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INFLUENCE OF INVESTMENT DIVERSIFICATION KNOWLEDGE ON JOB EXIT PREPAREDNESS AMONG HOSPITALS' EMPLOYEES IN NAKURU TOWN, KENYA

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Abstract

Financial literacy enables individuals to plan for job exit and retirement, make proper choices on pension products and contribute effectively in management of their pension schemes. The objective of this study was to determine the influence of investment divesification knowledge on job exit preparedness of employees in hospitals in Nakuru town, Kenya. The study was anchored on the Prospect Theory. The study adopted descriptive survey. The target population included employees in 15 hospitals in Nakuru town which have a total of 2221 employees. A sample of 96 respondents was selected as the respondents. Questionnaires were used for data collection. Questionnaires were tested for validity and reliability. Data was analyzed using descriptive statistics and inferential statistics and presented in tables accompanied by relevant discussions. The researcher established that investment diversification knowledge had a significant relationship with job exit preparedness. In this regard, the study concluded that investment diversification knowledge had a crucial role in determining job exit preparedness of employees in hospitals in Nakuru Town. The study recommended that in regard to investment diversification knowledge, the employers and stakeholders should educate their employees on the best investments available to enable them diversify their investments hence diversifying their income streams.

Keywords: *Financial Literacy, Job Exit Preparedness, Hospitals' Employees, investment, investment diversification*

1. INTRODUCTION

There is increasing demand for workers to increasingly take on an unprecedented degree of responsibility for their retirement and other savings, as defined benefit pensions decline in a majority of organizations (Lusardi & Mitchell, 2007). Therefore, workers are required to be rational thinkers as far financial decision making is concerned. This implies that it's becoming more important for households to acquire and manage economic know-how. But in practice, there is widespread financial illiteracy; many employees are unfamiliar with even the most basic economic concepts needed to make sensible saving and investment decisions. This has serious implications for saving, retirement planning, retirement, mortgage, and other decisions raising the need to boost financial literacy and education among the employees.

Research has been conducted worldwide for measuring the level of financial literacy. And also financial literacy survey has been conducted at country level by the governments. Most of the surveys have thrown light on their poor level of financial literacy. In the year 2006, the Special Commission on Puerto Rico Government Pension Systems published a report that described how knowledgeable government employees were about the services and benefits of the retirement system. Some questions in the survey asked whether the employees knew about financial planning, pension benefits, social security benefits and health costs during retirement. Between 64 and 79 percent of the employees assured they did not have information about these matters. Studies show that once households calculate their savings needs after job exit, they often follow through with setting up retirement plan and are successful in sticking to their plan (Lusardi and Mitchell, 2011).

Koenen and Lusardi (2011) examines financial literacy in Germany. Results seem similar. They found that knowledge of basic financial concepts is deficient among women, less educated, and those living in East Germany. Compared to West Germans, East Germans have little financial literacy, especially those with lower income and low education. Differences based on gender were not observed in the East. They also found a positive impact of financial knowledge on retirement planning. Alessie, Lusardi and Van Rooij (2011) results for the Netherlands concur. Also, Almenberg and Save-Soderbergh (2011) found similar results for a study conducted in Sweden.

Studies done in India also indicate low levels of financial literacy among employees (Agarwalla, Barua, Jacob & Jayanth, 2012). This means that many individuals who lack financial literacy have been deterred from embracing innovative financial products, making sound financial planning decisions (Hilgert *et al.*, 2003; Agnew & Szykman, 2005; Alessie et al., 2007; Agarwal, *et al* 2007; Lusardi & Mitchell, 2005; 2007; Lusardi, 2008; Cory & Pickard, 2008), as well giving serious consideration and commitment to their financial plans.

