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Influence of Strategic Human Resource Management Practices on Employee Retention in Rwanda: A Case of Rwanda Medical Supply Limited (RMS Ltd)

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Abstract: *This study examined the influence of Strategic Human Resource Management (SHRM) practices on employee retention at Rwanda Medical Supply Limited (RMS Ltd). Specifically, it assessed the effects of compensation, career management, and work-life balance on employee retention. The study was anchored on Maslow's Hierarchy of Needs Theory, Herzberg's Two-Factor Theory, Human Capital Theory, and Universal Theory of Strategic Human Resource Management. A descriptive research design and quantitative approach were adopted. From a target population of 288 permanent employees, a sample of 167 respondents was determined using Yamane's formula and selected through stratified random sampling. Data were collected using structured five-point Likert-scale questionnaires and documentary review, then analyzed using SPSS version 25 through descriptive statistics, Pearson correlation, and multiple regression analysis. Results showed significant positive correlations between employee retention and compensation ($r = .695$, $p < .01$), career management ($r = .583$, $p < .01$), and work-life balance ($r = .549$, $p < .01$). Regression results indicated that compensation ($\beta = .532$, $p < .001$) and work-life balance ($\beta = .429$, $p < .001$) significantly influenced retention, while career management had a positive but non-significant effect ($\beta = .045$, $p = .484$). The model explained 61.5% of the variance in employee retention ($R^2 = .615$, $p < .001$). The study recommends competitive compensation, flexible-work and wellness initiatives, and strengthened career development.*

Keywords: *Strategic Human Resource Management, Compensation, Career Management, Work-Life Balance, Employee Retention, Rwanda*

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1. Introduction

Human Resource Management (HRM) has evolved into one of the most consequential functions in determining organizational success, encompassing the policies, systems, and practices that shape employees' behavior, attitudes, and performance (Raymond, 2023). As global competition for talent intensifies, organizations increasingly regard employees not merely as labor inputs but as strategic assets whose retention underpins long-term competitiveness. This recognition has given rise to Strategic Human Resource Management (SHRM), an approach that deliberately aligns human resource activities with an organization's overall strategic direction rather than confining HR to administrative and transactional functions (Ulrich, 2022; Wright, 2019). In developed economies of North America and Europe, SHRM has become central to organizational performance, with firms using strategic HR systems to manage change, build future skill bases, and sustain competitive advantage (Holbeche, 2022; Zoogah & Zoogah, 2024).

In emerging and developing economies, the adoption of SHRM is driven by different but equally pressing imperatives. In the Gulf region, economic diversification agendas have compelled organizations to align recruitment, training, and performance management with national development goals while confronting high turnover typical of fast-growing, knowledge-based markets (Clinton & Guest, 2023). Across Sub-Saharan Africa, organizations increasingly recognize the value of SHRM for managing talent amid skill shortages, limited HR capacity, and high employee mobility (Barley & Kaunda, 2023; Koch, 2022; Armstrong, 2020). In Nigeria, intensifying competition for skilled labor has made employee retention a central productivity and competitiveness concern (Wright, 2020), while in Senegal, economic reforms and organizational restructuring have heightened the need for HR systems that support training, motivation, and employee relations. Within East Africa, countries such as Kenya, Uganda, and Tanzania have emphasized HR strategies that foster satisfaction, commitment, and performance, particularly in specialized sectors such as health and technology where workforce shortages are acute (Ng'ethe, Kamau, & Otieno, 2022; Sass, Mensah, & Owusu, 2021).

In Rwanda, Strategic Human Resource Management is increasingly viewed as indispensable to strengthening the healthcare system, where a stable, skilled, and committed workforce is central to service continuity. Rwanda Medical Supply Limited (RMS Ltd), the national agency mandated to procure, warehouse, and distribute essential medical commodities, depends heavily on competent personnel to guarantee uninterrupted service delivery. Like many Rwandan public institutions, however, RMS Ltd contends with staff turnover, intensifying competition for skilled professionals, and rising employee expectations that extend well beyond salary to encompass emotional, professional, and developmental support (Choi, Park, & Kim, 2024). Where organizations fail to meet these expectations, they risk eroding productivity, institutional memory, and overall competitiveness (Rappaport, Bancroft, & Okumu, 2023). Effective strategic HRM practices are therefore essential for RMS Ltd to motivate, develop, and retain the workforce on which Rwanda's health supply chain depends.

