MAKERERE UNIVERSITY



MAKERERE UNIVERSITY BUSINESS SCHOOL

PSYCHOLOGICAL CAPITAL, EMPLOYEE ENGAGEMENT AND EMPLOYEE RETENTION AMONG ALCOHOL BEVERAGE MANUFACTURING FIRMS IN UGANDA: A CASE OF UGANDA BREWERIES AND NILE BREWERIES

BY

KAFIIRE JOEL

2019/HD10/25942U

0701359682 / 0787638777

jkafiire@gmail.com

A DISSERTATION SUBMITTED TO MAKERERE UNIVERSITY BUSINESS SCHOOL (FACULTY OF GRADUATE STUDIES AND RESEARCH) IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF A MASTER'S DEGREE OF BUSINESS ADMINISTRATION OF MAKERERE UNIVERSITY

PLAN A

NOVEMBER 2023

DECLARATION

I Kafiire Joel hereby declare to the best of my knowledge and understanding that this study is my original work and has never been submitted to any Institution/University or College of higher learning for any award.

Sign: .....Date: 16/11/ 2023

Kafiire Joel

2019/HD10/25942U

APPROVAL

This is to certify that this dissertation has been submitted with our approval as university supervisors.

Signature..... Date.....16/11/2023

Associate Professor; Samuel Mafabi.

Supervisor

Makerere University Business School

Signature..... Date.....14/Nov/2023.

MS Leah Nakabiri

Supervisor

Makerere University Business School

DEDICATION

I dedicate this achievement to my mother, Ms. Atom Mary Cossy Kigaye who loved and supported me unconditionally throughout my education journey.

ACKNOWLEDGEMENT

I extend my appreciation to all those who supported me throughout my education journey. Special thanks to my supervisors Dr. Samuel Mafabi, PhD. and Ms. Leah Nakabiri who tirelessly guided and assisted me in the whole process. I also extend my sincere thanks to all the lecturers of Makerere University Business School, my classmates, and the respondents for making me achieve this far. Finally, my greatest appreciation goes to my family members for their support and encouragement. May the Almighty God Bless and reward you abundantly.

CONTENTS

DECLARATION ii
APPROVAL iii
DEDICATION iv
ACKNOWLEDGEMENT v
LIST OF FIGURES ix
LIST OF TABLES x
ABSTRACT xi
CHAPTER ONE 1
INTRODUCTION 1
1.1 Background of the study 1
1.2 Problem Statement 3
1.3 Purpose of the study 3
1.4 Proposed objectives 3
1.5 Proposed research questions 4
1.6 Scope of the study 4
1.6.1 Geographical scope 4
1.6.2 Content scope 4
1.7 Significance of the study 5
1.8 Conceptual framework 5
CHAPTER TWO 6
LITERATURE REVIEW 6
2.0 Introduction 6
2.1 Theoretical review 6
2.2 Psychological capital 7
2.3 Employee Engagement 9
2.4 Employee Retention 12
2.5 Psychological capital and employee retention 13
2.6 Psychological capital and employee engagement 14
2.7 Employee engagement and employee retention 15

2.8 Mediating effect of employee engagement on the relationship between psychological capital and employee retention 15
CHAPTER THREE 18
METHODOLOGY 18
3.0 Introduction 18
3.1 Research design 18
3.2 Study population 18
3.3 Sample size 18
3.4 Sampling method and procedure 19
3.4.1 Sampling method 19
3.4.2 Sampling Procedure 19
3.5 Data sources and collection methods 19
3.6 Measurement of Variables 19
3.7 Validity and Reliability 20
3.7.1 Validity 20
3.7.2 Reliability 20
3.8 Data analysis 20
3.9 Ethical considerations 21
CHAPTER FOUR 22
ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS 22
4.0: Introduction 22
4.1 Response rate 22
4.2 Demographic characteristics of respondents 22
4.2.1 Gender of respondents 23
4.2.2 Age Bracket of respondents 23
4.2.3 Highest academic level 23
4.2.4 Marital Status 24
4.2.5 Years of experience 24
4.3 Relationship between variables 24
4.3.1 Psychological capital and employee retention among alcohol beverage manufacturing firms in Uganda 25

4.3.2 Psychological capital and employee engagement among alcohol beverage manufacturing firms in Uganda 25
4.3.3 Employee engagement and employee retention among alcohol beverage manufacturing firms in Uganda 25
4.4 Regression results 26
4.5 Mediating effect of employee engagement on the relationship between psychological capital and employee retention among alcohol beverage manufacturing firms in Uganda 26
CHAPTER FIVE 28
DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS 28
5.0 Introduction 28
5.1 Psychological capital and employee retention among alcohol beverage manufacturing firms in Uganda 28
5.2 Psychological capital and employee engagement among alcohol beverage manufacturing firms in Uganda 31
5.3 Employee engagement and employee retention among alcohol beverage manufacturing firms in Uganda 33
5.4 The mediating effect of employee engagement on the relationship between psychological capital and employee retention among alcohol beverage manufacturing firms in Uganda 34
5.5 Conclusion 35
5.6 Recommendations 35
5.7 Limitations 35
5.8 Areas of further studies 36
Appendix 1: Questionnaire 52
Apendix2: Krejcie and Morgan (1970) Table of sample determination 56

LIST OF FIGURES

Figure 1: Conceptual framework----------5

Figure 2: Mediation Results----------26

LIST OF TABLES

Table 3.1: Reliability results----------20
Table 4.1: Demographic Characteristics of respondents----------22
Table 4.2 Correlation Results----------24
Table 4.4: Multiple regression results----------25

ABSTRACT

Employee retention is a major challenge among alcohol beverage manufacturing firms in developing countries like Uganda. This current study intended to examine the relationship between psychological Capital, employee engagement and employee retention among alcohol beverage manufacturing firms in Uganda. The current study employed a cross sectional survey design with a quantitative approach and was guided by three objectives that included examining the relationship between: psychological capital and employee retention, psychological capital and employee engagement, employee engagement and employee retention as well as examining the mediating effect of employee engagement on the relationship between psychological capital and employee retention. The study was tested on a sample size of 287 employees out of a study population of 569 employees of which 287 employees were for UBL and 282 employees were for Nile breweries. A proportionate stratified random sampling method was used, and data was collected from primary sources using a questionnaire. Reliability of the instrument was tested, and all study variables observed to have Cronbach's Alpha of .7 and above. The data collected was analyzed using SPSS vasion25 to generate descriptive statistics and inferential statistics. Findings from the survey indicated a significant positive association between psychological capital, employee engagement and employee retention. Findings further indicated that all predictors in the model, contributed significantly to employee retention. Furthermore, the mediation results indicated that employee retention is influenced directly by psychological capital or indirectly through employee. The study concluded that it is vital for alcohol beverage manufacturing firms to build psychological capital among employee as it influences employee retention. The study recommends that managers should consider psychological capital as a key resource in improving employee retention levels in their respective firms. Just like other studies, this study was limited to several factors such as low response rate, due to the busy schedules of the target respondents as well as the study being purely quantitative in nature.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Globally, organizations are facing employee retention challenge due to increased competition in the market (Nwokocha & Iherrohanma, 2022; Ekhsan, Sudiro, Muglono & Hussein, 2022). It is therefore vital for organizations to recruit competent employees to gain a competitive advantage in the market (Haider, Rasli, Akhtar, Yusoff, Malik, Aamir, & Tariq, 2015). It has been argued that retaining employees plays a significant role as employees' 'knowledge and skills are central to companies' ability to be economically competitive (Kyndt, Dochy, Michielsen & Moeyaert, 2009). The purpose of retaining employees is basically to avoid turnover costs. It is therefore important for organizations to retain employees who perform and have competencies as well as skills that excellent match with the business' core talent needs (Haider et al, 2015). Implementing an effective employee retention strategy enables the company to ensure better performance by appropriately utilizing employee capital (Silva, Carvalho & Dias, 2019). It has been noted that the retention levels in various organizations differ depending on various strategies employers use to motivate their staff and the security that is guaranteed to employees working for the organization. For example, BRAC Uganda had a population of 500 staff with a retention rate of 93% that was enhanced by the effort of the country director (New vision 2022, June 20). This therefore affirms that employee retention cannot exist on its own. It can only be achieved through employing various strategies that create an attractive environment that can make an employee stay in an organization. In this study, it was hypothesized that employee retention is influenced directly by psychological capital or indirectly through employee engagement.

Psychological capital helps employees to perform better in their respective workplaces in terms of psychological attachment and relationship with the organization as well as among the individuals in the organization (Reginold, 2021). The psychological development is depicted by individuals having self-efficacy in executing challenging tasks, individuals displaying positive contribution (optimism) about being successful now and in the future; the individual persistence in the execution of organizational objectives and mapping the direction of achieving those objectives successfully as well as the individual's ability to forge ahead in the face of difficulties (resilience) towards overcoming the problems and achieving success (Ngwenya & Pelser, 2020).

Employee engagement has both attitudinal and behavioral components as a desirable condition with an organizational purpose and connotes involvement, committing, passion, enthusiasm, focused efforts, and energy. With these attributes and behaviors employee engagement is regarded as moderating variable composing of the conditions under which people work and the consequences are thought to be of value to both the organization effectiveness and employee retention goals. In this study, employee engagement is operationalized in respect of dedication, vigor, and absorption (Macey & Schneider, 2008).

In Uganda, private companies including those in the manufacturing sector are constrained in attracting and retaining highly skilled labor, something that demonstrates the presence of skills gaps and high cost of doing business (Private Sector Foundation Uganda, 2021). It is also indicated that about 28 percent of the formal establishments including alcohol beverage companies experienced labor turnover of which the private sector experienced the highest (30 percent) compared to the public sector (20 percent). The major reasons for the exit of human resources were resignation (16 percentage), absconding from duty (10 percent), health reasons (9 percent) while lay-offs, redundancies and expulsions comprised 10 percent (Manpower Survey Uganda, 2018).

Uganda breweries and Nile breweries Limited have been having challenges of employee retention and this is evident with a high resignation rate.

1.2 Problem Statement

Uganda breweries and Nile breweries Limited have challenges of employee retention and this is evident with a high resignation rate. A research study by Kamarunga, (2018) indicated that out of 30 employees appointed by Nile breweries in 2012, for the Malting plant, 66.6 percent resigned voluntarily and out of 12 employees recruited in 2012 under the HR department, 41.6 percent also resigned voluntarily. In 2017, Nile breweries fired its marketing manager because of underperformance in the previous years (Mulema, 2017). On the other hand, UBL terminated contract of employees in the sales department when their positions were identified redundant (Odeng, 2022). Therefore, there is employee retention gap in these two beer companies this study sets to examine.

