaining their workforce without losing out to rivals, as workers seek employment not so much for financial benefits, but for a particular quality of life. Consequently, the initiatives that organizations take to motivate staff members to remain in their current positions should constitute effective employee retention (Sunia, 2014). Individual employees do not envision their continued success within the organization when employers do not strike a balance between employee expectations and organizational strategies; as a result, they would rather leave rather than stay (Ntirandekura & Ainebyoona, 2022). This is the basis upon which organizations create competitive edges as far as talent acquisition, development, and retention are concerned.

Among competitive firms with high levels of employee turnover, investing enormous financial resources in advertising open jobs, hiring and selecting new hires, and onboarding and training to maintain staff performance is not possible (Okioga, 2012). Retaining current personnel not only deters new hires but also predicts competitiveness (Olaimat and Awwad, 2017). Competitiveness is a good reason to keep employees on board, but as Mahlahla (2018) demonstrates, maintaining exceptional talent and abilities is difficult because of the unstable environment in which businesses and employees work. According to Suresh and Krishnaraj (2015), the main effects of staff turnover are the expense of turnover and the maintenance of corporate performance. However, when an organization loses the wrong people or when the costs of instability and turnover outweigh the advantages, turnover may become dysfunctional (Okioga, 2012). Staff retention in companies is influenced by several factors. These include strategy plans, personnel development plans, benefit philosophy, and culture (Rono & Kiptum, 2017). The authors noted that businesses suffer significant productivity expenses from departing personnel as well as disruptions from onboarding new staff and bad customer relations. Businesses or organizations lose business opportunities as these costs increase.

According to a similar analysis, Tadesse (2018) shows that hiring new staff involves indirect costs such as hiring screening, credential verification, interviews, and training, whereas employee turnover directly affects business morale and client loss. As a result, businesses create guidelines and plans that motivate staff members to fulfill their current roles. The biggest challenge is the development and maintenance of skilled human resources (Saravanan and Sruthi, 2017). According to Mathimaran and Kumar (2017), retaining people is more difficult than managing organizational resources. Any business

hoping to be economically competitive must find it difficult to find skilled workers. Drawing on the experiences of workers, Kossivi, Xu, and Kalgora (2016) list the reasons workers tend to remain with their current company. The physical work environment, working relationships, professional growth, remuneration packages, assigning difficult duties to subordinates, and work-life balance are a few of these. These opinions concur with those of Maholo (2021) and Allen and Shanock (2013), who identified leadership philosophies and interpersonal connections as crucial elements of staff retention. Subsequent research by Ahmed and Shafiq (2014) found that managers must compare performance goals with established goals and objectives because employee retention is a multifaceted process. In light of the aforementioned authors, this study observes that no single component can adequately explain staff retention in employer organizations.

## **2.2 Organizational Performance**

Organizational performance has gradually developed as a concept and practice. In the 1950s, organizational performance was defined as the degree to which social systems achieved predetermined objectives (Njoroge and Nzulwa (2019). Organizational performance during this time was concentrated on work, people, and the organizational structure. In the 1960s and the 1970s, organizational performance characterized the degree to which an organization made the most use of its surrounding resources. During this time, the performance of the organization centered on the utilization of resources, which was seen to be restricted and precious. In the 1980s and 90s, organizational performance was described as the degree to which an organization achieved its objectives (effectiveness) while utilizing the fewest possible resources (efficiency). During this time, the performance of organizations is centered on both efficiency and effectiveness. The subsequent theories that explain organizational success place high value on achieving organizational objectives with constrained resources. In light of the aforementioned description, managers must choose to implement and modify strategies that support the success of their enterprises. According to (Anwar, Shah, & Hasnu, 2016). Organizational performance is the process of choosing performance indicators that accurately quantify organizational outcomes, with a focus on performance indicators. (Ooko 2020) defined performance as the linear relationship between budgeting processes, effectiveness, and efficiency from the standpoint of public administration. This rendition honors both the methods and the output of the performance.