Employee retention has become a critical organizational priority worldwide as competition for skilled talent intensifies and employees increasingly seek meaningful work, growth opportunities, and supportive cultures that extend beyond financial reward (Oprah, 2023). The health sector faces particular pressure to retain personnel because of its dependence on specialized knowledge and continuous service delivery (Terry, 2020). Despite national efforts to strengthen Rwanda's healthcare supply chain, the country continues to experience difficulty retaining qualified personnel in health-related institutions (Gasana, 2024). The Rwanda Human Resources for Health Strategic Plan (2020–2030) reports turnover as high as 17% in key medical administration and supply chain roles, a level that inflates recruitment and training costs, erodes institutional memory, delays service delivery, and compromises the timely distribution of medical products (Peninah, 2020). For an agency such as RMS Ltd, whose core mandate is the uninterrupted supply of medical commodities nationwide, such turnover directly threatens health service outcomes.

Although RMS Ltd has implemented a range of HR initiatives, the organization continues to experience elevated turnover, suggesting a possible gap between existing HR practices and employees' retention needs. Empirical evidence on how specific SHRM practices such as compensation, career management, and work-life balance influence retention within Rwanda's medical supply sub-sector remains scarce, which constrains the development of targeted, evidence-based retention strategies. Prior studies (Ng'ethe, Wanyoike, & Mwangi, 2019; Holbeche, 2020; Choi et al., 2024) demonstrate that organizations investing in structured SHRM systems experience higher commitment, lower turnover, and improved productivity, and studies within Africa's health sector link retention to organizational support, working conditions, and growth opportunities. However, most of this evidence derives from clinical staff in hospital settings rather than employees of national medical supply-chain institutions, leaving a distinct empirical gap regarding how recruitment, compensation, career development, and employee relations shape retention outcomes in organizations such as RMS Ltd. Addressing this gap through a context-specific, quantitative investigation is essential to inform evidence-based HR decision-making at RMS Ltd and to extend the broader literature on SHRM and retention in resource-constrained public health-sector institutions.

1.1 Objectives of the Study

1.1.1 General Objective

The general objective of this study was to examine the influence of Strategic Human Resource Management (SHRM) practices on employee retention at Rwanda Medical Supply Limited (RMS Ltd).

1.1.2 Specific Objectives

The study was guided by the following specific objectives:

1. To assess the influence of compensation on employee retention at Rwanda Medical Supply Limited (RMS Ltd).
2. To evaluate the influence of career management on employee retention at Rwanda Medical Supply Limited (RMS Ltd).

3. To examine the influence of employee work-life balance on employee retention at Rwanda Medical Supply Limited (RMS Ltd).

1.2 Hypotheses of the Study

Based on specific objectives, the study tested the following null hypotheses:

H_{01}: Compensation has no significant effect on employee retention at Rwanda Medical Supply Limited (RMS Ltd).

H02: Career management has no significant effect on employee retention at Rwanda Medical Supply Limited (RMS Ltd).

H_{03}: Employee work-life balance has no significant effect on employee retention at Rwanda Medical Supply Limited (RMS Ltd).

2. Literature Review

This chapter reviews existing scholarship on Strategic Human Resource Management (SHRM) and employee retention, drawing on global, regional, and local perspectives. It presents a conceptual review of the core constructs, a theoretical review of the frameworks underpinning the study, an empirical review of prior findings on compensation, career management, and work-life balance, and a conceptual framework that links these constructs together.

2.1 Conceptual Review

Strategic Human Resource Management (SHRM) is the deliberate, proactive management of human resources so that they contribute effectively to organizational goals (Raymond, 2023). Unlike traditional HRM, which centers on administrative functions such as payroll, recruitment, and compliance, SHRM integrates HR policy with the organization's strategic direction, emphasizing long-term workforce planning, employee development, and the alignment of human capital with organizational objectives (Ulrich, 2023). SHRM further requires the continuous assessment and adaptation of HR strategy to evolving organizational needs, linking functions such as performance management, training, succession planning, and retention into the broader strategic planning process (Wei, 2020; Holbeche, 2020). For an institution such as RMS Ltd, SHRM is essential to retaining critical skills, minimizing workforce gaps, and sustaining the operational efficiency required for uninterrupted medical supply services.

Employee retention refers to the strategies, policies, and practices an organization uses to keep its skilled and high-performing employees over time (Chaminade, 2021). Retention preserves institutional knowledge, sustains continuity of operations, and avoids the substantial costs associated with recruiting, on-boarding, and training replacement staff (Glen, 2022). Retention extends beyond simply keeping employees on the payroll; it involves cultivating an environment in which employees feel valued, engaged, and committed, with competitive compensation, career development opportunities, recognition, and work-life balance all shaping employees' decisions to remain (Choi et al., 2024).