1.3 Purpose of the study

To examine the relationship between psychological capital, employee engagement and employee retention among alcohol beverage manufacturing firms in Uganda

1.4 Proposed objectives

1. To examine the relationship between psychological capital and employee retention among alcohol beverage manufacturing firms in Uganda
2. To examine the relationship between psychological capital and employee engagement among alcohol beverage manufacturing firms in Uganda
3. To Examine the relationship between employee engagement and employee retention among alcohol beverage manufacturing firms in Uganda

4. To examine the mediating effect of employee engagement on the relationship between psychological capital and employee retention among alcohol beverage manufacturing firms in Uganda

1.5 Proposed research questions

1. What is the relationship between psychological capital and employee retention among alcohol beverage manufacturing firms in Uganda?
2. What is the relationship between psychological capital and employee engagement among alcohol beverage manufacturing firms in Uganda?
3. What is relationship between employee engagement and employee retention among alcohol beverage manufacturing firms in Uganda?
4. What is the mediating effect of employee engagement on the relationship between psychological capital and employee retention among alcohol beverage manufacturing firms in Uganda?

1.6 Scope of the study

This includes both geographical and content scope as shown below**.**

1.6.1 Geographical scope

The study covered Uganda Breweries Ltd and Nile Breweries Ltd since they are the largest in the market and associated with retention challenges.

1.6.2 Content scope

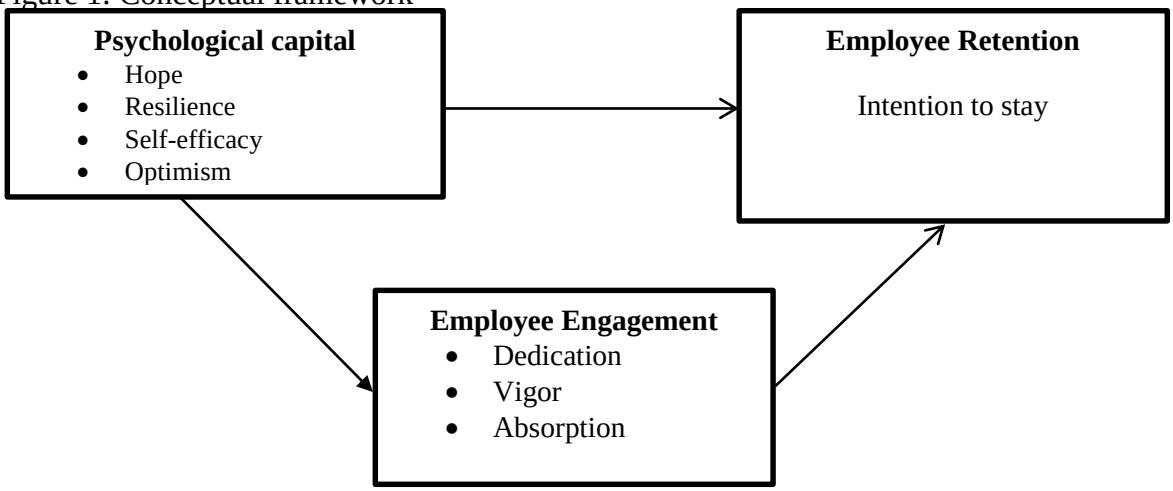
The study basically covered psychological capital, employee engagement and employee retention.

1.7 Significance of the study

1. The study will help Managers of Alcohol beverage firms to formulate relevant policies and strategies that can prevent their employees from switching to other companies.
2. The study will act as reference to future scholars.
3. The study will enable future researchers to obtain more knowledge on the employee retention, psychological capital and employee engagement.

1.8 Conceptual framework

Figure 1: Conceptual framework



Source: Dhiman and Arora (2019), Chanana and Sangeeta (2020)

Explanation of the conceptual framework

This study conceptualizes employee retention as an output variable measured by intention to stay. Employee retention is influenced directly by psychological capital and indirectly by employee engagement. Psychological capital is measured by hope, resilience, self-efficacy, and optimism; while employee engagement is measured by dedication, vigor and absorption.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This study presents the literature on the study variables mainly from the previous researchers. The literature was obtained from a number of journals, articles and websites.

2.1 Theoretical review

Social Exchange Theory (SET)

This theory according to Cook and Rice (2003) has been one of the major theoretical perspectives in the context of social psychology since the early writings of Homans (1961), Emerson (1962, 1972) and Blau (1964). Social exchange theory assumes self-interested actors who perform with other self-interested actors to accomplish individual goals that they cannot attain without engaging any other party (Lawler & Thye, 1999). When one party offers another with a valued and valuable resource (in this case, hope, resilience, optimism, and self-efficacy), an obligation is generated to return a valuable resource (Mitchell, Cropanzano & Quisenberry, 2012) in this case this can be engaging in the organizational activities for a long period of time. The relationship between the employers and employees is very vital and for this reason, employees leaving the organization are psychologically painful for both the organization and employees as it creates a depression in the social life within the organization because teams are disrupted, superior-subordinate relationships are disturbed and informal groups breakdown (Ghosh, Satyawadi, Prasad, & Shadman, 2013).

The social exchange theory is a basis for understanding employment relationships. It states that "a party offers benefit to another party leading to social obligations felt by another party; another party often reciprocate to discharge this obligation" Chen, 2014). This theory helps organizations in understanding exchange behaviors. Its application to the employee-organization relationship

has focused on how people may develop exchange relationships with their managers, with the organizations or both. It is known that greater social exchange is associated with high employee intentions to stay and preferably better performance. It is further noted that employees have propensity to seek a balance between their exchange relationships with their organizations by having their attitudes and behaviors based on their employer's commitment to them as employees (Kalemci Tuzun, Cetin & Basim, 2014). Currently, employees are different, the moment they get dissatisfied, they move to other firms (Ramapriya & Sudhamathi, 2020). In this regard, organizations need to come up with possible strategies to ensure that employees stay and one of those strategies include building psychological capital among employees. Literature highlights the importance of psychological capital level in the employees' work-related behaviors and attitude (Kalemci, Cetin & Basim, 2014). This study conceptualizes that by organizations building psychological capital among employees, it stimulates employees' good behaviors and, in return, employees decide to stay with the organization.

2.2 Psychological capital

Psychological capital is a positive psychological state in the development of individuals, and it comprises of four different components such as self-efficacy, hope, optimism, and resilience (Peterson, Luthans, Avolio, Walumbwa & Zhang, 2011; Reginold, 2021; Byarugaba & Kriek, 2021). These components are measures of psychological capital of individuals and the psychological development is depicted by individuals having self-efficacy in executing challenging tasks, individuals displaying positive contribution (optimism) about being successful now and in the future; the individual persistence in the execution of organizational objectives and mapping the direction of achieving those objectives successfully and lastly the individual's ability to forge ahead in the face of difficulties (resilience) towards overcoming the problems and

achieving success (Ngwenya & Pelser, 2020). The dimensions of psychological capital (Hope, self-efficacy, resilience and optimistic) are explained as below.

Hope is based on positive expectations or feelings about future outcomes and targets. It refers to a positive motivational state which includes two components of agency in terms of directed energy and pathway and planning to reach the goals (Aria, Jafari & Behifar, 2019). Employees that are high in hope could determine a pathway to attain their goal and are able to generate multiple pathways and adapt their plans as intended regardless of the present obstacles. This is something that is beyond having the determination and motivation (Sweetman, Luthans, Avey & Luthans, 2011).

Self-efficacy refers to one's belief and judgment about his or her ability to carry out a certain task and being succeed in accomplishing a certain task through self-motivation, supplying cognitive resources for himself/ herself, and taking required actions (Aria, Jafari & Behifar, 2019). Efficacy relates to a person's perceived capacity for executing a task (Sweetman, Luthans, Avey & Luthans, 2011).

Optimism according to (Aria, Jafari & Behifar, 2019) points to positive causal attributions and is a way in which individuals explain the causes of positive and negative events and expect positive results. Optimistic people rely on general attributions in facing their failures and successes; they attribute their successes to their own internal abilities and in facing failures attribute them to external certain unsustainable factors. Sweetman et al. (2011) stresses that though hope and optimism can coincide, the two are conceptually different since optimism involves the expectation of positive results yet hope is more directed toward the real determination and way power needed in order to reach those desired results.

Resilience according to Aria, Jafari and Behifar, (2019) is the person's capacity for effective and successful coping and adaptation under adverse difficult, unpleasant, threatening, or challenging circumstances or even positive events and success. Highly resilient employees could deal with stressful events through their personal capabilities and environmental resources. Sweetman et al. (2011) argues that resilience allows individuals to feel ease outside of their normal comfort zone. This therefore allows them to challenge individual assumptions and build further resilience through positive adaptation.

2.3 Employee Engagement

The terms "employee engagement" and "Work engagement" are normally used as identical, but work engagement is described as employee's commitment towards work at individual level while employee engagement is the process at organizational level (Jeve, Oppenheimer & Konje, 2015). Literature also reveals that engagement is the level of focus rather than the attitude and it differs from the job involvement (Khan & Ghayas, 2022). According to the reviewed literature, it is observed that there is yet no generally accepted definition for the term employee engagement (Sungmala and Verawat, 2021; Markos, & Sridevi, 2010). Scholars define employee commitment in different ways though they do not differ much from each other. For example, employee commitment is defined by Jeve, et al. (2015) as the emotional commitment of the employee towards the organization. Fletcher, Alfes and Robinson (2018) defined employee engagement as a positive attitude held by the employee toward the organization and its values. Engagement is a feeling related to level of employee's satisfaction with commitment with his/her job and organization. It is a great relationship which the employee has with his or her work (Mkheimer & Mjlae, 2020).

Employee engagement is the attachment of an employee to his work roles, and this can be in form of physical, cognitive, and emotional attachment to the performance. In this aspect, physical dimension means involvement in the task at hand, cognitive means being absorbed at work and emotional dimension means connection with the job while working with dedication and commitment (Reginold, 2021). Employee engagement can be described as a positive state of mind which results in employees' willingness to put in all their efforts in terms of cognitive, emotional, and physical to facilitate the successful attainment of organizational goals (Obuobisa-Darko, 2020).

According to Chandani, Mehta, Mall and Khokher (2016) engaged employees are identified to be those that work with passion towards the organization's goals while disengaged employees are seen to be participating but not with passion and energy towards the organization's common goal and they are always unhappy at their work.

Employee engagement requires employees to be committed to work that they prefer to do and enjoy their colleagues' company (Gera, Sharma & Saini, 2019). Similarly, Jaya and Ariyanto (2021) look at employee engagement as a situation in which a person is emotionally and intellectually committed to the organization which is characterized by vigor, dedication, and absorption.

Sungmala and Verawat (2021) stresses that employee engagement contributes to better outcomes such as; employee productivity, reduction in employee turnover and absenteeism, and increased employee loyalty, and also positive word of mouth as well as referrals to new employees and customers. Employee engagement according Santoso, Sulistyaningtyas and Pratama (2022) also helps to show the use of workplace spirituality (an experience of employees who feel passionate about and energized by their work, find meaning and purpose in their work, feel that they can

express themselves thoroughly at work and feel associated to those whom they work with) which involves a feeling of being connected with individual's work and with co-workers and others associated with work. Miller (2022) argues that engaged employees can help an organization to achieve strategic competitive advantage over competitors. The present study utilizes; vigor, dedication and absorption to describe employee engagement.