Lack of proper preparation for job exit causes psychological distress, strains government support systems in countries where such systems exist and generally leads to old age poverty (Lusardi & Mitchell, 2011). The worrying trend observed by Hershey, Jacobs-Lawson, McArdle, and Hamagami (2007) is that many individuals do not save when they are economically active even though they have the financial resources to do so; a fact that could be attributed to inadequacies in financial literacy. An individual who possesses a future time orientation and favourable retirement expectations are more likely to plan and save for retirement. However, individuals who lack financial knowledge may face negative consequences of their financial decisions and are less likely to plan for retirement and are more likely to end up with less wealth close to retirement (Lusardi & Mitchell, 2007).

Nyamute and Monyoncho (2011) established that financial literacy among employees enable them understand the importance of different savings option at their disposal for life after employment. Well knowledgeable employees set aside adequate funds to secure their desired lifestyle after active working period. The amounts saved have been found to increase as an individual nears retirement on realization that it is important to save for retirement and a better appreciation and application of the financial management practices.

As observed by Lusardi and Mitchell (2007), fewer than half of Americans have even attempted to estimate how much money they might need in retirement, and many older adults face significant retirement saving shortfalls. While Keizi (2006) explained that the goal of social protection is not mere survival, but social inclusion and preservation of human dignity, on the other hand too liberal use of non retirement purpose runs the risk of depleting accumulated balance and leaving too little capital for retirement.

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A study conducted by the Ministry of Finance and Economic Planning (MoFEP 2009) revealed that about 20 percent adults in Ghana have entry to financial services, for example, savings, loans, investment and insurance. However, FinScope Survey (2010 cited in Lisa & Bilal, 2012) on Access to Finance and Financial Literacy in Sub-Saharan Africa and Pakistan, in 2010 put those using financial products in Ghana at 56 percent, comprising 41 percent in the formal sector and the remaining 15 percent in the informal sector. This shows that access to financial service is lower in Ghana compared to Lesotho which is 81 percent. FinScope also indicated that 52 percent of urban adults have commercial bank accounts. Furthermore, only 4 percent have formal insurance, and an even smaller percentage has informal insurance. InterMedia (2010) reports the results of a national representative surveys of youths aged 15-24 in Ghana and Kenya on their access to financial information. The results show that older youths (aged 20-24) have more access to financial information than younger youths (aged 15-19), this makes it very imperative for teachers to start teaching financial literacy from the basic level of education.

In Kenya, the Fin-Access 2013 survey results revealed that the levels of financial literacy are low despite the concerted efforts to raise literacy levels by the government and other stakeholders. The Kenyan government while admitting the seriousness of this problem said “education and training in Kenya today is facing various challenges that have negatively impacted on its economic development (Fonseca, Mullen, Zamarro, & Zissimopoulos, 2010).

2. STATEMENT OF THE PROBLEM

Cases of labour downsizing have been a common occurrence in Kenya today. Faced with dwindling economic prospects, organizations are resulting to downsizing their labour force to try and reduce their operational expenditures. These cases have brought to light concerns on the fate of employees who are faced with eminent danger of retrenchment from their job. Thus there is need to examine the preparedness of employees to exit employment as there is no guarantees on security of tenure. The security of tenure in employment is one of the most important things to any employee as it ensures the financial stability of the employees. Any interruption or disruption to the continuity of employment has serious consequences for the daily life existence. Since 2008, Kenya has had bouts of retrenchments in both public and private institutions. International Labour Organization (ILO) indicated that as the records show, wage employment in manufacturing declined by 4 per cent during 2007-08, as a result of the closure of garment factories in the Export Processing Zones, EPZs, where employment contracted by 8 per cent. The standard digital news paper in November 2016 reported that companies that had jumped into the retrenchment bandwagon included Telkom (500 employees), Flower farm Karuturi (2,600), Kenya Meat Commission (118), Airtel (more than 60), Sameer Africa (600), Portland Cement (1,000), and Uchumi (253). Also, in the same year Kenya Flouspar Company shut its operations and sent home about 700 workers. Faced with the uncertain future, employees need to adequately prepare themselves for any eventuality that may lender them jobless. Based on this, the study sought to establish the influence of investment diversification knowledge on employees’ job exit preparedness in Hospitals in Nakuru town.