Compensation denotes the total financial and non-financial rewards employees receive in exchange for their skills, effort, and time, including salary, allowances, bonuses, health benefits, and recognition programs (Noe, Hollenbeck, Gerhart, & Wright, 2021). Fair and competitive compensation shapes employees' perceptions of equity and organizational support and is a principal driver of motivation, satisfaction, and retention, particularly where specialized skills are in high demand (Dessler, 2020; Armstrong & Taylor, 2020). Career management comprises the structured approaches organizations use to support employee development, advancement, and progression, including training, mentorship, promotion pathways, and professional growth opportunities (Latham, 2024). Investment in career management signals organizational commitment to employees, which in turn strengthens loyalty and reduces turnover intentions, particularly where clear progression routes and continuous learning opportunities are visible to staff (Mondy & Martocchio, 2022; Dessler, 2020). Employee work-life balance refers to organizational policies and practices, such as flexible working hours, remote-work arrangements, leave policies, and wellness programs, that enable employees to manage work demands alongside personal, family, and social responsibilities (Kalliath & Brough, 2020; Greenhaus & Allen, 2019). Effective work-life balance practices reduce stress and burnout, improve morale, and are associated with lower absenteeism and turnover (Sharma & Sharma, 2021; Cascio & Boudreau, 2016), which is especially salient in high-pressure sectors such as healthcare supply chain management.

2.2 Theoretical Review

Theoretical frameworks provide a structured lens for interpreting the relationships among variables and for situating empirical findings within established scholarship (Creswell & Creswell, 2018). This study draws on four complementary theories: Maslow's Hierarchy of Needs Theory, Herzberg's Two-Factor Theory, Human Capital Theory, and the Universal Theory of SHRM.

Maslow's (1943) Hierarchy of Needs Theory posits that human motivation unfolds sequentially, beginning with physiological needs and progressing through safety, social belonging, and esteem, toward self-actualization; unmet lower-order needs produce dissatisfaction and disengagement (Barbara, 2022). Applied to RMS Ltd, ensuring fair compensation, job security, and safe working conditions addresses employees' foundational needs, while team-building, recognition programs, and career development opportunities address higher-order needs for belonging, esteem, and self-actualization (Sebastiano, 1943/2023; Toure & Biko, 2023). The theory offers a rationale for why systematically addressing employees' hierarchical needs through compensation, career management, and work-life balance can strengthen retention.

Herzberg's Two-Factor Theory distinguishes hygiene factors, such as fair pay, safe conditions, and organizational policy, which prevent dissatisfaction but do not themselves motivate, from motivators, such as recognition, achievement, and career growth, which directly enhance satisfaction and engagement (Armstrong, 2020; Robbins & Judge, 2021). Organizations that address hygiene factors alone risk stagnating at neutral satisfaction without improving retention; combining competitive compensation and safe working conditions with recognition and career progression is therefore necessary to sustain long-term commitment (Locke & Latham, 2020). This theory clarifies why compensation (a hygiene factor) and career management and work-life balance (which combine hygiene and motivator elements) may operate differently in predicting retention.

Human Capital Theory, originating with Schultz and formalized by Becker (1993), holds that investment in employees' knowledge, skills, and health enhances both individual productivity and organizational competitive advantage (Terry, 2021; Wright, Dunford, & Snell, 2001). The theory reframes employees as strategic assets rather than costs, implying that continued investment in training and career development safeguards institutional knowledge and reduces turnover-related costs (Dessler, 2021; Snell & Bohlander, 2013). For RMS Ltd, investment in specialized training in supply chain management, procurement, and inventory control is expected to strengthen competence, motivation, and retention.

The Universal Theory of SHRM, associated with Becker and Gerhart (2006), proposes that a identifiable set of “best practice” or high-commitment HR practices, such as performance-based rewards, structured training, and employee participation, improves organizational performance consistently across contexts (Oliver, 2023; Baraza, 2020). Critics note that the universal approach may understate the influence of organizational culture and local labor-market dynamics (Cascio, 2022; Derrick, Smith, & Johnson, 2023; Porter, 2022; Walsh & Taylor, 2021). Nonetheless, the theory remains useful for benchmarking RMS Ltd's HR practices against globally recognized standards while allowing for contextual adaptation (Samuel & Chipunza, 2020; Chiu, Luk, & Tang, 2002).