Dedication is the strength of engaging in a job and experiencing a sense of significance, enthusiasm, inspiration, pride and challenges (Andrianto & Alsada, 2019; Obuobisa-Darko, 2020) as well as interest, motivation, encouragement and strongly involved in individuals' work (Khan & Ghayas, 2022).

The other dimension is vigor which is the enthusiasm that can be felt from the high level of energy and endurance of the mind while working, the willingness to give the best in a job and perseverance when facing a problem (Andrianto & Alsada, 2019). It can also be defined as the exhibition of high levels of energy, mental resilience, willingness to invest efforts in individual's work and persistence in difficulties (Obuobisa-Darko, 2020). According to Khan and Ghayas (2022) vigor is defined as an extraordinary level of energy and mental flexibility for the duration of work, enthusiasm to spend struggle in persons' effort and persistence while experiencing a problem and complications.

The last dimension employee engagement is absorption which is characterized by full concentration and happily doing the work. Employees are engaged to have an energetic and effective relationship with their work activities, and they see themselves able to deal well with the demands of their work (Andrianto & Alsada, 2019). Absorption can also be defined as the demonstration of high concentration, focus, attachment to individual's work and deep engrossment

in work (Obuobisa-Darko, 2020). In other words, absorption is simply being fully engrossed and well occupied in effort (Khan & Ghayas, 2022).

2.4 Employee Retention

A firm's effort to recognize the reasons for employee retention according to Shahid (2018) can serve to reduce turnover. Most previous scholars define employee retention in different ways; however, it has been noticed that their definitions give the same meaning. For instance, Akila (2012) defined employee retention as the process in which the employees are encouraged to remain with the firm for the maximum period or until the execution of the project. Erasmus,Grobler and Van Njekerk (2015) also defined employee retention as the effort by employers to retain talented and high-performing individuals in order to achieve organizational goals. Haider et al (2015) and Steil, de Cuffa, Iwaya and Pacheco (2020) defined employee retention as the ability to keep employees within an organization for the longer period. Keeping the best employees closest to the organization's core competences is very significant. Organizations are facing employee retention challenges due to increased competition in the market. Therefore, it is vital for organizations to recruit competent employees to gain a competitive advantage in the market (Haider, Rasli, Akhtar, Yusoff, Malik, Aamir, & Tariq, 2015).

Employee retention is not only beneficial to the organization, but it also benefits the individual employees (Akila, 2012) and this is supported by previous scholars such as Haider et al (2015), Sanjeevkumar (2012) and Silva, Carvalho and Dias (2019). For this reason, organizations must retain employees who perform and have competencies and skills that excellent match with the business' core talent needs (Haider et al, 2015). Implementing an effective employee retention strategy enables the company to ensure better performance by appropriately utilizing employee capital (Silva, Carvalho & Dias, 2019). Employee retention is an important dimension in strategic

human resource management to sustain a competitive advantage for companies, particularly in industries in today's global market. Companies can gain a higher operating performance, higher returns on assets and higher returns on capital employed (Alias, Noor & Hassan 2014). They further argue that the loss of employees is expensive and therefore the effect of losing employees has a significant effect on the performance of companies in terms of loss of knowledge, experience and know-how of companies which in turn results into loss of profits.

In this study, one dimension (employee intention to stay) of measuring employee retention has been used. Employee intention to stay according to Naim and Lenkla (2016) is a tendency of workers to remain with their current organizations. Johari, Yean, Adnan, Yahya and Ahmad (2012) argue that employee intention to stay is an opposite concept of turnover intention/intention to quit which is basically an employee's estimated probability that they are permanently leaving their respective organizations at some point in the near future. Though many organizations face with the fact that employees will for any reason leave the organization in which they work (Rozsa, Z., Formánek & Maňák, 2019).

2.5 Psychological capital and employee retention

According to Gu (2016) Psychological capital is related to employee retention. According to Dhiman and Arora (2018) employees who are high on psychological capital feel more empowered and as a result, have less intention to quit. Aria, Jafari and Behifar (2019) argue that psychological capital is one's ability to face challenging situations, enduring against difficulties, patience and perseverance to achieve goals and achieve short- and long-term difficult situations in the job and therefore, employees with high psychological capital show patience and endurance in the face of hardship and this increases the likelihood of their intention to stay in the job. In Aria, et al 2019 study on Authentic Leadership and Teachers' Intention to Stay: The Mediating Role of Perceived

Organizational Support and Psychological Capital, results show that psychological capital had a significant positive direct impact on employee intention to stay.

Imam, Ali and Soo (2018) conducted a study about the mediating Role of Psychological Capital in Talent Retention amongst Pharmaceutical Employees of Pakistan: A Quantitative Study and the relationship between psychological capital and employee retention was found significant. Samroodh, Anwar, Ahmad, Akhtar, Bino and Ali (2022) also carried out a study on the indirect effect of Job resources on employees' intention to stay: A Serial Mediation Model with psychological capital and work-life balance as the mediators. The findings indicated that psychological capital has a significant positive association with employee intention to stay.

2.6 Psychological capital and employee engagement

According to Aybas and Acer (2017) employees' work engagement and positive psychology capital have become more important concepts to consider when dealing with changes at work and sustainable performance. The concept of employee engagement is rapidly gaining popularity, use and importance in the workplace and by identifying the factors that can increase employee engagement, employers can make strategic adjustments within their organizations to create a positive psychological climate for employees (Imandin, Bisschoff & Botha, 2014). According to Reginold (2021) employees with high level of psychological capital tend to be more satisfied with their job and tend to assist co-workers or superiors. In his study on the influence of psychological capital on employee engagement and explored the mediating role of organizational commitment, findings showed a significant positive correlation between psychological capital and employee engagement. The study conducted in the manufacturing firm in Zimbabwe by Ngwenya and Pelser (2020) about the impact of psychological capital on employee engagement, job satisfaction and

employee performance, results were showing a significant positive correlation between psychological capital and employee engagement.

2.7 Employee engagement and employee retention

Employee engagement has become a very vital dimension in the Human Resource Management Function. Engagement increases employee commitment and therefore employees decide to stay in the organizations where they work. Improvement in employee engagement leads to an improvement in employee retention. Employee engagement is related to individuals' attitudes, intentions, and behaviour and therefore it has an impact on organizational outcomes such as employee productivity and employee retention (Alias, Noor & Hassan, 2014).

Employees are found to be constantly switching jobs thus ending up causing high attrition rates. This has therefore made employee retention and engagement to become a scary task in these unstable economic times (Chandani, Mehta, Mall & Khokher, 2016). Employee engagement is the level which the employees commit to the job in their organization and indicates to how long they can stay and work in the organization as an outcome of this commitment. Employee engagement helps in creating an improvement, increases performance and support directly or indirectly in retaining employees and less turnover (Mkheimer & Mjlae, 2020)

Alias, Noor & Hassan (2014) conducted a study and they found that employee engagement is positively related with employee retention.

2.8 Mediating effect of employee engagement on the relationship between psychological capital and employee retention

In study conceptualizes that employee engagement mediates the relationship between psychological capital and employee retention. However, some other demonstrated different factors

that influence employee retention and mediate the relationship between psychological capital and employee retention. For instance, Sihag, (2021) conducted a study that where perceived organizational support mediated the relationship between psychological capital and employee engagement. In his study, findings revealed that the full mediation effect of perceived organizational support on the psychological capital and employee engagement relationship and demonstrated that employees with a higher level of psychological capital contribute more positively to the perceived organizational support level that further enhances the employee's level of engagement at the workplace. Andrianto and Alsada (2019) assert that, employee engagement is often associated with the performance of the business results of an organization. The higher the involvement of employees in an organization, the more the organizational performance improves. In the study conducted by Jaya and Ariyanto (2021) findings revealed that vigor, dedication, and absorption concurrently have a positive and significant effect on employee performance. Partially, both vigor and dedication have a significant positive effect on employee performance and absorption was found to have no significant effect.

Alias, Noor and Hassan (2014) conducted a study and they found that employee engagement mediates the relationship between talent management practices (employee career development and rewards and recognition) and employee retention individually. The study was carried out in Malaysia on the information and Technology Organizations. The findings in the study conducted by Aybas and Acer (2017) about the Effect of Human Resource Management Practices on Employees' Work Engagement and the Mediating and Moderating Role of Positive Psychological Capital findings revealed that motivation and skills enhancing HR practices on engagement are significantly partial mediated by psychological capital.

In other studies, psychological capital was conceptualized to mediate various variables for example, in the study conducted by Imam, Ali and Soo (2018) about the mediating Role of Psychological Capital in Talent Retention amongst Pharmaceutical Employees of Pakistan: A Quantitative Study, findings showed that psychological capital played a successful role of mediating the relationship between transformational leadership and employee retention.

Although employee retention has been studied by different scholars over the years, it is still a problem in both developed and developing countries, most especially in the context of the manufacturing sector. Most previous studies (such as Johari, Yean, Adnan, Yahya & Ahmad, 2012; Ghosh *et al*, 2013) focused much on factors such as rewards, leadership, organizational culture and training and development among others and little attention was given to psychological capital as a factor that influences employee retention. This study therefore put much focus on psychological capital as a key antecedent to employee retention in the manufacturing sect particularly in the alcohol companies in developing countries like Uganda.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the research design, population and population size, sample determination and procedure, data source and data collection methods, validity, and reliability as well as data analysis and ethical considerations.

3.1 Research design

The researcher used a cross sectional survey design and a quantitative approach. This is because the data was collected at one point in time. The quantitative approach helped the researcher to collect data on many variables such as psychological capital, employee engagement and employee retention as well as their corresponding dimensions as reflected in the conceptual framework.

3.2 Study population

The study considered a study population 569 employees. 287 were employees of UBL (Company employee statistics 2021/2022) and 282 were employees of Nile breweries (employee head count, 2022)

3.3 Sample size

Based on Krejcie and Morgan (1970) determination table, a sample of 234 employees was taken from a population of 569 employees of UBL and Nile Breweries. The firms (breweries) were the unit of inquiry and employees were the unit of analysis.

3.4 Sampling method and procedure

3.4.1 Sampling method

In this study, random sampling method was used to identify the respondents.

3.4.2 Sampling Procedure

The researcher requested a list of names of all permanent employees. Each permanent employee's name was written on a piece of paper which was later enfolded, put in a bowel and shaken to ensure that there was a mix. The researcher then picked one by one until the sample size of 234 was obtained.

3.5 Data sources and collection methods

The research collected primary data using a survey Questionnaire that was closed ended.

3.6 Measurement of Variables

Employee retention was measured by employee intention to stay. The items of employee intention to stay were developed from Iqbal and Hashmi (2015) and then modified by the researcher. Psychological capital dimensions included hope, resilience, self-efficacy, and optimism. The items that are used to measure psychological capital were developed from Sapyaprapa, Tuicomepee & Watakakosol (2013) and modified by the researcher. Employee engagement with its dimensions of dedication vigor and absorption was measured by items that were developed from Gera, Sharma & Saini (2019). A five Likert scale ranging from 1 strongly disagree to 5 strongly agree, was adopted in this study.

