FACTORS INFLUENCING STAFF RETENTION IN THE BANKING INDUSTRY IN KENYA. A CASE STUDY OF EQUITY BANK LIMITED.

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ABSTRACT

Staff retention is one of the key challenges that many organizations around the world, and specifically in Kenya, face today. The general objective of this study will be to investigate the factors influencing staff retention in the banking industry in Kenya, A case study of Equity bank limited. The study’s target population was 200 employees of Equity bank limited, from which a sample of 100 respondents was drawn for the study using 50% of the target population. This included the top management, middle management and lower level management. The sample was selected through stratified sampling techniques. The researcher collected data using both structured and unstructured questionnaires and also through use of interview schedules. Quantitative data was analyzed using descriptive statistical tools namely frequencies, percentages, mean and standard deviation while inferential statistical tools such as correlation and regression were used to determine and explain variable relationship; through SPSS version 22 computer program. The study recommends that the management of Equity bank should put into consideration the use of financial and non-financial needs in order to fully satisfy different employee needs thus attaining the set goals and objectives. The study also recommends that the organization needs to establish a reward policy /system and involve employees in determining acceptable and affordable rewards based on achievement of performance targets. This could be done in liaison with the government agencies such as SRC (Salaries and Review Commission). The management of Equity bank should ensure that; there is a training policy in place, that their employees are thoroughly trained on issues that can increase the bank’s productivity, that they hold up mentorship programs, there is a work-life balance policy in the organization and offer recreational facilities for the staff. The study also recommends that the management of the bank should ensure there is a proper promotion policy in place. Future researchers should focus on other variables that may influence retention of the banking personnel. This study was limited to the banking sector in Kenya using Equity Bank limited as a case study. A similar study could be carried out in other financial institution especially in the public sector to find out whether the same results shall be obtained.

Key Words: Staff Retention, Employee Training, Employee Remuneration, Work-life Balance, Employee Promotion, Banking Industry in Kenya.
Background of study

An organization’s human resource is a strategic component for attaining competitive advantage. Organizations, should come up with better retention strategies, such as staff training, promotional opportunities, work-life balance, health and safety practices, better reward incentives, leadership programs, better orientation programs, to attract, motivate and retain their staff thus boosting employee performance and overall organizational performance (Armstrong, 2009). Turnover of key employees can have negative aspects on any organization. The human resources that the organization wants to retain are often the ones most likely to leave. Cole (2002), claims that every worker is five minutes from resigning. Today’s workers have no qualms about leaving employers for greener pastures. In the banking industry, many employees have left their jobs, to go and work outside the country (brain drain), where the retention strategies are coined with superior human resource practices, that motivate, attract and retain them, thus boosting productivity in the organization (Kagwi, 2015).

The major challenges facing many organizations is retention of critical employees. Society has now become knowledge based, where clearly human capital is considered a strategic resource and indispensable to survival of business. (Armstrong, 2009). An important element in business management practices, is to link human resource practices and business practices, to successfully motivate, attract and retain employees who survive organizational restructuring, downsizing and re-organizing initiatives. (Cole, 2002).

Retention strategies should be based on an understanding of the factors that affect whether or not employees leave or stay. The younger workforce, will change jobs and employers more frequently. (Generation Y). There are both organizational and human resource factors, that can affect the retention of the employees whether positive or in a negative aspect, and some include, training opportunities, aesthetic factors (company image), recognition (non-financial rewards), leadership style, working environment, promotional opportunities, challenging work opportunities, mentorship programs, realistic job previews, involvement and participation of employees, and human resource policies in place. (Armstrong, 2009). Turnover rates are highly influenced by economic conditions. With booming economy and plenty of jobs, retention of employees becomes difficult even with proper motivation (Nzuve, 2010). The human resource managers are tasked with the responsibility of coming up with viable and better strategies to attract, retain and motivate staff, in order to achieve both employee and organizational goals and objectives (Kamau, 2015).