2.3 Empirical Studies

Empirical evidence consistently links compensation to employee retention across contexts. In Russia, Ivanov and Petrov (2020) found that structured compensation packages reduced voluntary turnover by 32%, with compensation satisfaction predicting retention ($\beta = .44$). In Vietnam, Nguyen and Tran (2021) reported a 26% reduction in turnover among firms offering comprehensive benefits and reward systems, while in the United States, Johnson and Miller (2022) found that transparent salary structures and recognition programs raised retention by 31% and productivity by 28% ($\beta = .41$). In South Africa, Adeyemi, Okafor, and Balogun (2021) linked competitive salaries and benefits to a 29% increase in retention of high performers ($\beta = .38$), and studies in Kenya and Uganda report retention gains of 24–30% associated with competitive remuneration and benefits (Kamau & Otieno, 2022; Nsubuga, 2023). In Rwanda, Niyonsenga, Uwizeyimana, and Habineza (2022) found that fair and transparent compensation raised retention by 27% and productivity by 25%, underscoring the relevance of competitive pay for retaining specialized healthcare-supply professionals who are readily absorbed by other sectors.

Career management similarly shows a robust, though geographically uneven, relationship with retention. Ivanov and Petrov (2020) linked structured career development, mentorship, and promotion pathways to a 30% increase in retention ($\beta = .42$), while Nguyen and Tran (2021) reported a 25% reduction in turnover attributable to continuous learning and internal promotion. In the United States, Johnson and Miller (2022) found that transparent promotion criteria and succession planning improved retention by 33% and efficiency by 29% ($\beta = .40$). Adeyemi et al. (2021) documented a 28% retention gain among South African firms offering structured training and mentorship ($\beta = .36$), and Kenyan and Ugandan firms using formal career-development plans recorded 23–27% higher workforce commitment (Kamau & Otieno, 2022; Nsubuga, 2023). In Rwanda, Niyonsenga et al. (2022) found that structured career pathways, training, and mentorship raised retention by 26% and organizational performance by 24%, though the authors cautioned that the interaction of career management with compensation and work-life balance warranted further empirical attention.

Work-life balance evidence follows a comparable pattern. In China, Liang and Zhang (2021) found that flexible hours, telecommuting, and wellness programs reduced turnover by 31% (β = .43), while in India, Kumar and Singh (2020) linked structured leave and family-support policies to a 28% increase in commitment. In Japan, Tanaka and Sato (2022) reported a 29% improvement in retention and 26% increase in productivity from employee-assistance and wellness programs (β = .41), and in South Korea, Park and Lee (2021) found that family-friendly and flexible policies raised satisfaction and lowered turnover. In South Africa, Adeyemi et al. (2021) associated flexible scheduling and wellness programs with a 25% retention increase (β = .35), and Kenyan and Ugandan firms implementing structured work-life balance initiatives recorded 22–26% higher retention (Kamau & Otieno, 2022; Nsubuga, 2023). In Rwanda, Niyonsenga et al. (2022) found that flexible schedules, wellness initiatives, and leave policies improved retention by 24% and performance by 22%, reinforcing the relevance of work-life balance as a complement to compensation and career management in retaining healthcare-supply personnel.

Collectively, this body of evidence establishes compensation, career management, and work-life balance as consistent, statistically significant predictors of retention across developed, African, and East African contexts. However, most existing studies examine clinical or private-sector employees, treat the three constructs largely in isolation, and rarely test their combined explanatory power within a single regression model in a public medical-supply institution. This gap motivates the present study's integrated, quantitative examination of SHRM practices and retention at RMS Ltd.

2.4 Conceptual Framework

The conceptual framework (Figure 1) depicts the hypothesized relationship between Strategic Human Resource Management practices, operationalized as compensation, career management, and employee work-life balance (independent variables), and employee retention (dependent variable), measured through organizational commitment, turnover rate, and job satisfaction. Compensation is assessed through monetary and non-monetary rewards; career management through staff training and development programs and internal position movements; and work-life balance through flexible working hours, staff well-being programs, and leave provisions. The framework proposes that strengthening these three SHRM dimensions jointly and individually enhances employee retention outcomes at RMS Ltd.