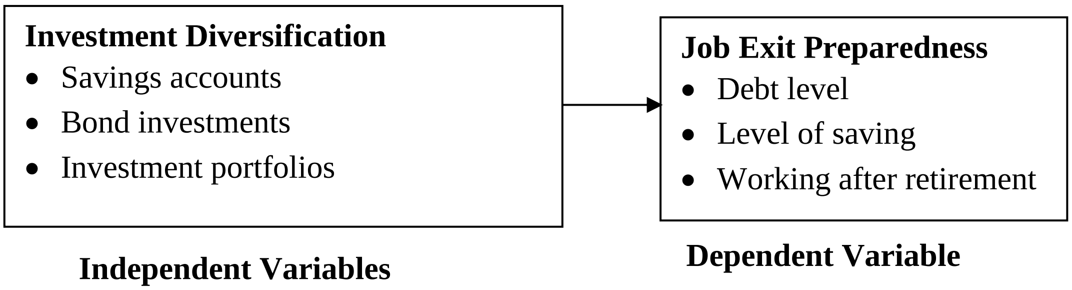
3. OBJECTIVE OF THE STUDY

The objective of the study was to investigate the influence of investment diversification knowledge on job exit preparedness among hospitals’ employees in Nakuru town, Kenya.

4. HYPOTHESIS OF THE STUDY

Investment diversification knowledge has no statistically significant influence on employees' job exit preparedness in hospitals in Nakuru town.

5. CONCEPTUAL FRAMEWORK



6. THEORETICAL REVIEW

6.1 Prospect Theory

Prospect theory was developed by Daniel Kahneman, professor at Princeton University's Department of Psychology, and Amos Tversky in 1979 as a psychologically realistic alternative to expected utility theory. Kahneman (2003) explain that prospect theory allows one to describe how people make choices in situations where they have to decide between alternatives that involve risk. It describes how people frame and value a decision involving uncertainty and therefore they look at choices in terms of potential gains or losses in relation to a specific reference point, which is often the purchase price.

Prospect theory describes the states of mind affecting an individual's decision-making processes including regret aversion and loss aversion (Waweru et al, 2008). Regret is an emotion that occurs after people make mistakes. Investors avoid regret by refusing to sell shares whose prices have gone down and willing to sell those that have appreciated. Moreover, investors tend to be more regretful about holding losing stocks too long than selling winning ones too soon (Fogel and Berry, 2006). According to prospect theory, people feel more strongly about the pain from loss than the pleasure from an equal gain. People tend to under-weigh probable outcomes compared with certain ones and people respond differently to the similar situations depending on the context of losses or gains in which they are presented (Kahneman and Perttunen, 2004).

According to Kahneman (2003), an important implication of prospect theory is that the way economic agents subjectively frame an outcome or transaction in their mind affects the utility they expect or receive. This theory guided the current study which considered decision making between current consumption and savings for future consumption. This incorporates the usefulness of time value of money based upon discount rates and credit constraints and thus this study explored the influence of investment diversification knowledge and job exit preparedness among hospital employees in Nakuru Kenya.

7. EMPIRICAL REVIEW

7.1 Investment Diversification

Investment is an important part of an individual's personal financial plan. Individuals invest to increase their future wealth. Cummings (2007) stresses that money hidden away does no useful work for the owner and should be put to more profitable work. This means that for savings to earn a return, an individual must invest their savings. According to Jones (2007), an investment involves the commitment of funds to one or more assets that will be held over an investment horizon. Investments range from savings accounts, money market funds, and real estate, equity and bond investments. Boone, Kurtz and Hearth (2006) stress that investing is critical and is more important today than ever before as we live longer, personal incomes are not rising very rapidly, the labour market is changing and self-directed retirement plans are now the norm. Investment involves a process that according to Boone et al (2006) involves setting investment goals, assessing risk and return, selecting the right investment and managing your investment are the steps involved. To manage the investment process, individuals require financial skills on investment identification, risk assessment, evaluation and implementation of investments and monitoring of the investments.