A high turnover rate leads to the inability of an organization to provide quality care and job satisfaction to employees (Marquis & Huston, 2003). At the organizational level, turnover inflicts numerous costs, which include, training costs for new hires and consumption of time used in orientation / introduction of new employees in the organization. Departing employees often take with them valuable knowledge and expertise gained through experience. Often they have established relationships with various stakeholders in the organization. In addition to these indirect or less quantifiable costs, organization’s face many costs directly related to turnover, including exit interview time and administrative requirements, cost of temporary workers or overtime for workers asked to fill in. Replacement costs include advertising, processing employees. These relationships are the foundation for a reinforcing cycle of positive interactions between employees and customers (Huston, 2003). Apart from the positive impact on an organization, the retention of loyal, highly skilled and productive professionals has economic implications...
for both the organization and, increasingly, for the country’s economy as a whole (Ross & Van Eden, 2005). The loss of qualified personnel in the banking industry, with highly specialized skills has a severe impact on the competitive advantage and the ultimate survival of organization’s in this field, as it may be costly to replace and train new employees. Dibble (1999), as cited by Ng’ethe (2013) strongly argues that retention of employees needs to be managed, and he identifies remuneration, development, career opportunity, work environment, performance management, and work, family and flex time as areas that have an effect on retention of employees. This is also echoed by Dockel (2003); as he puts in retention factors (such as compensation, job characteristics, training and development opportunities, supervisor support, career opportunities and work-life balance) have shown to facilitate employees’ decisions to leave or stay.

**Equity bank limited**

Equity bank was founded as a Building society in October 1984 and was originally a provider of mortgage financing for the majority of customer who fell into low income population. Having been declared technically insolvent in 1993, Equity’s transformation into a rapidly microfinance and then to commercial bank is widely considered to be an inspirational success story.

Equity Bank Kenya Limited was incorporated in 2014 as a result of the corporate restructure of Equity Group Holdings Limited. Prior to November 2014, Equity Group Holdings Limited operated both as a licensed bank and a holding company for its subsidiaries. On October 31, 2014, Equity Bank announced its intention to incorporate a new wholly owned subsidiary, Equity Bank Kenya Limited, to which it would transfer its Kenyan banking business, assets and liabilities. The rationale for the re-organization is that by converting Equity Group Holdings Limited into a non-trading holding company (as defined under the Banking Act) that owns both banking and non-banking subsidiary companies and provides strategic, brand, risk and talent management to its subsidiaries, the Group will be better placed to invest and to develop the existing and new businesses as part of its third phase of growth and transformation.

**Statement of the problem**

Employee retention is a key factor in an organization’s success (Lyria et al, 2014, cited in Mendez et al, 2011). It is one of the challenges facing many organization’s both public and private occasioned by globalization that has intensified competition and increased mobility of highly skilled employees” (Ng’ethe et al, 2012). The banking industry has also experienced various challenges that has hampered its growth and some of the challenges need to be mitigated, in order for this organization’s attain competitive advantage.

In the banking sector, there has been high labor turnover rates, where employees are quitting one bank to find greener opportunities in other banks in the country and also outside the country (brain drain), and this has been as a result of longer working hours in some banks, increased workload, poor leadership style, job insecurity, poor working environment, dissatisfaction with salaries, and also lack of work-life balance. This factors, have led to many qualified personnel who possess the right knowledge, skills and abilities to leave this sector, and find greener opportunities in other lucrative sectors, such as consultancy, etc. (KBA, 2015).

Emergence and increase of major banks in the banking sector, has been a curse and a blessing to the various stakeholders. With the increase of new banks and financial institutions, this has led to high competition among the major players in this field, and high competition has positive and negative aspects, which include, production of high quality
goods and services, improvement of technological advancement, and also due to this tumultuous business environment, high competition has led to other banks to close or shut down their operations, close their subsidiaries, lay-off staff, introduction of pay-cut’s and this has led to the laid off staff to lose their daily livelihoods, and to their remaining counterparts, this means increase of workload, long working hours, and pay cuts for those who would want to retain their respective jobs, as a result of the global recession in the capital markets. (GOK Report, 2012).