Musinya (2021) defines performance as the culmination of institutional resource utilization, policy execution, and emphasis on group interest. According to this definition, every actor involved in governance in public institutions is part of the target group. To bring the essence of performance in public organizations into concrete shape, Maholo (2021) expanded the definition of organizational performance to include social justice goals in addition to financial ones. Efficiency, effectiveness, and economy (3E) are replaced by economy, efficiency, effectiveness, environment, and equity (5E). Shifts and debates pose some ambiguity in the definition, conceptualization, and measurement of organizational performance. Profitability, expansion, and workforce size are frequently cited in studies as important performance indicators; nevertheless, they appear to be quantifiable metrics for for-profit businesses. However, Nanangwe (2019) proposed three metrics of performance in public institutions, including policy execution, target group emphasis, and use of institutional resources in non-profit organizations, notably in the public sector. Marus, Mwosi, Sunday, and Poro (2021) revealed a positive relationship between board communication and financial performance. In other words, public institutions are evaluated based on the degree to which public policies are implemented, and public resources are utilized to provide services to the intended recipients. As public institutions are held accountable by the public, it is imperative that they hire and maintain competent staff to provide services in an efficient and effective manner.

Research conducted by PS, PS, Aithal, Soans, and Jayaraj (2021) examined models of organizational effectiveness and combined measures of employee retention into three categories: business performance, financial performance, and organizational effectiveness. Specifically, they align corporate effectiveness with employee attraction and retention. Zakari, Poku, and Owusu-Ansah (2013) used financial and strategic success as a yardstick to measure performance from a broad viewpoint of the firm. They contend that businesses are more likely to endanger their existence if they do not respond favorably to the demands for profitability and long-term health. Ooko (2020), Maholo (2021), Chauke

(2021), Emmanuel (2021), and Sarmad et al. (2016) all highlight the institutional environment of public agencies when evaluating their performance, but pay little attention to actual human resource practices. The current study makes the case that no matter how institutionalized a public agency is, it is imperative to concentrate on keeping the employees who help to develop its operations and structure. This study employs three organizational performance characteristics to investigate how employees react to retention methods in businesses, drawing on empirical underpinnings.

### ***2.3 Relationship between Employee Retention and Organizational Performance***

According to research on employee attrition by Sawaneh and Kamara (2019), companies must support, mentor, and acknowledge employees to keep them happy in their current roles. According to the survey results, managers should establish an atmosphere that encourages employee retention. Kurdi and Alshurideh (2020) use evidence from the banking sector to show that economic, psychological, affiliation, and self-actualization are strong predictors of organizational performance. Evidence from the banking sector does not explain retention in local governments. Among the educationists, turnover intentions are driven by perceived organizational support and job satisfaction (Alkhateri, Abuelhassan, Khalifa, Nusari, and Ameen (2018). This study provides an indirect discussion on organizational performance. In addition, the educational context is indirectly related to local government performance.

Arasanmi and Krishna (2019) explain the relationship between organizational support and employee retention in a government agency in New Zealand. The results show that organizations committed to supporting employees are likely to perform well. The argument for superior performance derives from the commitment that employees demonstrate when they observe organizational support. Khalid and Nawab (2018) explain employee participation and compensation as predictors of employee retention. This study ignores the concept of organizational performance on which it builds. Lin and Huang (2021) relate organizational success to employee retention and advise CEOs to foster a learning and skill-development environment in the workplace. Employees are more satisfied and feel like they belong to a company when they experience progress and accomplishment (Olaimat & Awwad, 2017). The author points out that only trustworthy workers can aid business expansion. Suresh and Krishnaraj (2015) suggest that increasing employee dependence and loyalty to the organization can be achieved by successful employee retention, which teaches workers that both the institution and the market influence their capacity to leave. A case study from the banking industry by Galindo (2022) demonstrates that the bank was unable to retain its information technology experts due to a lack of consideration for their needs as workers, which was made worse by a less stimulating and demanding work environment. In light of the findings of this study, it is critical that firms maintain the motivation of their workforces.

Managers must ensure that the diverse range of abilities, requirements, and desires that employees bring to the company is appropriately addressed (Chepchumba & Kimutai, 2017; Haider et al., 2015). According to a related advice by Munish and Agarwal (2017), fostering an environment at work that values employee involvement, respect for each individual worker, and a flexible work-life balance is essential to maintaining good and talented workers. Flexible work arrangements promote job embeddedness, reduce attrition, and boost staff retention. This is due to the fact that a workplace with minimal resources for empowering and supporting staff members will not have much of an impact on keeping them engaged in the company. A study on work culture and employee retention by Abu-Jarad, Yusof, and Nikbin (2010) provides that cultural norms inside a business impact all stakeholders. A significant enhancement in the level of commitment among employees when supported by training would support retention (Pervin & Zohora, 2023).