Portfolio diversification is a sign of high financial literacy and a lack of diversification of investments is a sign of financial illiteracy. The researchers argue that financially illiterate investors would choose only bonds over a portfolio of a combination of bonds and equity, as they do not understand the relationship between portfolio diversification and market returns. They also do not understand the benefits and risks involved in choosing different types of investment avenues in the financial markets. Financially illiterate investors assume no correlation between diversification and the returns gained at the end of the investment period (Gusio & Jappelli, 2008).

A study done to investigate the investor behaviour in India, found that the investors are aware of the concept of portfolio allotments and risk return of investments- an aspect of financial literacy relevant to investors. They also found that most of their respondents were at least graduates or above. However, despite being educated their portfolio was not diversified, and their investment decisions were majorly low risk, this is evidenced by the majority, i.e. 80% preferred to save in banks, invest in gold or mutual funds than other high risk avenues such as real estate or equity. The researchers also concluded that the investors make investment decisions after discussing with their family members or friends. This shows the influence of social groups on individual investments (Murithi, Narayanan, & Arivazhagan, 2012).

A study conducted by Abdeldayem (2016) in Bahrain, which used a questionnaire survey and approach of Lusardi and Mitchell (2006), the results demonstrated that participants in high financial literacy group expressed higher preferences for life insurance, mutual fund, stocks, bonds, pension funds, credit card, mortgage and foreign exchange market as compared to those in the low financial literacy group. Participants in low financial literacy group showed higher preferences for bank deposits, saving account and post office savings. Hence, this indicates that the Bahraini investors who have low financial literacy mainly prefer to invest in traditional and safe financial products and do not invest significantly in complex financial products which are comparatively riskier and can give a higher return. This indicates that the investment decisions of Bahraini investors rely on their financial literacy level.

Researchers such as Gusio and Jappelli (2008) have concluded in one of their studies that portfolio diversification is a sign of high financial literacy and a lack of diversification of investments is a sign of financial illiteracy. The researchers argue that financially illiterate investors would choose only bonds over a portfolio of a combination of bonds and equity, as they do not understand the relationship between portfolio diversification and market returns. They also do not understand the benefits and risks involved in choosing different types of investment avenues in the financial markets. Financially illiterate investors assume no correlation between diversification and the returns gained at the end of the investment period Gusio and Jappelli (2008).

7.2 Job Exit Preparedness

Di Vito and Pospiech (2012) posit that as individuals approach retirement, the question of whether they are financially prepared becomes top of mind. These doubts may be fuelled by several factors, such as employers moving away from offering the traditional defined benefit plan (pension plan) and the potential for Social Security benefits being decreased and delayed, all of which are increasingly shifting the responsibility to individuals to save for their own retirement. Different studies have indicated that many individuals may not have sufficient resources to maintain their financial independence during their retirement (Gist, *et al*., 2004). Lusardi, Skinner and Venti (2003) opine that many individuals encounter a late life financial shortfall that stems, in part, from a failure to set aside sufficient personal savings during their working years.

The lack of understanding among members of the public of the best approach to financing their retirement, including the appropriate level of saving, may in itself aggravate retirement risks in private systems (Mitchell and Bodie 2000), although some outstanding risks may be ameliorated by feasible financial innovations, such as a reverse mortgage system. Old age dependency has become a major issue of concern to governments today. This is because a large number of retirees lack any form of regular income to sustain them in retirement. Kenya has one of the highest levels of old age dependency currently estimated at 56%.