Lack of Career progression ladders (Promotions), has also been a contentious issue with personnel in the banking industry in Kenya. Many personnel cite that they have worked for more than 5 years in their respective capacities and positions, without being promoted, some have worked for more than 15 years, and they have remained in the same job group for decades, and this has led to low staff morale, poor services offered, and high absenteeism rates occasioned by lack of management to ensure promotion policy is in place. (KBA, 2014).

Lack of work-life balance has also led to employee demotivation in the banking sector in Kenya. Employees have to work for longer hours in the banks, than the normal working hours, and this has led to high fatigue, high absenteeism rates, and due to the busy nature of the work in this sector, the employees are not able to have a balance between their personal and job goals, and this lack of work-life balance, has led to poor delivery of services due to fatigue experienced in the job, poor industrial relations and poor customer relationships, and this has a trickle own effect on the employee goals and objectives and also the organization’s objectives. (KBA, 2012).

Lack of training and development opportunities has also been a major setback in the banking sector. Employees are not properly trained on customer relationships, relationships with various stakeholders, and this has led to increase of complaints and poor service delivery by the employees, because due to lack of training, they lack the necessary knowledge, skills and abilities to efficiently and effectively tackle their duties and responsibilities, in order to attain the set goals and objectives. (KBA, 2014).

General objective

The general objective of this study was to investigate the factors influencing staff retention in the banking industry in Kenya; A case study of Equity bank limited.

Specific objectives

The following were the specific objectives of this study;

- To establish the influence of employee training on staff retention in Equity bank limited.
- To examine the influence of employee remuneration on staff retention in Equity bank limited.
- To determine the influence of work-life balance on staff retention in Equity bank limited.
- To examine the influence of employee promotion on staff retention in Equity bank limited.

LITERATURE REVIEW

The chapter presents a review of literature based on the research topic and the study objectives.

Theoretical Framework

Theoretical review of literature involves locating, reading, and evaluating all relevant information captured and cited from books and journals, reports
from previous studies, observations and opinions related to the study (Mugenda & Mugenda, 1999). Theories that will guide the study include:

**Herzberg two-factor theory**

Two factor theory propounded by Herzberg et al. (1959) as cited by Bormann (2004) is an important theory that explains what satisfies or dissatisfies employees and hence, serves as an important framework for employee retention. Herzberg et al. (1959) proposed a two-factor theory or the motivator-hygiene theory. According to this theory, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. The opposite of “Satisfaction” is “No satisfaction” and the opposite of “Dissatisfaction” is “No Dissatisfaction”. Herzberg et al. (1959) classified these job factors into hygiene and motivator factors.

Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent or if these factors are non-existent at workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. Hygiene factors are also called dissatisfiers or maintenance factors as they are required to avoid dissatisfaction. These factors describe the job environment scenario. The hygiene factors symbolize the physiological needs which the individuals want and expect to be fulfilled.

Pay or salary is the first and foremost hygiene factor. Pay structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain. The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc. The employees should be offered health care plans (medi claim), benefits for the family members, employee help programs, etc. The physical working conditions should be safe, clean and hygienic. The work equipment’s should be updated and well-maintained. The employees’ status within the organization should be familiar and retained. The relationship of the employee with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present. The organization must provide job security to the employees.

According to Herzberg et al. (1959), the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolize the psychological needs that are perceived as an additional benefit.

Motivational factors include recognition, i.e., the employees should be praised and recognized for their accomplishments by the managers. Also, the employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job. There must be growth and advancement opportunities in an organization to motivate the employees to perform well. The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability. The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated. The theory is relevant to the study because is an important theory that explains what satisfies or dissatisfies employees and hence, serves as an important framework for employee retention and reduced turnover.