Independent Variables: Strategic Human Resource Management Practices

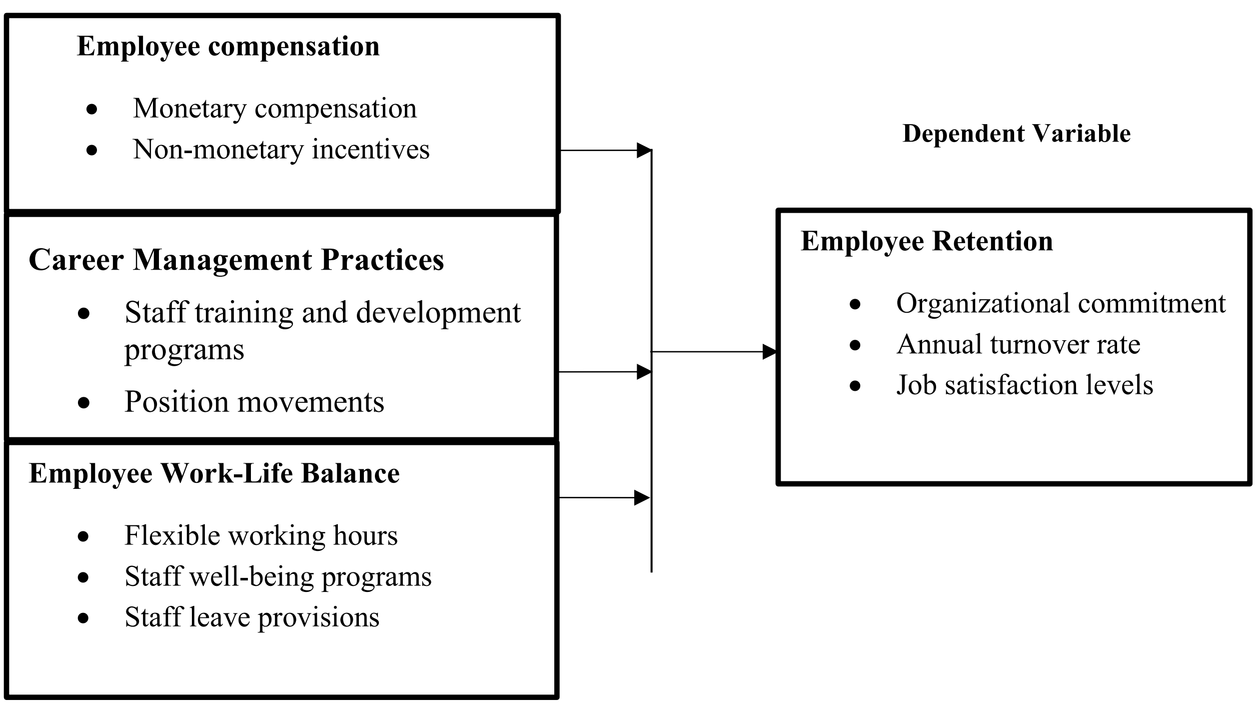

Figure 1. Conceptual Framework Linking SHRM Practices and Employee Retention

3. Methodology

This study adopted a descriptive research design employing a quantitative approach to examine the influence of Strategic Human Resource Management practices on employee retention at Rwanda Medical Supply Limited (RMS Ltd), a design considered appropriate because it enabled the collection of detailed information on existing HR practices, employee perceptions, and organizational outcomes without manipulating variables (Kothari, 2019; McDaniel & Gates, 2023). The target population comprised 288 permanent employees drawn from eight departments (Internal Audit, Strategic Advisors, Quality Assurance, IT Infrastructure, Procurement, Finance and Administration, Human Resource Management and Development, and Warehouse), from which Yamane's (1967) formula, at a 5% margin of error and 95% confidence level, yielded a sample of 167 respondents allocated proportionately across departments and selected using stratified random sampling to ensure representation of both large and small units (Sekaran, 2020; Mugenda & Mugenda, 2003). Primary data were collected using a structured, self-administered questionnaire comprising closed-ended and five-point Likert-scale items (1 = strongly disagree to 5 = strongly agree) covering compensation, career management, work-life balance, and employee retention, while secondary data were obtained through documentary review of organizational reports, HR policies, and employee records (Kothari, 2019). Instrument validity was established through expert review and computation of the Content Validity Index (CVI $\geq$ .78), and construct validity was ensured by aligning items with the theoretical framework (Polit & Beck, 2022), while reliability was assessed through Cronbach's Alpha following a pilot study of 25 employees excluded from the main sample, yielding coefficients above the 0.70 threshold for all constructs (compensation = .821, career management = .793, work-life balance = .845, retention = .812; overall = .818) (Sekaran & Bougie, 2020). Of the 167 questionnaires distributed, 154 were completed and returned, a response rate of 92.2% (Mugenda & Mugenda, 2003). Data were analyzed using the Statistical Package for the Social Sciences (SPSS), version 25, through descriptive statistics (frequencies, means, and standard deviations), Pearson Product-Moment correlation to assess bivariate relationships, and multiple linear regression, specified as $Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \varepsilon$ (where Y is employee retention and X1, X2, and X3 are compensation, career management, and work-life balance respectively), complemented by analysis of variance (ANOVA) to establish overall model significance; throughout the study, the principles of voluntary participation, informed consent, confidentiality, and data integrity were observed (Kothari, 2019).