The relationship between financial literacy and pension preparedness in the informal sector in Kenya is investigated by Ade (2013) using a stratified random sample of 30 traders in each of the selected markets from Nairobi. In each market, five informal sector traders were randomly selected from small scale trader categories namely second hand clothes dealers, small shops and kiosks, Jua Kali artisans, hawkers, fruits and vegetable vendors and food processing kiosks. The multivariate logit model developed from 150 responses to the questionnaires propose that retirement preparedness is explained by financial literacy, age, income, marital status and highest education level. The study notes that there is a statistically significant positive relationship between financial literacy and retirement preparedness. It is inferred that the foregoing study has not clearly articulated how retirement preparedness is measured in the study. The choice of the sample frame from micro scale entrepreneurs leads to questions on the possibility of retirement in the informal sector in Kenya.

The association between financial literacy and retirement planning in Russia is investigated by Klapper and Panos (2011). With a correlation matrix, a significant and positive association between savings for retirement and all financial literacy measures is established. Instrumental variables indicate that the three measures of financial literacy exert a positive impact on private retirement planning. Paradoxically, continuing to work after retirement is also positively correlated to correct financial literacy responses. This finding therefore suggests that financial literacy influences provate retirement planning though at the same time, financially literate individuals who have planned for retirement are not willing to retire which means that there may be other considerations for the willingness to stop actively working after retirement.

8. RESEARCH METHODOLOGY

The researcher adopted a descriptive research design that is unrestricted which is an attempt to explore and explain a topic in the dark while creating a fuller picture of the topic. A research design as described by Mafuwane (2012) is the strategic framework for action that serves as a bridge between research questions and the execution, or implementation of the research strategy. The target population of this study consisted of employees working in hospitals with inpatient services in Nakuru town. There are fifteen (15) hospitals with inpatient services in Nakuru town with a total of 2221 (Nakuru County Ministry of Health 2018) employees. A sampling technique method was applied where 96 employees were selected and formed the population for the study. The main data collection instrument which was used in this study were questionnaires which contained both open ended and close ended questions with the quantitative section of the instrument utilizing a 5-point Likert-type scale format. Questionnaires were preferred since according to Dempsey (2003), they are effective data collection instruments that allow respondents to give much of their opinions pertaining to the researched problem. The questionnaires were tested for validity and reliability. The primary data collected in this study was coded and tested for completeness and then analyzed using descriptive statistics and inferential statistics and presented using tables. Descriptive statistical techniques (frequencies, percentages, means and standard deviation) were employed to analyze field data from questionnaires to assist the interpretation and analysis of data using Statistical Package for Social Sciences (IBM SPSS). Inferential statistics, in form of Pearson correlation coefficient were used to check the relationship between the variables.

9. FINDINGS AND ANALYSIS

96 questionnaires were distributed to be filled by the respondents for data collection. 8 questionnaires were not returned. 88 questionnaires were completely filled up and returned for data analysis. This represented a response rate of 91.7 % which was characterized as very good (Mugenda & Mugenda, 2003).

- **9.1 Descriptive Statistics**

9.1.1 Investment Diversification Descriptive Statistical Results

The study sought to establish the views of the respondents' in regard to investment diversification by computing the percentages, mean and standard deviation. The analyzed findings were as presented in Table 1

Table 1: Descriptive Statistics on Investment Diversification

	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev
Most of my finances are in banks saving account	18.2	45.5	4.5	22.7	9.1	3.41	1.274
I invest my savings in profitable business	17.0	36.4	14.8	19.3	12.5	3.26	1.300
I usually take advantage to invest in government bonds	6.8	3.4	17.0	42.0	30.7	2.14	1.106
I invest in different kind of business for financial security purposes	9.1	43.2	6.8	23.9	17.0	3.03	1.317
I am very active in the shares trading in stock markets	4.5	8.0	18.2	37.5	31.8	2.16	1.103
My employer updates me on available investment opportunities	3.4	19.3	6.8	27.3	43.2	2.12	1.258
Valid N (listwise)	88						