**Abraham Maslow’s Hierarchy of Needs Theory**
Maslow’s hierarchy of needs is the most widely mentioned theory of motivation and satisfaction (Weihrich and Koontz, 2001). Building on humanistic psychology and the clinical experience, Abraham Maslow argued that an individual’s motivational requirements could be ordered as hierarchy. Once a given level of needs is satisfied, it no longer helps to motivate. Thus, next higher level of need has to be activated in order to motivate and thereby satisfy the individual. Maslow (1943), identified five levels of needs hierarchy: physical needs, safety needs, social needs, esteem needs, and self-actualization. Vroom Expectancy theory

It assumes that behavior results from conscious choices among alternatives whose purpose it is to maximize pleasure and minimize pain. (Wininger & Norman, 2010). Together with Edward Lawler and Lyman Porter, Victor Vroom suggested that the relationship between people’s behavior at work and their goals was not as simple as was first imagined by other scientists. Vroom realized that an employee’s performance is based on individual’s factors such as personality, skills, knowledge, experience and abilities. The theory suggests that although individuals may have different sets of goals, they can be motivated if they believe that: There is a positive correlation between efforts and performance, Favorable performance will result in a desirable reward. The reward will satisfy an important need. The desire to satisfy the need is strong enough to make the effort worthwhile. (Nzuve, 2009). The theory is based upon the following beliefs: Valence: Valence refers to the emotional orientations people hold with respect to outcomes [rewards]. The depth of the want of an employee for extrinsic [money, promotion, time-off, benefits] or intrinsic [satisfaction] rewards. Management must discover what employees’ value. Expectancy: Employees have different expectations and levels of confidence about what they are capable of doing. Management must discover what resources, training, or supervision employees need. Instrumentality: The
perception of employees as to whether they will actually get what they desire even if it has been promised by a manager. Management must ensure that promises of rewards are fulfilled and that employees are aware of that. Vroom suggests that an employee’s beliefs about Expectancy, Instrumentality, and Valence interact psychologically.

**Conceptual framework**

The figure below illustrates the conceptual framework of the study, identifying the dependent and independent variables, which formed the basis of the study.

**Employee training**

Training refers to process of changing in thought, behavior, and action as a result of changes in knowledge, skills and competencies. (Bernard, 2012). Training and development widens one’s compatibility with opportunities for advancement contingent upon one’s ability to competently tackle new levels of responsibility and challenges, hence it is an investment in human capital whether initiated by the individual or organization (Bernard, 2012). Training provides employees with specific skills or helps to correct deficiencies in their performances, while development is an effort to provide employees with abilities the organization will need in the future, Ng’ethe et al (2012, as cited in Chew, 2004). Training is necessary to keep up with rapidly changing technology which quickly renders skills obsolete.

The purpose of training in the work context is to develop the abilities of the individual and to satisfy the current and future manpower needs of the organization (Ng’ethe et al, 2012). Dessler (2008), views training as the arming of employees with the necessary knowledge, skills and abilities required to perform their jobs and thereby enhance performance and is short term, while development is the long term imparting of skills, knowledge and abilities for career development and greater responsibility (Ayodo, Namusonge, 2014).

Studies by Cole (2007) defined training as a learning process which is aimed at impacting knowledge and skills to enable the employee to execute their task better. This will help the employee to acquire new information in relation to new technological knowhow and other external forces emerging. Training has been recognized as a central role of management by leading researchers. It is for this reason still, that the study seeks to establish whether job training should be based on accumulated seniority or extra relevant qualifications and whether based on the right criterion, leads to...
employee performance. Doeringer & Piore (2007), say that in order to develop skills and abilities specific to the company, it is significant from an organizational perspective to train employees in accordance with their company's specific skills and abilities. (Armstrong, 2009)