4. Results and Discussions

4.1 Descriptive Statistics

Table1. Level of Agreement on Compensation (N = 154)

Statement	M	SD
Salary structure is fair and aligned with roles/responsibilities	4.67	.46
Performance-based rewards/bonuses recognize achievement	4.11	.32
Employees receive adequate benefits and allowances	4.07	.75
Salaries/allowances are paid on time	4.12	.32
Overall compensation package is competitive	4.55	.66
Aggregate Score	4.30	0.50

Scale: 1 = Strongly Disagree to 5 = Strongly Agree. Source: Field data.

Respondents' perceptions of compensation were generally favorable (aggregate M = 4.30, SD = 0.50). The highest-rated item concerned the fairness of the salary structure relative to roles and responsibilities (M = 4.67, SD = 0.46), followed by the competitiveness of the overall compensation package (M = 4.55, SD = 0.66), timeliness of salary and allowance payments (M = 4.12, SD = 0.32), performance-based rewards (M = 4.11, SD = 0.32), and adequacy of benefits and allowances (M = 4.07, SD = 0.75), suggesting that employees regard RMS Ltd's compensation system as equitable and attractive.

Table 3. Level of Agreement on Career Management (N = 154)

Statement	M	SD
RMS Ltd provides clear career growth pathways	4.12	.32
Promotion/advancement opportunities are fairly accessible	4.57	.96
Employees receive support/guidance to manage careers	4.05	.55
Training and development enhance readiness for higher roles	3.54	.89
Career management contributes to long-term commitment	4.51	.50
Aggregate Score	4.16	0.64

Scale: 1 = Strongly Disagree to 5 = Strongly Agree. Source: Field data.

Career management indicators also produced a generally favorable aggregate score (M = 4.16, SD = 0.64). Respondents most strongly agreed that promotion and advancement opportunities are fairly accessible (M = 4.57, SD = 0.96) and that career management contributes to long-term commitment (M = 4.51, SD = 0.50). Clear career pathways (M = 4.12, SD = 0.32) and career guidance and support (M = 4.05, SD = 0.55) were also positively rated, while training and development programs enhancing readiness for higher responsibilities recorded the lowest, though still positive, mean (M = 3.54, SD = 0.89), suggesting variability in employees' perceptions of training adequacy.

Table 4. Level of Agreement on Employee Work-Life Balance (N = 154)

Statement	M	SD
RMS Ltd promotes a healthy work–life balance	3.90	.89
Work schedules are manageable and not overly stressful	3.98	.76
Employees are allowed flexibility for personal/family issues	2.44	.65
Workload is reasonable, allowing effective performance	4.07	.99
Work-life balance initiatives increase commitment to stay	1.44	.69
Aggregate Score	3.17	0.80

Scale: 1 = Strongly Disagree to 5 = Strongly Agree. Source: Field data.

Work-life balance produced the lowest aggregate mean among the SHRM constructs (M = 3.17, SD = 0.80), reflecting mixed perceptions. Respondents agreed that workloads are reasonable (M = 4.07, SD = 0.99), schedules manageable (M = 3.98, SD = 0.76), and that RMS Ltd promotes a healthy balance between work and personal life (M = 3.90, SD = 0.89). However, respondents disagreed that employees are afforded sufficient flexibility for personal or family matters (M = 2.44, SD = .65), and strongly disagreed that work-life balance initiatives increase commitment to remain at RMS Ltd (M = 1.44, SD = .69), indicating that despite manageable workloads, flexibility and targeted well-being support remain underdeveloped.

Table 5. Level of Agreement on Employee Retention (N = 154)

Statement	M	SD
Employees feel motivated to remain long term	4.50	.50
Organization provides a stable, supportive environment	3.55	.78
Engagement initiatives reduce staff turnover	3.53	.62
Employees are satisfied with overall HRM practices	4.01	.74
RMS Ltd effectively retains skilled/experienced employees	3.55	.92
Aggregate Score	3.83	0.71

Scale: 1 = Strongly Disagree to 5 = Strongly Agree. Source: Field data.

Employee retention itself recorded a moderately high aggregate mean (M = 3.83, SD = 0.71). Respondents most strongly agreed that employees feel motivated to remain at RMS Ltd long term (M = 4.50, SD = .50) and that they are satisfied with overall HRM practices (M = 4.01, SD = .74). Ratings for a stable and supportive work environment (M = 3.55, SD = .78), effectiveness in retaining skilled employees (M = 3.55, SD = .92), and the contribution of engagement initiatives to reducing turnover (M = 3.53, SD = .62) were more moderate, suggesting room for improvement in organizational support and engagement mechanisms.