3.7 Validity and Reliability

3.7.1 Validity

The validity of the instrument was tested by sharing the questionnaire items to the supervisors to help identify the items that were fit for the study. The questionnaire items were also shared by 15 people who were working in both Nile Breweries and UBL to find out whether the items make sense to the study. Relevant items were maintained and those found irrelevant were removed.

3.7.2 Reliability

Table 3.1: Reliability results

Variable	Cronbach's Alpha	No. of Items
Psychological Capital	.880	20
Employee Engagement	.801	11
Employee Retention	.853	8
Overall	.932	39

Source: primary data

The reliability of the instrument was tested using Cronbach's Alpha coefficients. All variables were found to yield Cronbach's Alpha coefficient of above .7 as indicated in table 3.1.

3.8 Data analysis

Data was sorted, cleaned, entered, and analyzed based on the study objectives using SPSS version 25. Descriptive statistics were performed to generate frequencies of the demographic characteristics of respondents. Bivariate Correlation was performed to determine the strength and direction of the relationships that existed between the study variables. Multiple regressions were also performed to determine the contribution of the independent variables to the dependent variable as well as determining the mediation effect of employee engagement in the relationship between psychological capital and employee retention.

3.9 Ethical considerations

The research put in mind ethical considerations. For example, the researcher wrote to the Human Resource Directors requesting them to access and use UBL and Nile breweries employee engagement and retention related data as well as collecting data from permanent employees on the ongoing study. The researcher ensured that the data is kept with utmost confidentiality and no participant's name was disclosed anywhere in the study.

CHAPTER FOUR

ANALYSIS, PRESENTATION, AND INTERPRETATION OF FINDINGS

4.0: Introduction

This chapter presents the analysis, presentation, and interpretation of findings on both demographic characteristics and study objectives. Demographic characteristics are presented using descriptive statistics and study objectives using inferential statistics.

4.1 Response rate

During the data collection, out of the 234 respondents contacted, only 152 responses were received and used in the study. This enabled the researcher to obtain a response rate of 65%.

4.2 Demographic characteristics of respondents

Table 4.1: Demographic Characteristics of respondents

Demographic characteristics	Frequency	Percent
Gender		
Male	124	81.6
Female	28	18.4
Total	152	100.0
Age Bracket		
Less than 34years	110	72.4
35-44 years	34	22.4
45-54 years	8	5.3
Total	152	100.0
Highest academic level		
Ordinary Diploma	36	23.7
Bachelor's Degree	90	59.2
Post Graduate Diploma	14	9.2
Master's Degree	12	7.9
Total	152	100.0
Marital Status		
Single	88	57.9
Married	61	40.1
Others	3	2.0
Total	152	100.0
Years of experience		

Less than 1 years	2	1.3
1-5 years	84	55.3
6-10years	46	30.3
11-15years	8	5.3
Above 15years	12	7.9
Total	152	100.0

Source: primary data

4.2.1 Gender of respondents

The first characteristic of respondents is the gender of respondents. Results in table 4.1 show that out of the 152 respondents, the majority (81.6%) were male. this implies that male respondents dominated the study. The majority were male because of the nature of the jobs performed by alcohol beverage manufacturing firms in Uganda.

4.2.2 Age Bracket of respondents

The second characteristic of respondents in table 4.1 is the age bracket of respondents. Results show that the majority (72.4%) were in the age bracket of less than 34 years. This means that in the alcohol manufacturing industry Youth were employed more compared to adults. The reason for this could be that alcohol beverage firms employ Youth who are energetic and can easily be rotated in various sections within the company.

4.2.3 Highest academic level

The third demographic characteristic of respondents is the highest level of education. The results in table 4.1 show that the majority (59.2%) were bachelor's degree holders. This means that the respondents were able to read and understand the study questions. It also shows that the jobs in the alcohol industry required more educated youth than the less educated ones at the levels of diploma and below.

4.2.4 Marital Status

The fourth demographic characteristic is the marital status of the respondents. Results in table 4.1 show that the majority 57.9% were single. This means that the company requires more of the employees with fewer responsibilities who can focus more on executing company activities.

4.2.5 Years of experience

The fifth characteristic of respondents is the years of experience respondents had attained. Results in table 4.1 show that the majority (55.3%) had work experience of 1-5 years followed by those of 6-10 years. This means that the respondents that participated in this study were knowledgeable about the study variables.

4.3 Relationship between variables

Table 4.2 Correlation Results

	Variable	1	2	3	4	5	6	7	8	9	10
1	Psych	1									
2	Hope	.844**	1								
3	Resilience	.703**	.474**	1	.						
4	SE	.821**	.641**	.357**	1						
5	Optimism	.852**	.625**	.419**	.670**	1					
6	EE	.683**	.466**	.452**	.597**	.672**	1				
7	Vigor	.604**	.417**	.394**	.531**	.593**	.814**	1			
8	Dedication	.711**	.575**	.457**	.641**	.620**	.805**	.562**	1		
9	Absorption	.322**	.134	.231**	.263**	.392**	.756**	.390**	.367**	1	
10	ER	.731**	.598**	.522**	.589**	.641**	.756**	.571**	.767**	.465**	1

**. Correlation is significant at the 0.01 level (2-tailed).

Source: primary data

4.3.1 Psychological capital and employee retention among alcohol beverage manufacturing firms in Uganda

Results in table 4.3 show that there was a significant positive association between psychological capital and employee retention (r=.731; P<.01). The findings further show that psychological capital dimensions that included hope (r=.598; p<.01), resilience (r=.522; p<.01), self-efficacy (r=.589; p<.01) and optimism= (r=.641; p<.01) had significant positive associations with employee retention. This means that a change in psychological capital was associated with a positive change in employee retention.

4.3.2 Psychological capital and employee engagement among alcohol beverage manufacturing firms in Uganda

Results in table 4.3 show that there was a significant positive association between psychological capital and Employee Engagement (r=.683; P<.01). Findings further show that psychological capital dimensions that included; hope (r=.466; p<.01), resilience (r=.452; p<.01) self-efficacy (r=.597; p<.01) and optimism= (r=.672; p<.01) had significant positive associations with employee engagement. This means that, a change in psychological capital was associated with a change in Employee Engagement.

4.3.3 Employee engagement and employee retention among alcohol beverage manufacturing firms in Uganda

Results in table 4.3 show that there was a significant positive association between employee engagement and employee retention (r=.756; p<.01). Findings further indicate that employee engagement dimensions that included vigor (r=.571; p<.01), dedication (r=.767; p<.01) and absorption (r=.465; p<.01), had significant positive associations with employee retention. This means that a change in employee engagement was associated with a change in employee retention.

4.4 Regression results

Table 4.4: Multiple regression results

Model		Unstandardized Coefficients	Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	-.926	.317		-2.921	.004		
Psych	.607	.099	.402	6.130	.000	.534	1.874
EE	.601	.082	.482	7.349	.000	.534	1.874
R		.811					
R^2		.658					
Adjusted R^2		.654					
Std. Error of the Estimate		.38238					
F		143.435					
Sig		.000					

a. Dependent Variable: Employee Retention

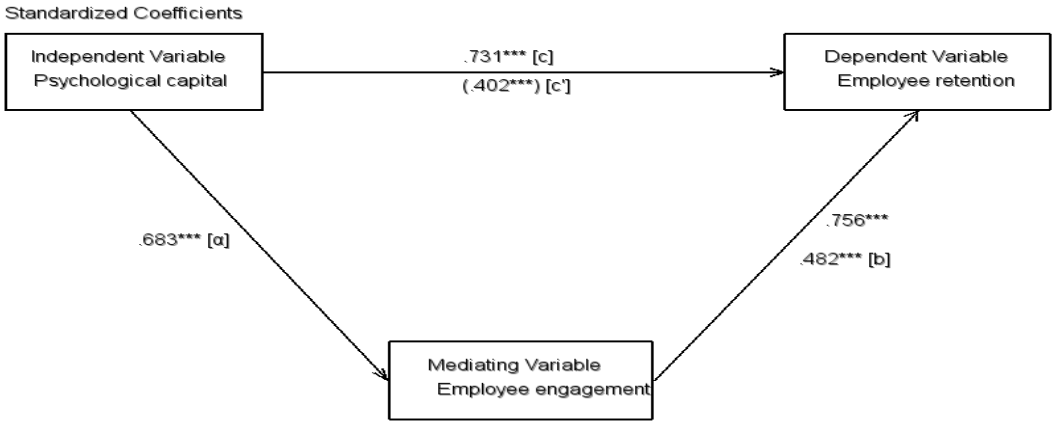
Source: primary data

Multiple results in table 4.4 indicate that psychological capital (Beta=.402; P<.01) and employee engagement (Beta=.482, p<.01) have a significant positive contribution to employee retention. However, it is indicated that employee engagement had the greatest contribution compared to psychological capital. The results further show that the predictors (Psychological capital and Employee Engagement) in the model, explained a variation of 65.4% (Adjusted R2= .654) in employee retention. The collinearity statistics also show that the model was free from multi-collinearity issues as indicated by Tolerance values above 0.2 and VIF values below 10 for all predictor variables.

4.5 Mediating effect of employee engagement on the relationship between psychological capital and employee retention among alcohol beverage manufacturing firms in Uganda

Figure 2: Mediation Results

Significance of Mediation			Significant
Sobel z-value		6.178562	p = < 0.000001
95% Symmetrical Confidence Interval			
	Lower	.33936	
	Upper	.65470	
Unstandardized indirect effect			
	a*b	.49703	
	se	.08044	
Effect size Measures			
	Standardized Coefficients		
	Total:	.731	
	Direct:	.402	
	Indirect:	.329	
	Indirect to Total Ratio:	.450	



Source: primary data

Mediation results confirmed that psychological capital (Beta=.683; p<.01) influenced employee engagement significantly. The results also confirmed that psychological capital (Beta=.731; P<.01) and employee engagement (Beta=.756; p<.01) influenced employee retention significantly. Results further show that Employee engagement partially mediates the relationship between psychological capital and employee retention. There is partial mediation because when the mediator (employee engagement) was included in the model, the relationship between psychological capital and employee retention reduced (from Beta=.731; P<.01 to Beta=.402; P<0.1) but remained significant. This means that psychological capital can influence employee retention directly or indirectly through employee engagement. Sobel test was also performed, and results indicated a significant indirect effect (Beta=.329; p<.01) of psychological capita on employee retention.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the discussion of findings in line with the study objectives. It also presents the conclusion and recommendations in line with the study findings.

5.1 Psychological capital and employee retention among alcohol beverage manufacturing firms in Uganda

Results show a significant positive association between psychological capital and employee retention. The presence of psychological capital (in form of hope, resilience, self-efficacy, and optimism) among employees of alcohol beverage manufacturing firms in Uganda makes it possible for these companies to retain their employees for a long period of time. This argument is supported by several scholars such as Dhiman and Arora (2018) and Aria *et al.* (2019) who assert that employees who are high in psychological capital have less intention to quit.