Organizations can create and enhance the quality of the current employees by providing comprehensive training and development. Indeed, research indicates that investments in training employees in problem-solving, teamwork and interpersonal relations result in beneficial firm level outcomes, Russell and Powers (2005). Jacoby (2004) and Morishima (2006), indicate that training opportunities increase the level of individual performance and organizational commitment among workers in their career advancement, influences the workers behaviors and attitudes such as motivation and organizational commitment, particularly in the case of stable employment. (Njiru, 2008)

In upholding the views of Jacoby (2004) and Morishima (2000), Pigors and Myers (2008), submitted that training should encourage those employees who make a successful effort to increase their knowledge or skill. Bramley (2001) indicates that training is a component of staff development and if carried out effectively, it can lead to improvement in the performance of employees. (Njiru, 2008). According to Bogonko & Saleemi (1997), cited by Njiru (2008) training is effective only when it is properly planned and effectively executed. Training methods must be appropriate to the level of employees, the nature of tasks and purpose of training. The effectiveness of a training program should be evaluated so that necessary improvements may be made in it from time to time. Hence, training must be carefully planned and evaluated and employees must be purposively selected.

**Reward practice**

Reward strategies, are concerned with the formulation and implementation of practices and policies, the purposes of which are to reward people fairly, equitably and consistently, in accordance with their value to the organization and thus help the organization to achieve its strategic goals. It deals with the design, implementation and maintenance of reward systems (reward processes, practices and procedures), that aim to meet the needs of both the organization and its stakeholders. The aims of reward practice are to: reward people according to what the organization values and wants to pay for; reward people for the value they create; reward the right things to convey the right message about what is important in terms of behaviors and outcomes; develop a performance culture; motivate people and obtain their commitment and engagement, help to attract and retain the high quality people the organization needs, create total reward processes that recognize the importance of both financial and non-financial rewards, develop a positive employment relationship and psychological contract, align reward practices with both business goals and employee values, as Cole (2005) emphasizes, the alignment of your reward practices, with employee values and needs, is every bit as important as alignment with business goals, operate fairly – people feel that they are treated justly in accordance with what is due to them because of their value to the organization: Jaques (1961); apply equitably – people are rewarded appropriately in relation to others within the organization, relativities between jobs are measured as objectively as possible and equal pay is provided for work of equal value; function consistently – decisions on pay do not vary arbitrarily and without due cause between different people or at different times; operate transparently – people understand how reward processes operate.
One of the main reasons why there is high turnover rate, by employees all over the globe in various sectors, is the fact that they require to be adequately paid, and therefore, poor rewards and incentives, make employees’ to quit their jobs, in search for greener pastures elsewhere. Financial methods are a way of motivating the workforce, it has several ways to encourage people to work hard in various organizations. There are various reward strategies, used to motivate and attract staff and they are, financial and non-financial rewards. (Dessler, 2008). This methods depend with an individual, in sense that there are those who are satisfied with financial rewards, which comprise of fixed and variable pay, additional pay, bonus, commission, and profit sharing, while others are satisfied with non-financial rewards, which include, quality working life, responsibility, praise, achievement, personal development and recognition. Some people or organizations’, think that financial methods are the best way to motivate all workers’.

However, financial rewards are not always the most suitable way to motivate workers, and moreover, not all workers feel motivated by the use of money. In most cases, it depends on the work environment, which either employees’ find to be conducive or non-conducive. (Nzuve, 2009). A conducive work environment, can motivate an employee intrinsically, which would lead to greater performance, thus boosting the productivity levels of the organization. The use of reward systems by the firm, can lead to, improved productivity, a well satisfied group of employees, high morale and improved industrial relations between the management and the employees. (Bernadin, 2003).