Findings indicate that majority of the respondents agreed that most of their finances are in banks saving account.45.5% and 18.2% of the respondents agreed and strongly agreed respectively registering a mean of 3.41 and a standard deviation of 1.274. Further, the researcher observed that 36.4% of the respondents agreed and 17.0% strongly agreed that they invest their savings into profitable business. This assertion registered a mean of 3.26 and standard deviation of 1.300. On the other hand, a mean of 2.14 and a standard deviation of 1.106 were registered where respondents disagreed that they usually take advantage of investing in government bonds. 42.0% of the respondents disagreed while 30.7% of them strongly disagreed. In addition, respondents were not sure whether they invest in different kinds of businesses for financial security purposes. 52.3% of the respondents agreed, 6.8% of them were not sure while 40.9% disagreed returning a mean of 3.03 and a standard deviation of 1.317. Further, findings from the analysis indicated (M=2.16, SD=1.103) that respondents disagreed with the assertion that they are very active in the shares trading in stock markets. 37.5% and 31.8% of the respondents disagreed and strongly. Additionally, 70.5% of the respondents strongly and/or disagreed that their employer updates them on available investment opportunities. This aspect registered a mean of 2.12 and a standard deviation of 1.258.

9.1.2 Job Exit Preparedness Descriptive Statistics Results

The researcher sought to examine job exit preparedness of the employees in hospitals. The percentages, mean and standard deviation were computed. Findings from the analysis were as presented in Table 2

Table 2: Descriptive Statistics Of Job Exit Preparedness

	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev
I have avoided being in much debt that may strain my finances in case of job termination	36.4	44.3	8.0	4.5	6.8	3.99	1.119
I fear that I may not have cleared my debts at job termination	5.7	23.9	17.0	29.5	23.9	2.58	1.248
I ensure that I save a huge portion of my income for the sake of the future	28.4	35.2	11.4	18.2	6.8	3.60	1.264
I have always ensured that I have savings amounting to at least six months of my income to shield me upon job exit	14.8	35.2	14.8	27.3	8.0	3.22	1.227
I plan to be working way after my retirement	17.0	38.6	22.7	8.0	13.6	3.37	1.253
I have already set up a side business to replenish my income	6.8	47.7	18.2	17.0	10.2	3.24	1.135
I would like to exit this job before my retirement age	18.2	31.8	21.6	11.4	17.0	3.23	1.345
I plan to build a business that can sustain me in case a job termination	39.8	45.5	6.8	2.3	5.7	4.11	1.033
Valid N (listwise)	88						

From the table, findings demonstrated that majority of the respondents agreed that they have avoided being in much debt that may strain their finances in case of job termination. 44.3% of the respondents agreed while 36.4% of them strongly agreed registering a mean of 3.99 and a standard deviation of 1.119. 29.5% and 23.9% of the respondents disagreed and strongly disagreed respectively that they fear that they may not have cleared their debts at job termination where a mean of 2.58 and a standard deviation of 1.248 were registered. Further, findings also demonstrated, that with a mean of 3.60 and a standard deviation of 1.264, respondents agreed that they ensure that they save a huge portion of their income for the sake of the future. 35.2% and 28.4% of the respondents agreed and strongly agreed respectively. Respondents also were not sure (M=3.22, SD=1.227) whether they always ensure that they have savings amounting to at least six months of their income to shield them upon job exit. 50.0% of the respondents agreed, 14.8% of them were neutral while 35.3% of the respondents disagreed. In addition, respondents agreed that they plan to be working way after their retirement. 38.6% and 17.0% of the respondents agreed and strongly agreed respectively registering a mean of 3.37 and a standard deviation of 1.253. A mean of 3.24 and a standard deviation of 1.135 were registered where 53.5% of the respondents strongly and/or agreed that they have already set aside business to replenish their income. They were also not sure (M=3.23, SD= 1.345) whether they would exit job before their retirement age. 50.0% of the respondents strongly and/or agreed, 21.6% of them were not sure while 28.4% of the respondents strongly and/or disagreed. Additionally, 45.5% and 39.8% of the respondents agreed and strongly agreed respectively that they plan to build a business that can sustain them in case of job termination. A mean of 4.11 and standard deviation of 1.033 were registered.