The results of the current study are related to the study carried out by Aria, et al 2019 who found out that psychological capital had a significant positive direct impact on employee intention to stay. The results were also supported by the study carried out by Imam, Ali and Soo (2018) who found out that the relationship between psychological capital and employee retention was significant. Samroodh et al (2022) also carried out a study on the indirect effect of Job resources on employees' intention to stay and findings indicated that psychological capital had a significant positive association with employee intention to stay. This reveals that psychological capital plays a significant role in controlling attrition rates and this therefore calls attention for the alcohol

industry to take psychological capital as a serious strategy in increasing employees' intention to stay.

The findings further indicated that psychological capital dimensions that included hope, resilience, self-efficacy, and optimism had significant positive association with employee retention.

Employee retention is one of the major focuses in today's organizations (Soenanta, Akbar & Sariwulan, 2020) but few organizations focus on hopes of employees (Armache, 2013). The emergence of positive psychology and positive organizational behaviour has clearly indicated that hope is a strength that has many significant implications on employee retention (Norman, Luthans & Luthans, 2005). Findings of this current study have confirmed presence of hope in the alcohol beverage manufacturing firms in Uganda. Employees in alcohol beverage manufacturing firms in Uganda are found to have hopeful employees that are always eager to stay with the company not until what they want to achieve is attained and for this reason, this kind of employees stay with the organization regardless of the current situation (whether in crisis or not).

The results of the current study indicated that hope has a significant positive association with employee retention. These results are consistent with the study carried out by Fazal-e-Hasan, Ahmadi, Sekhon, Mortimer, Sadiq, Kharouf and Abid (2023).

Another dimension of psychological capital that was found to have a significant positive association with employee retention is that of self-efficacy. Self-efficacy is a vital protective aspect against negative work behavior (Fida, Laschinger & Leiter, 2018). Employees with higher levels of confidence exert and sustain effort in the times of difficulties (Harp, Scherer & Allen, 2017). Findings have shown that alcohol manufacturing firms' employees are confident in what they do, this therefore makes them enjoy the work they do and therefore they find it ok to stay with the

organization. The results of the current study indicated that Self-efficacy has a significant positive association with employee retention. These results are related to the study carried out by Afzal, Arshad, Saleem and Farooq (2019) who found that self-efficacy was negatively related to turnover intentions.

Besides hope and self-efficacy, resilience was also found to have a significant positive association with employee retention. Literature suggests that employees with high resilience values are likely to confront difficulties rather that quit stressful conditions (Jian, Wang, Al-Smadi, Waheed, Badulescu & Samad, 2022). The findings of the current study have shown that alcohol manufacturing firms' employees can bounce back even though they face some challenges. The results of the current study indicated that resilience has a significant positive association with employee retention. These results are related with the study carried out by Nteogwuija and Wechie (2019) who found that talent retention is associated with employee resilience of telecommunication companies in Rivers State, Nigeria.

Among the four dimensions of psychological capital used in this study, optimism was also found to relate to employee retention. Individuals that have positive expectations in whichever they execute with and for the organization are bound to ensure that they remain with the organization (Gukiina & Lamunu, 2021). The findings have shown that alcohol manufacturing firms' employees have a positive mind towards their work. These kinds of employees are always optimistic because they expect to achieve positive outcomes/ results and in this case such employees stay longer with the organization. The results of the current study indicated that optimism has a significant positive association with employee retention. These results are related with the study carried out by Bressler (2010) who found that optimism is associated with lower turnover intentions among U.S. Soldiers selected from an Army Reserve unit in Houston, TX.

5.2 Psychological capital and employee engagement among alcohol beverage manufacturing firms in Uganda

Results show a significant positive association between psychological capital and Employee Engagement. Employees who have valuable expectations in future with the company and they are confident in the work they do for the company and the same time have positive minds and they always expect positive outcomes in the company, tend to actively engage in company activities. This has been evident with alcohol beverage manufacturing firms in Uganda and supported by Aybas and Acer (2017) who argue that employees' work engagement and positive psychological capital are very important because employees with high level of psychological capital tend to be more satisfied with their job and tend to assist co-workers or superiors (Reginold, 2021).

The results of this study were related to that conducted by Reginold (2021) where findings revealed a significant positive correlation between psychological capital and employee engagement. The results were also supported by the studies conducted by Ngwenya and Pelser (2020) and that of Mansour (2020).

Hopeful, resilient, confident, and optimistic employees have a greater link to the way employees dedicate and become absorbed in their work as well as jangling with work, even during hard moments. This study has clearly shown that psychological capital is a significant element as far as employee engagement is concerned. For this reason, organizations need to have a deeper understanding of how psychological capital relates to employee engagement. Engaged employees are identified to be those that work with passion towards the organization's goals (Chandani, et al, 2016) because they contribute to better outcomes such as high productivity (Sungmala & Verawat, 2021) and help an organization to achieve strategic competitive advantage over competitors (Miller, 2022)

The findings further show that psychological capital dimensions that included hope, resilience, self-efficacy and optimism, had a significant positive association with employee engagement.

Hope is taken as one of the significant components of psychological capital and studies have found that hopeful employees are engaged workers. In other words, employees who are high in hope have will and feasible ways to achieve a specific objective (Fatima & Khan, 2017).

The findings of the current study indicate that hope has a significant association with employee engagement. These results are consistent with the study carried out by Fatima and Khan (2017).

The findings of the current study also revealed that Self-efficacy and employee engagement are related. Those results were consistent with the study carried out by Ashfaq, Abid and Ilyas (2021) and Khan, Neveu, Murtaza and Khan (2022) who found that self-efficacy has a significant positive relationship with employee engagement.

Resilience, which is another dimension of psychological capital was found to have a significant positive association with employee engagement. The results were consistent with the study carried out by Amir and Mangundjaya (2021) and supported by the study carried out by Cooke, Cooper, Bartram, Wang and Mei (2019) and Gupta and Sharma (2018) as well as Jangsiriwattana (2021). Contrary, the study carried out by Meintjes and Hofmeyr (2018) and Al-Omar, Arafah, Barakat, Almutairi., Khurshid and Alsultan (2019) found out that resilience has no statistically significant influence on employee engagement among sales representatives within a specific pharmaceutical organization.

Lastly, the current study found that Optimism and employee engagement are significantly and positively related to each other, and this is supported by the study carried out by Medlin and Faulk (2011).

Based on the findings and results of previous scholars, psychological capital dimensions are vital in increasing employee engagement levels. Therefore, alcohol manufacturing firms in Uganda should embrace them.

5.3 Employee engagement and employee retention among alcohol beverage manufacturing firms in Uganda

Results show a significant positive association between employee engagement and employee retention. Findings further indicate that employee engagement dimensions that included vigor, dedication, and absorption, had significant positive associations with employee retention.

Alcohol beverage manufacturing firms' employees in Uganda have been found to have vigor and dedication to their jobs as well as getting immersed in the work that they do. This makes them not think to quite the jobs and as a result, they decide to stay and work for the organization. This is in support with the view of Mkheimer and Mjlae (2020) who assert that employee engagement supports directly or indirectly in retaining employees (Mkheimer & Mjlae, 2020). The findings of this study were related to the study carried out by Alias, Noor and Hassan (2014), Thangaraja (2016), Srimulyani (2020), Hamid and Yahya (2016), Siddiqui (2020) as well as Covella, McCarthy, Kaifi and Cocoran (2017) who found out that employee engagement is positively related to employee retention. This was supported by the studies carried out by Owor (2015) and Albrecht and Marty (2020) who found that employee engagement has an inverse relationship with employee turnover intentions. The current study has confirmed that alcohol beverage manufacturing firms in Uganda engage their employees and retain them, something that is perceived to be a good Human Resource practice. Organizations that focus on retaining employees avoid turnover costs which entail the expenditure incurred on training and development of employees that leave the firm and probably the amount to be spent on recruitment, selection, and

training new occupants (Ghosh, Satyawadi, Prasad Joshi & Shadman, 2013; Cho, Johanson, & Guchait, 2009). Organizations, especially those that deal in alcohol manufacturing need to retain employees who perform and have competencies that excellent match with the business' core talent needs (Haider et al, 2015). Implementing an effective employee retention strategy enables the company to ensure better performance by appropriately utilizing employee capital (Silva, Carvalho & Dias, 2019).

5.4 The mediating effect of employee engagement on the relationship between psychological capital and employee retention among alcohol beverage manufacturing firms in Uganda

Mediation results confirmed that psychological capital influences employee retention significantly. The results also confirmed that psychological capital and employee engagement influence employee retention significantly. Results further show that Employee engagement partially mediates the relationship between psychological capital and employee retention. This means that psychological capital can influence employee retention directly or indirectly through employee engagement. The Sobel test was also performed and results further indicated a significant indirect effect of psychological capita on employee retention. Various studies (Mkheimer & Mjlae, 2020; Ngwenya and Pelser, 2020; Reginold, 2021; Imam et al, 2018) have shown that psychological capital and employee engagement have an influence on employee retention, and this has been demonstrated in this study.

Hopeful, resilient, optimistic, and confident employees in the alcohol industry are dedicated, have vigor and are always absorbed in the organizational work and this in turn attracts employees to work in this industry for a long period of time.

5.5 Conclusion

The study examined the relationship between psychological capital, employee engagement and employee retention among alcohol beverage manufacturing firms in Uganda and it was found out that:

The relationship between psychological capital and employee retention among alcohol beverage manufacturing firms in Uganda found to be positive and significant.

The relationship between psychological capital and employee engagement among alcohol beverage manufacturing firms in Uganda found to be positive and significant.

The relationship between employee engagement and employee retention among alcohol beverage manufacturing firms in Uganda found to be positive and significant.

Employee engagement was found to partially mediate the relationship between psychological capital and employee retention.

It has been observed that hope, resilience, self-efficacy, and Optimism are very vital components in improving employee retention in alcohol beverage manufacturing firms in Uganda. Employees who are dedicated, vigorous and absorbed play a significant role in retaining staff. Employee retention can not only be achieved directly from psychological capital, but it can also be achieved through employee engagement.

5.6 Recommendations

Alcohol beverage manufacturing firms in Uganda should strengthen employee engagement through investment in various initiatives like conducting employee engagement surveys that are aimed getting the views of employees to formulate better employee engagement practices, establish regular feedback mechanisms, provision of skill development opportunities and

implementation of recognition programs. This will motivate the employees to stay in the organizations for a longer time.

Alcohol beverage manufacturing firms in Uganda should enhance psychological capital development among employees. This can be done through initiatives such as resilience training, emotional intelligence workshops and positive psychology interventions. These initiatives will help instill hope, resilience, self-efficiency, and optimism among employees hence making them stay in the organization for a long time.

Managers of alcohol beverage manufacturing firms should integrate Psychological Capital and Employee Engagement through incorporating psychological capital principles like hope, resilience, self-efficiency, and optimism into their approach to employee engagement. This will lead to a fully involved, committed, and dedicated workforce, hence increased retention levels.

5.7 Limitations

The study was limited to a low response rate due to the busy schedules of the target respondents.

The study was quantitative in nature meaning that the qualitative data was not collected for this study.