Norms play a critical role in assisting staff members in comprehending organizational culture and supporting employee retention. Office layout improves employee and organizational performance, just as working conditions improve organizational performance. Nevertheless, this study does not demonstrate that workplace arrangement influences this shift in output. According to Shaw (2015) and Vizano, Sutawidjaya, and Endri (2021), there is a strong correlation between employee quit rates and compensation dispersions. According to this study, poor performers were more likely to resign when they received high remuneration for their performance. Performance among high performers increased, whereas that of low performers decreased when pay-for-performance was low. Shaw's results

corroborate those of Rono and Kiptum (2017), who demonstrate a strong correlation between pay and staff retention. The authors argue that increasing employee salaries enhances staff retention at Eldoret University. Research by Bakotić (2016) and Devi (2017) on the relationship between work happiness and organizational performance demonstrates that job satisfaction drives organizational performance rather than vice versa. These studies establish a link between organizational success and talent development. Talent management implies strategies for employee retention. Studies by Odhon and Omolo (2015) and Nyanjom (2013) also demonstrate a strong correlation between organizational performance and human capital investments. The authors disclose that employee retention in Kenyan corporate institutions is influenced by career development programs that combine employability and transferability abilities.

### 3. Methodology

A correlational research design was used in this study. A correlation design was employed when the purpose of the study was to determine whether there were any correlations between numerical variables (Kothari, 2004). Because the researcher needed to determine the connection between organizational performance and staff retention in the Kabale District Local Government, the study was correlational in nature. Participants' opinions on employee retention and organizational performance were directed in their reflections through the use of qualitative and quantitative methodologies. The Kabale district local government division and sub-county employees comprised 142 of the studied population. The study considered elected officials as well as civil servants because elected officials oversaw the effectiveness of government initiatives carried out by civil servants.

A sample size of 96 study units was chosen for the investigation. Cluster sampling was used in this study to select sub-counties and divisions. The researcher divided the entire district of Kabale into sun counties and divisions, which constituted clusters. A simple random sample was utilized in the study to choose sub-county and division employees, whereas selective sampling was employed to choose top district executives. This study used a survey approach to gather data, which involved conducting interviews and using a questionnaire. The main tool used to collect data was a questionnaire consisting of four components. The background segment aimed to comprehend the participants' demographic traits. A segment consisting of 20 elements aimed to provide an understanding of employee retention by measuring it in terms of remuneration, training, culture, and human resource practices.

The goal of the 15-item section on organizational performance was to provide an understanding of the organization's performance as it relates to the use of institutional resources, policy implementation, and target group focus. Five items in the work environment section attempted to quantify the work environment in terms of both physical and nonphysical settings. A self-administered questionnaire was distributed to selected sub-county and division employees. The researcher gave them three days to respond to the questionnaire items. The officers selected for the interviews were engaged after questionnaires were collected. Tests for validity and reliability were conducted to control for data quality. The internal stability of the items utilized was indicated by the overall dependability coefficient ( $\alpha = .803$ ). Data from the questionnaires were entered into a computer system and processed. The software used for data analysis (SPSS version 20) was used. Inferential data analysis was performed. To better comprehend the connection between employee retention and organizational performance, this study used correlation approaches. Interviews conducted by the researcher with certain individuals produced qualitative data.

### 4. Result and discussions

The respondents' demographic characteristics are summarized in Table 1.

Table 1. Demographic Characteristics

Variable	Categories	Frequency	Percent
Gender	Male	45	55.6
	Female	36	44.4
	Total	81	100
Age	18 – 34	19	23.5

	35 – 49	43	53.1
	50 and above	19	23.5
	Total	81	100
Marital status	Single	61	75.3
	Married	19	23.5
	Others	1	1.2
	Total	81	100
Highest level of education	Secondary	9	11.1
	Tertiary	14	17.3
	University	58	71.6
	Total	81	100
Institution	Municipality	14	17.3
	Town council	39	48.1
	Sub county	28	34.6
	Total	81	100