4.2 Inferential Statistics

Table 6. Pearson Correlation Matrix (N = 154)

Variable	X1	X2	X3	Y
X1: Employee Compensation	1			
X2: Career Management	.724**	1		
X3: Work-Life Balance	.293**	.360**	1	
Y: Employee Retention	.695**	.583**	.549**	1

*** Correlation is significant at the 0.01 level (2-tailed). Source: Field data.*

Pearson Product-Moment correlation analysis was conducted to establish the strength and direction of association between the SHRM constructs and employee retention. As shown in Table 6, compensation recorded a strong, positive, and significant correlation with retention ($r = .695$, $p = .000$), while career management ($r = .583$, $p = .000$) and work-life balance ($r = .549$, $p = .000$) recorded moderate, positive, and significant correlations. All independent variables were also significantly inter-correlated, with compensation and career management showing the strongest association ($r = .724$, $p = .000$), consistent with the theoretical expectation that SHRM practices operate in a mutually reinforcing manner

Table 7. Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.784[a]	.615	.607	.23859

a. Predictors: (Constant), Compensation (X1), Career Management (X2), Work-Life Balance (X3).

Multiple regression analysis was subsequently conducted to determine the combined and individual effects of compensation, career management, and work-life balance on employee retention. The model summary (Table 7) shows a strong overall relationship ($R = .784$) and indicates that the three predictors jointly explained 61.5% of the variance in employee retention ($R^2 = .615$; Adjusted $R^2 =$

.607), leaving approximately 39.3% of the variance attributable to factors outside the model.

Table 8. ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	13.639	3	4.546	79.868	.000[b]
Residual	8.539	150	.057		
Total	22.178	153			

a. *Dependent Variable: Employee Retention. b. Predictors: (Constant), X1, X2, X3.*

The ANOVA results (Table 8) confirm that the overall regression model was statistically significant ($F(3, 150) = 79.868$, $p = .000$), indicating that compensation, career management, and work-life balance jointly and reliably predict employee retention at RMS Ltd.

Table 9. Regression Coefficients

Model	B	Std. Error	Beta	t	Sig.
(Constant)	−.389	.258		−1.509	.133
X1: Compensation	.532	.071	.549	7.460	.000
X2: Career Management	.045	.064	.053	.702	.484
X3: Work-Life Balance	.429	.063	.369	6.792	.000

a. *Dependent Variable: Employee Retention. Source: Field data.*

The coefficients table (Table 9) disaggregates the individual contribution of each predictor. Compensation exerted the strongest, positive, and statistically significant effect on retention ($\beta = .532$, $t = 7.460$, $p = .000$), followed by work-life balance ($\beta = .429$, $t = 6.792$, $p = .000$). Career management, although positively signed, was not statistically significant ($\beta = .045$, $t = .702$, $p = .484$). The resulting regression equation is $Y = -.389 + .532X1 + .045X2 + .429X3$, where Y is employee retention, X1 is compensation, X2 is career management, and X3 is work-life balance.

4.3 Hypotheses Testing

Table 10. Summary of Hypotheses Testing

Hypothesis	Beta (β)	Sig. (p)	Decision
H01: Compensation has no significant effect on retention.	.532	.000	Rejected
H02: Career management has no significant effect on retention.	.045	.484	Not Rejected
H03: Work-life balance has no significant effect on retention.	.429	.000	Rejected

Decision rule: reject H0 if $p < .05$. Source: Field data.

Hypotheses were evaluated at the 5% level of significance using the regression coefficients and associated p-values reported in Table 9. As summarized in Table 10, H01 and H03 were rejected because their p-values (.000) were below .05, indicating that compensation and work-life balance each have a statistically significant, positive effect on employee retention. H02 was not rejected because its p-value (.484) exceeded .05, indicating that career management, while positively associated with retention, does not exert a statistically significant independent effect once compensation and work-life balance are accounted for.

4.4 Discussion of Results

The finding that compensation is the strongest predictor of employee retention at RMS Ltd (β = .532, $p = .000$) corroborates a substantial body of prior evidence. Ivanov and Petrov (2020) and Johnson and Miller (2022) similarly found that structured, transparent compensation systems significantly reduce turnover and enhance loyalty, while Adeyemi et al. (2021) and Niyonsenga et al. (2022) reported comparable effects in African and Rwandan settings respectively. This consistency suggests that compensation functions as both a hygiene factor, in Herzberg's (1966) terms, and a foundational need in Maslow's (1943) hierarchy: employees who perceive pay as fair and competitive are less inclined to seek alternative employment, a pattern that aligns with Vroom's expectancy logic that effort-reward linkages sustain motivation and commitment.