5.8 Areas of further studies

- Further research on the mediation role of employee engagement on the relationship between psychological capital and employee retention can be conducted in the service sector, such as schools, health organizations, and hospitality industry among others.
- Further research can be conducted on a wide geographical scope that can accommodate all manufacturing firms in Uganda.

- Further research can take into consideration the factors that can moderate the relationship between psychological capital and employee retention.

References

Afzal, S., Arshad, M., Saleem, S., & Farooq, O. (2019). The impact of perceived supervisor support on employees' turnover intention and task performance: Mediation of self-efficacy. *Journal of Management Development*, *38*(5), 369-382.

Afzal, S., Arshad, M., Saleem, S., & Farooq, O. (2019). The impact of perceived supervisor support on employees' turnover intention and task performance: Mediation of self-efficacy. *Journal of Management Development*, *38*(5), 369-382.

Akila, R. (2012). A Study on employee retention among executives at BGR Energy systems LTD, Chennai. *International Journal of marketing, financial services & management research*, *1*(9), 18-32.

Albrecht, S. L., & Marty, A. (2020). Personality, self-efficacy and job resources and their associations with employee engagement, affective commitment, and turnover intentions. The International Journal of Human Resource Management, 31(5), 657-681.

Alias, N. E., Noor, N. M. & Hassan, R. (2014). Examining the Mediating Effect of Employee Engagement on the Relationship between Talent Management Practices and Employee Retention in the Information and Technology (IT) Organizations in Malaysia: *Journal of Human Resources Management and Labor Studies*; Vol. 2, No. 2, pp. 227-242

Almaw, M. (2022). Factors Influencing Employee Turnover Intention in Moha Soft Drinks Industry Share Company (*Doctoral dissertation, St. Mary's University*).

Al-Omar, H. A., Arafah, A. M., Barakat, J. M., Almutairi, R. D., Khurshid, F., & Alsultan, M. S. (2019). The impact of perceived organizational support and resilience on pharmacists' engagement in their stressful and competitive workplaces in Saudi Arabia. *Saudi Pharmaceutical Journal*, *27*(7), 1044-1052.

Amir, M. T., & Mangundjaya, W. L. (2021). How resilience affects employee engagement? A case study in Indonesia. *The Journal of Asian Finance, Economics and Business*, *8*(2), 1147-1156.

Andrianto, H. & Alsada, Y. (2019). The Conceptual Framework of Employee Engagement to Vigor, Dedication, and Absorption: *International Journal of Social Relevance & Concern*; Volume 7 Issue 1

Aremu, A. B., & Adepoju, O. O. (2022). Green Human Resource Management Practices and Employee Retention: An Empirical Evidence from Nigerian Foods and Beverages Industry. *Best Journal of Innovation in Science, Research and Development*, *1*(3), 11-22.

Aria, A. , Jafari, P. & Behifar, M. (2019). Authentic Leadership and Teachers' Intention to Stay: The Mediating Role of Perceived Organizational Support and Psychological Capital: *World Journal of Education* Vol. 9, No. 3

Armache, J. (2013). A kinder and Gentler Workplace: A Path to Employees' Retention and Organizational Productivity. *Conflict Resolution & Negotiation Journal*, *2013*(2).

Ashfaq, F., Abid, G., & Ilyas, S. (2021). Impact of ethical leadership on employee engagement: role of self-efficacy and organizational commitment. *European Journal of Investigation in Health, Psychology and Education*, *11*(3), 962-974.

Ashraf, T., & Siddiqui, D. A. (2020). The impact of employee engagement on employee retention: the role of psychological capital, control at work, general well-being, and job satisfaction. *Control at Work, General Well-Being, and Job Satisfaction (August 29, 2020)*.

Ashraf, T., & Siddiqui, D. A. (2020). The impact of employee engagement on employee retention: the role of psychological capital, control at work, general well-being, and job satisfaction. *Control at Work, General Well-Being, and Job Satisfaction (August 29, 2020)*.

Awolusi, O. D., & Jayakody, S. S. (2021). Exploring the Impact of Human Resource Management Practices on Employee's Retention: Evidence from the Food and Beverage Industry in the State of Qatar. *Journal of Social and Development Sciences*, *12*(4 (S)), 39-58.

Aybas, M. & Acer, A.C. (2017). The Effect of Human Resource Management Practices on Employees' Work Engagement and the Mediating and Moderating Role of Positive Psychological Capital: *International Review of Management and Marketing*.

Bressler, M. (2010). Planning and projecting critical human resource needs: The relationship between hope, optimism, organizational commitment, and turnover intention among US Army reserve soldiers. *Journal of Behavioral Studies in Business*, *2*, 1.

Byarugaba, J. K. & Kriek, D. (2021). Employee Perceptions of Organizational Emotional Intelligence and Psychological Capital amongst Public Servants in Uganda: *Journal of Organizational Psychology* Vol. 21(6)

Casswell, S., & Thamarangsi, T. (2009). Reducing harm from alcohol: call to action. *The Lancet*, *373*(9682), 2247-2257.

Chanana, N. (2021). Employee engagement practices during COVID-19 lockdown. *Journal of public affairs*, *21*(4), e2508.

Chandani, A., Mehta, M., Mall, A. & Khokher, V. (2016). Employee Engagement: A Review Paper on Factors Affecting Employee Engagement: *Indian Journal of Science and Technology*, Vol 9(15)

Chen, M. (2014, January). The effect of training on employee retention. In *2014 International Conference on Global Economy, Commerce and Service Science (GECSS-14)* (pp. 356-359). Atlantis Press.

Chen, S. Y., & Scannapieco, M. (2010). The influence of job satisfaction on child welfare worker's desire to stay: An examination of the interaction effect of self-efficacy and supportive supervision. *Children and Youth Services Review*, *32*(4), 482-486.

Chepkosgey, C. S. (2021). Performance Appraisal Practice Opportunity and Employee Retention In Selected Beverage Processing Firms In Kenya.

Chepkosgey, C. S., Namusonge, G. S., & Makokha, E. N. (2021). Influence of reward practice on employee retention in selected beverages processing firms in Kenya. *New Trends of Global Influences in Africa*, 158.

Cho, S., Johanson, M. M., & Guchait, P. (2009). Employees intent to leave: A comparison of determinants of intent to leave versus intent to stay. *International journal of hospitality management*, *28*(3), 374-381.

Chumo, S. C. (2022). *Human Resource Management Practices and Employee Retention In Beverage Processing Firms in Kenya* (Doctoral dissertation, JKUAT-COHRED).

Cloutier, O., Felusiak, L., Hill, C., & Pemberton-Jones, E. J. (2015). The importance of developing strategies for employee retention. *Journal of Leadership, Accountability & Ethics*, *12*(2).

Cook, K. S. & Rice, E. (2003). Social Exchange Theory; Handbook of Social Psychology

Cooke, F. L., Cooper, B., Bartram, T., Wang, J., & Mei, H. (2019). Mapping the relationships between high-performance work systems, employee resilience and engagement: A study of the banking industry in China. *The International Journal of Human Resource Management*, *30*(8), 1239-1260.

Covella, G., McCarthy, V., Kaifi, B., & Cocoran, D. (2017). Leadership's role in employee retention. *Business Management Dynamics*, *7*(5), 1-15.

Das, B. L., & Baruah, M. (2013). Employee retention: A review of literature. *Journal of business and management*, *14*(2), 8-16.

Dhiman, N. & Arora, N. (2018). Exploring the Relationship of Psycap and Turnover Intentions: A Study among Health Professionals: *Amity Business Review*, Vol. 19, No. 1

Ebong, J., & Babu, G. (2020). Demand for credit in high-density markets in Kampala: Application of digital lending and implication for product innovation. *Journal of International Studies*, *13*(4), 295-313.

Ellett, A. J. (2009). Intentions to remain employed in child welfare: The role of human caring, self-efficacy beliefs, and professional organizational culture. *Children and youth services review*, *31*(1), 78-88.

Ellett, A. J. (2009). Intentions to remain employed in child welfare: The role of human caring, self-efficacy beliefs, and professional organizational culture. *Children and youth services review*, *31*(1), 78-88.

Emerson, R. M. (1987). Social exchange theory.

Erasmus, B. J., Grobler, A., & Van Niekerk, M. (2015). Employee retention in a higher education institution: An organizational development perspective. *Progressio*, *37*(2), 33-63.

Fatima, A., & Khan, M. A. (2017). Do hope foster innovative work behavior through employee engagement and knowledge sharing behavior? A conservation of resources approach using MPLUS tool. *Business & Economic Review*, *9*(4), 181-212.

Fazal-e-Hasan, S. M., Ahmadi, H., Sekhon, H., Mortimer, G., Sadiq, M., Kharouf, H., & Abid, M. (2023). The role of green innovation and hope in employee retention. *Business Strategy and the Environment*, *32*(1), 220-239.

Fazal-e-Hasan, S. M., Ahmadi, H., Sekhon, H., Mortimer, G., Sadiq, M., Kharouf, H., & Abid, M. (2023). The role of green innovation and hope in employee retention. *Business Strategy and the Environment*, *32*(1), 220-239.

Fida, R., Laschinger, H. K. S., & Leiter, M. P. (2018). The protective role of self-efficacy against workplace incivility and burnout in nursing: A time-lagged study. *Health care management review*, *43*(1), 21-29.

Fletcher, L., Alfes, K., & Robinson, D. (2018). The relationship between perceived training and development and employee retention: the mediating role of work attitudes. *The International Journal of Human Resource Management*, *29*(18), 2701-2728.

Gera, N., Sharma, R. K. & Saini, P. (2019). Absorption, Vigor and Dedication: Determinants of Employee Engagement In B-Schools: *Indian Journal of Economics & Business*, Vol. 18, No.1: 61-70

Gera, N., Sharma, R. K. & Saini, P. (2019). Absorption, Vigor and Dedication: Determinants of Employee Engagement In B-Schools: *Indian Journal of Economics & Business*, Vol. 18, No.1, 61-70

Ghosh, P., Satyawadi, R., Prasad Joshi, J., & Shadman, M. (2013). Who stays with you? Factors predicting employees' intention to stay. *International journal of organizational analysis*, 21(3), 288-312.

Gom, D., Lew, T. Y., Jiony, M. M., Tanakinjal, G. H., & Sondoh Jr, S. (2021). The role of transformational leadership and psychological capital in the hotel industry: a sustainable approach to reducing turnover intention. *Sustainability*, *13*(19), 10799.

Gu,B. (2016). Effects of psychological capital on employee turnover intentions: A study based on Hai Di Lao Hot Pot: *Journal of Global Tourism Research*, Volume 1

Gukiina, J., & Lamunu, E. (2021). The near abasement of Uganda hotels' staff altruistic behaviour by COVID-19 pandemic: a relief model. *Athens Journal of Tourism*, *8*(4), 269-290.

Gupta, N., & Sharma, V. (2018). Relationship between leader member exchange (LMX), high-involvement HRP and employee resilience on extra-role performance: Mediating role of employee engagement. *Journal of Indian Business Research*, *10*(2), 126-150.