Source: Field data, 2021

According to the survey, 44.4% of the participants were female, and 55.6% were male, indicating a higher proportion of male employees in the local government. With respect to age distribution, 23.5% of participants were 50 years of age or older, 53.5% were in the 35–49 age range, and 23.5% were in the 18–34 age range. In contrast to the elderly and young, this suggests that the majority of the participants were adults. The bulk of the local government's workforce consists of adults, indicating that these are mature individuals with the ability to readily impact organizational results. The age distribution also shows that the local government employs knowledgeable employees who can assist in achieving the organization's objectives. Of the participants, 75.3% were married, 23.5% were single, and 1.2% selected alternative options according to the data on marital status. It appears from the data that most participants were married. Because they want to keep their families stable, married men and women are more likely to stay in their current jobs longer than single people are. The municipal government's organizational performance benefits from this. Among the participants, 71.6% had completed their secondary education, 17.3% had completed their post-secondary education, and only 11.1% had completed their university degree. This suggests that the majority of the participants held degrees. This may be related to the fact that most municipal government jobs call for university degrees.

On the other hand, secondary school graduates recommend council members, particularly at the local government level, where senior six education is required for a legislative seat. Regarding organizational affiliation, town councils accounted for 48.1% of the participants, sub-counties for 34.6%, and municipalities for 17.3%. This suggests that a significant portion of the participants were affiliated with town councils, possibly because of their availability and consent to participate in the research. Of the participants, 39.5% said they had worked in their current job for less than five years, 32.0% said they had worked there for ten years or more, and 28.4% said they had worked there for more than five years but not more than nine years. Given that council members' terms of office typically last five years, the majority of participants had been in their current jobs for less time. This is indicative of the organization's inability to retain staff members for extended periods of time. Correlation is a statistical method used to determine whether two numerical variables are related. The correlation coefficient was used to calculate the strength of the relationship between variables. Stronger relationships between the variables are indicated by correlation coefficients closer to 1.0, while weaker relationships are indicated by those closer to zero. A positive correlation coefficient denotes a positive association between variables, whereas a negative correlation coefficient denotes a negative relationship. When the two variables have a positive relationship, they indicate that their routes of change are opposite, whereas when they have a negative relationship, their directions of change are similar. The connections between various structures are listed in Table 2.

Table 2. Correlations

Control Variables			Employee retention	Organizational performance	Work environment
-none-(a)	Employee Retention	Correlation	1		
		Significance (2-tailed)	.		
		Df	0		
	Organizational performance	Correlation	.695	1	
		Significance (2-tailed)	.007	.	
		Df	79	0	
	Work environment	Correlation	.483	.576	
		Significance (2-tailed)	.000	.000	.
		Df	79	79	0
Work environment	Employee retention	Correlation	1		
		Significance (2-tailed)	.		
		Df	0		
	Organizational performance	Correlation	.138	1	
		Significance (2-tailed)	.000	.	
		Df	78	0	

a Cells containing zero-order (Pearson) correlations.

A strong and statistically significant correlation was found between staff retention and organizational performance ( $r = .695$ ;  $p$ -value  $< .05$ ). This suggests that the staff retention strategies used by municipal governments are linked to improved organizational performance. The association between organizational performance and employee retention appears to be linear and statistically significant, as indicated by the  $p$ -value, which was above 0.05 (95% confidence level). There was a moderately significant correlation ( $r = .483$ ;  $p < .05$ ) between work environment and employee retention. This suggests a positive and moderate relationship between changes in the work environment and changes in employee retention. Based on the statistical data, it may be inferred that local government initiatives aimed at enhancing the work environment are likely to increase employee satisfaction and lengthen tenure. The work environment and employee retention appear to be linearly associated, and the association is statistically significant according to the  $p$ -value, which was less than 0.05, with 95% confidence. There was a moderately significant correlation ( $r = .576$ ;  $p < .05$ ) between the work environment and organizational performance. This suggests that a positive and modest variation in organizational performance within the local government is linked to changes in the work environment.

Based on statistical data, the local government's endeavors to enhance the work environment are likely to lead to an improvement in the overall performance of the business. Work environment and organizational performance were found to have a statistically significant and linear association, as indicated by a  $p$ -value of less than 0.05. The association between employee retention and organizational performance ( $r = .138$ ;  $p$ -value  $< .05$ ) was very weak but significant when the impact of the work environment was considered. These results do not support the null hypothesis stated at the beginning of this study. This suggests that there is a very weak correlation between the variation in employee retention and another variable in staff retention. According to the data, the local government's attempts to keep its employees would probably have only a minor impact on organizational performance.