The significant, positive effect of work-life balance (β = .429, $p = .000$) is similarly consistent with international evidence (Liang & Zhang, 2021; Tanaka & Sato, 2022; Kumar & Singh, 2020) and with Niyonsenga et al.'s (2022) Rwandan findings. Notably, however, the descriptive results reveal an internal tension: while employees rate workload and scheduling favorably, they simultaneously report low satisfaction with flexibility for personal or family matters and are unconvinced that current work-life balance initiatives strengthen their intention to stay. This pattern suggests that RMS Ltd's existing measures address the operational dimension of work-life balance (manageable workloads and schedules) more effectively than its supportive dimension (flexibility and family-oriented accommodation), an important nuance for policy design.

The non-significant effect of career management (β = .045, $p = .484$) is the most notable departure from prior studies, several of which found career development to be a significant retention predictor (Glen, 2022; Niyonsenga et al., 2022; Ivanov & Petrov, 2020). Descriptively, employees rated promotion accessibility and career management's contribution to commitment quite highly, yet this positive perception did not translate into independent statistical influence once compensation and work-life balance were included in the model. A plausible explanation is that compensation and work-life balance may partially mediate or dominate the variance career management would otherwise explain, given the moderately strong correlation between compensation and career management ($r = .724$) reported in Table 6; this collinearity may suppress career management's independent contribution in the regression while leaving its bivariate correlation with retention ($r = .583$) statistically significant. It may also reflect the comparatively lower rating of training adequacy ($M = 3.54$), suggesting that although promotion opportunities exist, the developmental scaffolding needed to convert those opportunities into a decisive retention lever remains underdeveloped at RMS Ltd.

Overall, the model's substantial explanatory power ($R^2 = .615$) confirms that Strategic Human Resource Management practices, taken together, are important determinants of employee retention in Rwanda's healthcare supply sector, while the differentiated significance of individual predictors offers RMS Ltd a prioritized basis for HR investment: compensation and work-life balance emerge as the levers with the most immediate, statistically demonstrable payoff, while career management remains a valuable but currently secondary complement that may require deeper structural investment before its effect on retention becomes independently significant.

5. Conclusion and Recommendations

5.1 Conclusion

This study set out to examine the influence of Strategic Human Resource Management practices, specifically compensation, career management, and employee work-life balance, on employee retention at Rwanda Medical Supply Limited (RMS Ltd). The evidence demonstrates that compensation is a significant determinant of retention: employees perceive RMS Ltd's salary structure, benefits, and reward systems as fair and competitive, and this perception translates into a strong, statistically significant effect on their intention to remain with the organization. Employee work-life balance is likewise a significant determinant of retention, with manageable workloads and reasonable schedules valued by staff, even though flexibility for personal and family responsibilities remains an area requiring deliberate strengthening. Career management, while positively regarded by employees, particularly with respect to promotion accessibility and its perceived contribution to long-term commitment, did not emerge as a statistically significant independent predictor of retention once compensation and work-life balance were accounted for, suggesting that its influence on retention at RMS Ltd currently operates as a complement to, rather than a substitute for, competitive pay and supportive working conditions. Taken together, the findings confirm that Strategic Human Resource Management practices, jointly explaining 61.5% of the variance in employee retention, are central to workforce stability at RMS Ltd, and that compensation and work-life balance are, at present, the most consequential levers available to management for reducing turnover and strengthening organizational performance in Rwanda's healthcare supply sector.

5.2 Recommendations

Based on the findings and conclusions, the study recommends the following:

1. Strengthen compensation systems. RMS Ltd should continue to review and benchmark salaries, allowances, and performance-based rewards to ensure they remain fair, competitive, and aligned with employees' roles and market conditions, given compensation's demonstrated primacy as a retention driver.
2. Enhance work-life balance flexibility. Management should introduce more flexible work arrangements and targeted support for employees managing personal or family responsibilities, since existing initiatives address workload and scheduling more effectively than flexibility and family-oriented support.
3. Reinforce career management as a complementary strategy. Although not independently significant in this model, career management remains valuable; RMS Ltd should expand training and development programs, strengthen mentorship, and clarify promotion criteria so that career development can more fully convert into measurable retention gains.
4. Strengthen employee engagement and organizational support. RMS Ltd should invest in recognition programs, open communication channels, and participatory decision-making to improve the moderate ratings recorded for organizational support and engagement initiatives.
5. Adopt evidence-based, targeted recruitment and retention practices. Competency-based selection aligned with organizational goals, coupled with continuous monitoring of turnover drivers, will help RMS Ltd sustain the gains associated with its compensation and work-life balance initiatives.
6. Extend the research agenda. Future researchers should replicate this study in other public and private institutions, incorporate additional predictors such as leadership style, organizational culture, and job security, and adopt longitudinal designs to examine how SHRM practices shape retention over time.

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