Haider, M, Rasli, A., Akhtar, C.S, Yusoff, R. B. M., Malik, O.M, Aamir, A. & Tariq, F. (2015). The Impact of Human Resource Practices on Employee Retention in the Telecom Sector: *International Journal of Economics and Financial Issues*

Hamid, S. N. A., & Yahya, K. K. (2016). Mediating role of work engagement on the relationship between person-job fit and employees' retention: Evidence from semiconductor companies in northern region of Malaysia. *International Review of Management and Marketing*, *6*(7), 187-194.

Harp, E. R., Scherer, L. L., & Allen, J. A. (2017). Volunteer engagement and retention: Their relationship to community service self-efficacy. *Nonprofit and voluntary sector quarterly*, *46*(2), 442-458.

Ibrahim, I., Ali, K., Al-Suraihi, W. A., & Al-Suraihi, A. H. A. (2021). The impact of COVID-pandemic and media on sustainability and employee retention, in Malaysian industries. *International Journal of Management and Human Science (IJMHS)*, *5*(2), 1-6.

Imam, T., Ali, H. & Soo, H.S. (2018). Mediating Role of Psychological Capital in Talent Retention amongst Pharmaceutical Employees of Pakistan: A Quantitative Study. *International Journal of Academic Research in Business and Social Sciences*, 8(6), 389–405

Imandin, L., Bisschoff, C. & Botha, C. (2014). A model to measure employee engagement: Problems and Perspectives in Management, Volume 12, Issue 4

Iqbal, S. & Hashmi, M. S. (2015): Impact of perceived organizational support on employee retention with mediating role of psychological empowerment, *Pakistan Journal of Commerce and Social Sciences* (PJCSS), ISSN 2309-8619, Johar Education Society, Pakistan (JESPK), Lahore, Vol. 9, Iss. 1, pp. 18-34

James, L., & Mathew, L. (2012). Employee retention strategies: IT industry. *SCMS Journal of Indian Management*, *9*(3).

Jangsiriwattana, T. (2021). The mediating effect of resilience on the relationship between perceived organizational support and work engagement. *Academy of Strategic Management Journal*, *20*, 1-12.

Jaya, L. H. S. & Ariyanto, E. (2021). The Effect of Vigor, Dedication and Absorption on the Employee Performance of PT Garuda Indonesia Cargo: *European Journal of Business and Management Research*, Vol6, Issue

Jeve, Y. B., Oppenheimer, C., & Konje, J. (2015). Employee engagement within the NHS: a cross-sectional study. *International journal of health policy and management*, 4(2), 85.

Jian, Q., Wang, X., Al-Smadi, H. M., Waheed, A., Badulescu, A., & Samad, S. (2022). Proposing a Robust Model to Reduce Employees' Turnover Intentions in an Ethical Leadership Framework: Empirical Evidence from the Healthcare Sector. *International Journal of Environmental Research and Public Health*, *19*(15), 8939.

Johari, J., Yean, T. F., Adnan, Z. U. R. I. N. A., Yahya, K. K., & Ahmad, M. N. (2012). Promoting employee intention to stay: Do human resource management practices matter. *International Journal of Economics and Management*, *6*(2), 396-416.

Kalemci Tüzün, İ., Çetin, F., & Basım, H. N. (2014). The role of psychological capital and supportive organizational practices in the turnover process.

Kalichman, S. C., Simbayi, L. C., Kaufman, M., Cain, D., & Jooste, S. (2007). Alcohol use and sexual risks for HIV/AIDS in sub-Saharan Africa: systematic review of empirical findings. *Prevention science*, *8*, 141-151.

Kamarunga, P. (2018). Talent management and employee retention: a case of Nile breweries ltd: A Dissertation submitted to the school of civil service public administration and governance in partial fulfillment of the requirements for the reward of a master's degree in management studies (pam) of Uganda management institute

Kasekende, F., Byarugaba J.K & Nakate, M. (2013). Employee Satisfaction: Mediator of Organizational Service Orientation and Employee Retention: *Journal of Business and Management* – Vol. 19, No. 3

Khalid, K., & Nawab, S. (2018). Employee participation and employee retention in view of compensation. *SAGE Open*, *8*(4), 2158244018810067.

Khan, M. M. S., & Ghayas, M. M. (2022). Impact of authentic leadership on employee engagement in the banking sector of Karachi. *International Journal of Business Performance Management*, *23*(1-2), 90-98.

Khan, R., Neveu, J. P., Murtaza, G., & Khan, K. U. (2022). Impact of Psychological Resources on Employee Engagement: The Mediating Role of Positive Affect and Ego-Resilience. *SAGE Open*, *12*(2), 21582440221089971.

Kossivi, B., Xu, M., & Kalgora, B. (2016). Study on determining factors of employee retention. *Open Journal of Social Sciences*, *4*(05), 261.

Kundu, S. C., & Gahlawat, N. (2016). Effects of employee retention practices on perceived firm and innovation performance. *International Journal of Innovation and Learning*, *19*(1), 25-43.

Kuteesa, M. O., Webb, E. L., Kawuma, R., Naluwugge, J., Thadeus, K., Ndekezi, D., & Seeley, J. (2022). 'We shall drink until Lake Victoria dries up': Drivers of heavy drinking and illicit drug use among young Ugandans in fishing communities. *Global public health*, *17*(4), 538-554.

Kyndt, E., Dochy, F., Michielsen, M., & Moeyaert, B. (2009). Employee retention: Organizational and personal perspectives. *Vocations and Learning*, *2*, 195-215.

Kyndt,E & Dochy, F. & Michielsen, M & Moeyaert, B.(2009). Employee Retention: Organizational and Personal Perspectives: Vocations and Learning

Lawler, E. J., & Thye, S. R. (1999). Bringing emotions into social exchange theory. *Annual review of sociology*, *25*(1), 217-244.

Luthans, F., Vogelgesang, G. R., & Lester, P. B. (2006). Developing the psychological capital of resiliency. Human resource development review, 5(1), 25-44.

Mahajan, D. S., & Lele, D. S. G. U. (2021). Employee Engagement Of Faculties In Management Institutes In Pune During Covid–19 Pandemic. *International Journal of Human Resource Management and Research (IJHRMR)*, *11*(2), 53-60.

Mansour, M. (2020). The relationship between human resources management practices and job engagement: The mediating role of psychological capital. *Management Science Letters*, *10*(13), 3047-3056.

Markos, S., & Sridevi, M. S. (2010). Employee engagement: The key to improving performance. *International journal of business and management*, *5*(12), 89.

McNatt, D. B., & Judge, T. A. (2008). Self-efficacy intervention, job attitudes, and turnover: A field experiment with employees in role transition. *Human Relations*, *61*(6), 783-810.

Medlin, B., & Faulk, L. (2011). The relationship between optimism and engagement: the impact on student performance. *Research in Higher Education Journal*, *13*.

Meintjes, A., & Hofmeyr, K. (2018). The impact of resilience and perceived organisational support on employee engagement in a competitive sales environment. *SA Journal of Human Resource Management*, *16*(1), 1-11.

Michelman, P. (2003). Your new core strategy: Employee retention. *Harvard Business School Working Knowledge*, *2*.

Miller, D. (2022). Leadership Style and Its Influence on Employee Engagement in the Non-alcoholic Beverage Industry. Johnson & Wales University.

Mitchell, M. S., Cropanzano, R. S., & Quisenberry, D. M. (2012). Social exchange theory, exchange resources, and interpersonal relationships: A modest resolution of theoretical difficulties. *Handbook of social resource theory: Theoretical extensions, empirical insights, and social applications*, 99-118.

Mkheimer, I. & Mjlae, S. A (2020). Factors of Employee Engagement and Organizational Development: Are they Linked?: *International Journal of Recent Technology and Engineering* (IJRTE),Volume-8 Issue-5

Mudenda, J. (2022). *Designing an employee retention framework: a case study of varun food and beverage* (Doctoral dissertation, The University of Zambia).

Mulema, N. (2017, February, 3). Nile Breweries fires marketing boss as beer giant loses top spot to UBL: Retrieved from https://www.watchdoguganda.com/business/20170201/12477/nile-breweries-fires-marketing-boss-as-beer-giant-loses-top-spot-to-ubl.html

Naim, M. F., & Lenkla, U. (2016). Knowledge sharing as an intervention for Gen Y employees' intention to stay. *Industrial and Commercial Training*.

NewVision of Monday, June 20 2022

Ngwenya, B., & Pelser, T.(2020). Impact of psychological capital on employee engagement, job satisfaction and employee performance in the manufacturing sector in Zimbabwe. *SA Journal of Industrial Psychology/SA Tydskrif vir Bedryfsielkunde* 46(0), a1781.

Njeng'wa, N. N. (2009). *Responsiveness to challenges of globalization by Kenya Wine Agencies Limited* (Doctoral dissertation).

Norman, S., Luthans, B., & Luthans, K. (2005). The proposed contagion effect of hopeful leaders on the resiliency of employees and organizations. *Journal of Leadership & Organizational Studies, 12*(2), 55-64.

Nteogwuija, I., & Wechie, I. (2019). Talent Retention and Employees' Resilience of Tele-communication Companies in Rivers State, Nigeria. *Global Journal of Management and Business*, *6*(1), 100-107.

Obeng, A. F., Zhu, Y., Quansah, P. E., Ntarmah, A. H., & Cobbinah, E. (2021). High-performance work practices and turnover intention: Investigating the mediating role of employee morale and the moderating role of psychological capital. *Sage Open*, *11*(1), 2158244020988557.

Obuobisa-Darko, T. (2020). Ensuring employee task performance: Role of employee engagement. *Performance Improvement*, *59*(8), 12-23.

Odeng, M. (2022, July, 16). Court orders UBL to pay ex-employees sh60m for unlawfully terminating their employment; retrieved from https://www.newvision.co.ug/category/news/court-orders-ubl-to-pay-ex-employees-sh60m-138728

Owor, J. J. (2015). *Antecedents and outcomes of employee engagement in soft drink industry in Uganda* (Doctoral dissertation).

Owor, J. J. (2015). *Antecedents and outcomes of employee engagement in soft drink industry in Uganda* (Doctoral dissertation).

Owor, J. J. (2015). HR practices and ocb: mediating role of employee engagement in soft drink firms in Uganda.

Owor, J. J. (2016). Human resource management practices, employee engagement and organizational citizenship behaviors in selected firms in Uganda.

Owor, J. J. (2019). Employee Engagement, Antecedents and Turnover Intent in Selected Firms in Uganda. *Business and Economic Management Review*, *1*(1), 60-84.

Papa, A., Dezi, L., Gregori, G. L., Mueller, J., & Miglietta, N. (2020). Improving innovation performance through knowledge acquisition: the moderating role of employee retention and human resource management practices. *Journal of Knowledge Management*, *24*(3), 589-605.

Pass, S., & Ridgway, M. (2022). An informed discussion on the impact of COVID-19 and 'enforced 'remote working on employee engagement. *Human Resource Development International*, *25*(2), 254-270.