The association between employee retention and organizational performance appears to be statistically significant, as indicated by a  $p$ -value of less than 0.05 (95% confidence level). It is possible that the underlying relationships between the work environment and organizational performance and employee retention are the cause of the observed strong relationship between employee retention and performance, as evidenced by the decrease in the strength of the relationship between employee retention and performance from ( $r = .695$ ), which was strong, to ( $r = .138$ ), which is very weak. Otherwise, although important, the association between organizational performance and staff retention in KDLG (2012) is modest. Therefore, in KDLG (2012), work environment plays a critical role in understanding the relationship between organizational performance and employee retention.



#### **4.1 Discussion of results**

This study aims to determine how organizational performance and employee retention are related. This study confirms a very weak but substantial correlation between KDLG's organizational performance and staff retention. The significantly weak link is concrete evidence that organizational performance is weakly affected by changes in employee retention. While various retention methods are used by organizations, not all have a good correlation with the overall performance. The results corroborate those of Devi (2017), who discovered a beneficial correlation between organizational performance and talent management. Employers can prevent talented workers from leaving a company by implementing talent management strategies. Although the KDLG study did not investigate the retention strategies of talented workers, participant feedback about compensation, ongoing training, and human resource procedures validates the organization's efforts to do so.

The concept of compensation as a predictor of employee retention is consistent with Vizano et al. (2021) and Setiyani, Sutawijaya, Nawangsari, Riyanto, and Endri (2020) who studied different employee motivation variables and found compensation as one of the predictor variables. However, their study casts doubt on firms' ability to implement commensation strategies. Unlike other businesses, where talent acquisition is highly valued, local governments require personnel with aptitude for problem solving, ICT proficiency, and numerical skills. The results of this investigation corroborate those of Odhon'g and Omolo (2015), who discovered a substantial positive correlation between organizational performance and human capital investment. Employee retention techniques and topics addressed in human capital investment have comparable implications for organizational performance.

Human capital development, staff development initiatives, workshops, and training were significant examples of human capital investments in the KDLG. These initiatives were featured in a couple of interviews, as indicated below. *With the employer's help, I was able to enroll at the Uganda Management Institute's Mbarara campus for a master's degree in public administration. I can now apply for promotions, which could occur at any time...* The aforementioned example demonstrates how staff development-based employee retention tactics boost employees' satisfaction and retention within the organization. While the results provide a Ugandan perspective on human resource management, they disagree with Kakumba and Fennell (2014), who demonstrated that Uganda's present growth in local government administrative units is not commensurate with the efficient retention of talent. Uganda's 9th and 10th parliaments approved the creation of a new local administration. However, the majority of these local governments lack sufficient authority to hold on to skilled workers (Aupal 2017). Such uneven correlations between the creation of local government administrative units and the possession of skilled workers have a strong bearing on the provision of services. In Uganda, local administrations are typified by erratic hiring and advancement practices, unjust termination, victimization, and postponed salaries. These findings attest to the fact that employee retention tactics involve more than remuneration. In Uganda, managers of administrative units must be dedicated to the organizations and staff they oversee.

#### **5. Conclusion**

This study aimed to determine the relationship between KDLG's organizational performance and staff retention. The study found a relatively weak correlation between organizational performance and employee retention. This relationship seems robust and encourages employee retention only when the working environment is present. Alternatively, the relationship between employee retention and organizational performance of KDLG decreased from strong to very weak when the effects of the working environment were controlled for, suggesting that the working environment plays a crucial role in this relationship. The current study offers a distinct measure of organizational performance, despite the fact that other studies on KDLG have been carried out with regard to numerous dimensional measures of organizational performance, particularly service delivery, accountability, and financial performance. The district's success in terms of institutional resource utilization and target group focus

has not been examined in a single KDLG study. This study offers a unique assessment from the viewpoint of local governments.

By presenting empirical connections between diverse staff retention techniques and organizational success, this study advances the current understanding of organizational performance. Given that the work environment has a significant impact on the strength of the relationship between organizational performance and employee retention, KDLG should make improvements to its workspace to encourage staff members to remain with the institution. Housing and lunch allowances, which the participants mentioned are not given to staff, should be taken into consideration. Owing to the significance of the work environment in this investigation, a separate study should be conducted to determine its impact of the work environment on Ugandan local governments' organizational performance.

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