9.2 Correlation Analysis

Relationship between Investment Diversification and Job Exit Preparedness

Further, the researcher sought to examine whether there was any relationship between investment diversification and job exit preparedness. Findings from the analysis were as shown in Table 3.

Table 3: Correlations between Investment Diversification and Job Exit Preparedness

		Job Exit Preparedness
Investment Diversification	Pearson Correlation	.498**
	Sig. (2-tailed)	.000
	N	88

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

Analysis form the findings established an average positive significant (r=.498, p=.000) relationship between investment diversification and job exit preparedness. Thus, it was observed that investment diversification had a crucial role in determining job exit preparedness of an employee in an organization. Therefore, in order to enhance job exit preparedness for the employees, investment diversification must also be enhanced. The results were in agreement of other scholars such as Abdeldayem (2016) and Lusardi and Mitchell (2006) in their study they found out that participants in high financial literacy group expressed higher preferences for life insurance, mutual fund, stocks, bonds, pension funds, credit card, mortgage and foreign exchange market as compared to those in the low financial literacy group. Participants in low financial literacy group showed higher preferences for bank deposits, saving account and post office savings. Hence, this indicates that the Bahraini investors who have low financial literacy mainly prefer to invest in traditional and safe financial products and do not invest significantly in complex financial products which are comparatively riskier and can give a higher return. This indicates that the investment decisions of Bahraini investors rely on their financial literacy level.

a. Hypothesis Testing

The study hypothesis indicated that there is no significant influence between investment and job exit preparedness in hospitals in Nakuru town. The ANOVA was done and the findings presented as shown below.

Table 4: Model Summary on Investment Diversification

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.498[a]	.248	.239	.53755

Predictors: (Constant), Investment Diversification

The R-squared value obtained from the model summary was 0.248. This shows that investment diversification could account for only 24.8% of the total variance in job exit preparedness. Hence, investment diversification plays a significant role on job exit preparedness of employees in hospitals. The ANOVA gave the following results as presented in the table below.

Table 5: ANOVA[b] on Investment Diversification

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.177	1	8.177	28.299	.000[a]
	Residual	24.850	86	.289		
	Total	33.028	87			

a. Predictors: (Constant), Investment Diversification

Dependent Variable: Job Exit Preparedness

The table indicated that the F-value ($F_{(1, 86)}$ =28.299, p=.000) for investment diversification was significant at $p<.05$ level of significance. This demonstrates that investment diversification have a significant influence on the job exit preparedness of employees in hospitals. Therefore, the null hypothesis that, knowledge on investment diversification has no significant influence on employees' job exit preparedness in hospitals in Nakuru town was consequently rejected. The researcher concluded that investment diversification significantly influences job exit preparedness of employees in hospitals in Nakuru town.

10. CONCUSIONS AND RECOMMENDATIONS

The researcher observed that investment diversification had a direct relationship with job exit preparedness of employees in hospitals in Nakuru town. Through investment diversification, employees are able to enhance their financial security. From the findings, Investment diversification had the greatest impact in determining employees' preparedness upon job exit. Therefore, the study concluded that investment diversification plays a significantly important role in determining job exit preparedness of the employees. It was recommended that employers and stakeholders should educate their employees on the best investment to invest their finances. This would encourage the employees to diversify their investments and thereby develop diversified income streams. This will go a long way in providing them with a financial cushion even in cases of job termination and retirement. Investment diversification offers an individual with financial peace in mind with knowledge that even on the event of job loss, they are financially secured.

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