Peterson, S. J., Luthans, F., Avolio, B. J., Walumbwa, F. O., & Zhang, Z. (2011). Psychological capital and employee performance: A latent growth modeling approach. *Personnel psychology*, *64*(2), 427-450.

Private Sector Foundation Uganda (2021). Private sector platform for action: A Synthesis of Private Sector Opportunities, Growth Challenges and Proposals for Policy Reform

Ramapriya, M., & Sudhamathi, S. (2020). Theory of employee retention strategies. *Journal of Interdisciplinary Cycle Research*, *7*(2), 1111-1119.

Ramapriya, M., & Sudhamathi, S. (2020). Theory of employee retention strategies. *Journal of Interdisciplinary Cycle Research*, *7*(2), 1111-1119.

Ramlall, S. (2004). A review of employee motivation theories and their implications for employee retention within organizations. *Journal of American academy of business*, *5*(1/2), 52-63.

Reginold, J. (2021). Influence of Psychological Capital on Employee Engagement and Explored the Mediating Role of Organizational Commitment: *European Journal of Molecular & Clinical Medicine*, Volume 08, Issue 3.

Rozsa, Z., Formánek, I., & Maňák, R. (2019). Determining the factors of the employees 'intention to stay or leave in the Slovak's SMES.

Samroodh, M., Anwar, I., Ahmad, A., Akhtar, S., Bino, E., & Ali, M. A. (2022). The Indirect Effect of Job Resources on Employees' Intention to Stay: A Serial Mediation Model with Psychological Capital and Work–Life Balance as the Mediators. *Sustainability*, *15*(1), 551.

Sandhya, K., & Kumar, D. P. (2011). Employee retention by motivation. *Indian Journal of science and technology*, *4*(12), 1778-1782.

Sanjeevkumar, V. (2012). A study on employee's intention to stay in public companies in Kedah. *Zenith International Journal of Business Economics & Management Research, 2*(4), 91-101.

Santoso, N. R., Sulistyaningtyas, I. D., & Pratama, B. P. (2022). Transformational leadership during the COVID-19 pandemic: strengthening employee engagement through internal communication. *Journal of Communication Inquiry*, 01968599221095182.

Sapyaprapa, S, Tuicomepee, A. & Watakakosol, R. (2013). Validation of Psychological Capital Questionnaire in Thai Employees: *The Asian Conference on Psychology & the Behavioral Sciences*

Saraswati, K. D. (2019). Work engagement: The impact of psychological capital and organizational justice and its influence on turnover intention. *J. Mgt. Mkt. Review, 4*(1), 86-91.

Shahid, A. (2018). Employee intention to stay: An environment based on trust and motivation. *Journal of Management Research, 10*(4), 58.

Sheridan, J. E. (1992). Organizational culture and employee retention. *Academy of management Journal*, *35*(5), 1036-1056.

Sihag, P. (2021), "The mediating role of perceived organizational support on psychological capital – employee engagement relationship: a study of Indian IT industry", *Journal of Indian Business Research*, Vol. 13 No. 1

Silva, M.R.A., Carvalho, J.C. A& Dias, A.L.(2019). Determinants of Employee Retention: A Study of Reality in Brazil; DOI: 10.4018/978-1-5225-7888-8.ch004

Singh, D. (2019). A literature review on employee retention with focus on recent trends. *International Journal of Scientific Research in Science and Technology*, *6*(1), 425-431.

Soenanta, A., Akbar, M., & Sariwulan, R. T. (2020). The effect of job satisfaction and organizational commitment on employee retention in a lighting company. *Issues in Business Management and Economics*.

Soenanta, A., Akbar, M., & Sariwulan, R. T. (2020). The effect of job satisfaction and organizational commitment to employee retention in a lighting company. *Issues in Business Management and Economics*.

Srimulyani, V. A. (2020). Talent Management dan Konsekuensinya terhadap Employee Engagement dan Employee Retention. *INOBIS: Jurnal Inovasi Bisnis dan Manajemen Indonesia*, *3*(4), 538-552.

St-Jean, É., & Mathieu, C. (2015). Developing attitudes toward an entrepreneurial career through mentoring: The mediating role of entrepreneurial self-efficacy. *Journal of Career Development*, *42*(4), 325-338.

Sundaray, B. K. (2011). Employee Engagement: A Driver of Organizational Effectiveness: *European Journal of Business and Management*, Vol 3, No.8

Sungmala, N., & Verawat, A. (2021). The impact of socio-demographic factors on employee engagement at multinational companies in Thailand. *Journal of Multidisciplinary in Humanities and Social Sciences*, *4*(2), 694-711.

Sweetman, D., Luthans, F., Avey, J. B., & Luthans, B. C. (2011). Relationship between positive psychological capital and creative performance. *Canadian Journal of Administrative Sciences/Revue Canadienne des Sciences de l'Administration*, 28(1), 4-13.

Thangaraja, A. (2016). The mediating role of employee engagement on compensation and retention among frontline hospitality employees in Tamil Nadu. *International Journal of Advanced Educational Research*, *1*(4), 24-27.

Tusiimemukama, A. (2019). *Technology adoption, employee engagement and perceived job performance in Uganda beverage companies a case of Hariss international limited (Riham), Kampala Uganda* (Doctoral dissertation, Kyambogo University (un published work)).

Uganda Breweries Anniversary Magazine (2016)

Uganda Bureau of Statistics (2018). Manpower Survey Uganda - 2016/2017 Report. Kampala, Uganda; UBOS; Retrieved from https://www.ubos.org/wp-content/uploads/publications/08_20182018_Uganda_Manpower_Survey_Report.pdf

Wendiro, D. (2011, December). Industrial Biotechnology Opportunities and Progress in Uganda. In *Conference on Agro-Biotechnology, Biosafety and Seed Systems in Developing Countries* (p. 39).

Appendix 1: Questionnaire

I am a student of Makerere University Business School, Pursuing a degree of master of Business Administration. As a requirement for awarding a master's degree at Makerere University, I have to undertake research. I therefore request you to spare some of your time to fill for me this questionnaire. Your views about this study will be treated with utmost confidentiality. This

questionnaire has two sections and I request that you answer both of them as they are equally important.

Thank you

SECTION A: DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

Gender

Male	Female

Age bracket

Less than 34years	35-44 years	45-54 years	Above 54 years

Highest academic level

Ordinary Diploma	Bachelor's Degree	Post Graduate Diploma	Master's Degree	PhD	Others

Marital status

Single	Married	Others

Years of experience

Less than 1 years	1-5 years	6-10years	11-15years	Above 15years

SECTION B: In this section, you are required to respond to the statement by ticking or circling based on the Likert scale provided below;

Strongly Disagree (SD) -1; Disagree (D)-2; Not sure (NS)-3; Agree (A)-4; strongly agree (SA)-5

CODE	**ITEMS**	**SCALE**

	PSYCHOLOGICAL CAPITAL					
	Hope	**SD**	**D**	**NS**	**A**	**SA**
H1	At the present time, I am energetically pursuing my work goals.	1	2	3	4	5
H2	I have several ways to accomplish the work goal.	1	2	3	4	5
H3	When I found that my performance appraisal was less than the expected goal, I am trying to find the ways to improve, and then start to do better.	1	2	3	4	5
H4	I now feel that i am energetic to accomplish the work goal.	1	2	3	4	5
H5	When i set goals and plan to work, i will be concentrated to achieve the goal.	1	2	3	4	5
H6	I work as the goals set by the belief that "Where there is a will, there is a way".	1	2	3	4	5
	Resilience	**SD**	**D**	**NS**	**A**	**SA**
R1	I usually take stressful things at work in stride.	1	2	3	4	5
R2	Although my work is failed, I will try to make it success again.	1	2	3	4	5
R3	Although too much responsibility at work makes me feel awkward, i can go through to work successfully.	1	2	3	4	5
R4	I am undiscouraged and ready to face with difficulties at work.	1	2	3	4	5
R5	When I faced with disappointment at work, "I fell but i could quickly get through".	1	2	3	4	5
	Self-efficacy (S)	**SD**	**D**	**NS**	**A**	**SA**
S1	I feel confident in analyzing a long-term problem to find a solution.	1	2	3	4	5
S2	I feel confident contacting people outside the company (e.g., suppliers, customers) to discuss problems.	1	2	3	4	5
S3	Although supervisor assigns me an extra job which I never had done it, I still believe in my ability that I can do it.	1	2	3	4	5
S4	I am confident in my performance that I can work under pressure and challenging circumstances.	1	2	3	4	5
S5	I feel confident that i can accomplish my work goals	1	2	3	4	5
S6	If organizations transform new working system which is difficult to understand, I am still confident that I can learn new things from this system.	1	2	3	4	5
	Optimism	**SD**	**D**	**NS**	**A**	**SA**
O1	I am optimistic about what will happen to me in the future as it pertains to work.	1	2	3	4	5
O2	At work, i always find that every problem has a solution.	1	2	3	4	5
O3	I believe that all the problems occurring at work always have a bright side.	1	2	3	4	5
O4	If I have to face with bad situation, I believe that everything will change to be better.	1	2	3	4	5

O5	I believe that success in the current work will occur in the future.	1	2	3	4	5
O6	I always stuck with the problem and found that the problem cannot do anything.	1	2	3	4	5
	EMPLOYEE ENGAGEMENT					
	Vigor	**SD**	**D**	**NS**	**A**	**SA**
V1	I can continue working for very long periods at a time.	1	2	3	4	5
V2	At my job, I am very resilient mentally	1	2	3	4	5
V3	When i get up in the morning , i feel like going to work	1	2	3	4	5
	Dedication	**SD**	**D**	**NS**	**A**	**SA**
D1	I am enthusiastic about my job	1	2	3	4	5
D2	My job inspires me	1	2	3	4	5
D3	I find the work that I do full of meaning and purpose	1	2	3	4	5
D4	To me ,my job is challenging	1	2	3	4	5
	Absorption	**SD**	**D**	**NS**	**A**	**SA**
A1	I feel happy when I am working intensely	1	2	3	4	5
A2	I am immersed in my work.	1	2	3	4	5
A3	I get carried away when I am working	1	2	3	4	5
A4	When I am working, I forget everything else around me	1	2	3	4	5
A5	It is difficult to detach myself from my job	1	2	3	4	5
	EMPLOYEE RETENTION	**SD**	**D**	**NS**	**A**	**SA**
RE1	I wish to work for this organization for more years.	1	2	3	4	5
RE2	Within this organisation my work gives me satisfaction.	1	2	3	4	5
RE3	If i wanted to do another job or function, I would look first at the possibilities within this organization.	1	2	3	4	5
RE4	I see a future for myself within this Organisation.	1	2	3	4	5
RE5	It doesn’t matter if i am working for this Organisation or another, as long as i have work.	1	2	3	4	5
RE6	If it were up to me, i will definitely be working for this organisation for the next five years.	1	2	3	4	5
RE7	The work I am doing is very important to me.	1	2	3	4	5
RE8	I love working for this Organisation.	1	2	3	4	5

Thank you for your invaluable time

Apendix2: Krejcie and Morgan (1970) Table of sample determination

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384