An organization’s employees, provide an important edge for competitive advantage. The strategic management of human resources can play a key role in an organization’s survival. A firm’s reward plan, plays a pivotal role in recruiting, motivating and retaining employees, and thus helps in attaining a competitive advantage. Tight integration between rewards practice and employee performance, enables organizations to align rewards with performance, ensuring the highest return on human capital investment. An organization can create plans, assign compensation, and analyze how you to pay for performance. Protecting employees’ from arbitrary treatment, through a formal grievance handling procedure, may also motivate them to work harder, because they can expect their efforts to be fairly rewarded (Armstrong, 2009). Organization’s want to attract, motivate, and retain high performing employees through, strategic planning, allocation and communicating compensation programs.

**Work-life balance**

Work life balance employment practices are concerned with providing scope for employees to balance what they do at work with the responsibilities and interests they have outside work and so reconcile the competing claims of work and home by meeting their own needs as well as those of their employers. The term work-life balance has largely replaced family-friendly policy (Armstrong, 2012). There should be a balance between an individual’s work and that balance should be healthy. Work life balance policies enable employees to reduce the pressure of work on family life, hence increasing their focus, motivation and commitment at work knowing that both their employer expectations and family responsibilities are met. This in turn reduces stress levels hence a mentally healthy workforce with less turnover intentions. According to Di Petro et al. (2007) research indicates that one of the reasons for voluntary resignations from jobs is the inability to juggle the demands of a job and those of the family. Providing flexible working opportunities such as flexible working hours for nursing mothers, crèche in the office premises, career breaks for nursing mothers and being re-
employed back by the same employer is a very good way of retaining staff. Work life balance is increasingly important for engagement and affects retention as indicated by Hyman et al. (2003) in their empirical research in the UK who found that interventions of work demands into personal life for example working during the weekend resulted in heightened stress and emotional exhaustion among the employees. Such employees are likely to leave an organization in search of greener pastures.

The concept of work-life balance is about the achievement by employees of a satisfactory equilibrium between work and non-work activities. Practical day to day business and related needs should be considered when organization’s set about selecting the range of work-life options that should be made available to staff, whether on collective basis or individual level. Individual requests for a particular working arrangement generally needs to be considered on a case by-case basis, but it is important for there to be a culture that does not discourage employees from making such requests (Armstrong, 2012). Work life balance policies can lower absence and help tackle the low morale and high degree of stress that can lead to retention of problems as employees’ tire of juggling work and life responsibilities. Work-life balance can be enhanced by family-friendly policies that facilitate flexible working. This includes homeworking, part time working, compressed working weeks, annualized job hours sharing, term-time only working and flexi-time.

**Employee promotion**

Promotion refers to a change of assignment from a job at a lower level to another at a higher level within the organization. Promotion provides an employee with an increase in pay and improved status. Promotion decisions are guided by the personnel policy and internal and external policies of the organization. Promotions are determined by two common criteria namely seniority and merit. Seniority refers to the length of service that an employee has given to the organization. When this happens, it is assumed that an employee’s ability increase with service, which may not always be the case. Merit refers to an employee’s skills and ability to perform. It is derived from past and present demonstrated ability to perform. Management and trade unions do not usually agree on promotion on merit. Management prefers promotion on merit while trade unions are biased on seniority. The management should clarify this to its employees so that it doesn’t become a bone of contention and cause employee turnover. (Nzuve, 2010).

Promotional opportunities refer to the degree an employee perceives his or her chances to grow and be promoted within the organization. Employees expect to work in jobs that provide them with opportunities to be promoted to new and challenging positions. Bashir & Ramsay (2008) strongly argues that people should not only be rewarded financially but they should also be offered opportunities to grow within the organization. Employees who feel stagnant in their positions generally are not motivated and will not stay in unfulfilling position.

Armstrong (2006) argues that the aim of promotion procedure of a company should be to enable management to obtain the best talent available within the company to fill more senior posts and to provide employees with the opportunity to advance their careers within the company, in accordance with the opportunity available and their own abilities.

According to Chew (2005), performance based promotions play a crucial role in the staff retention and job motivation in that they satisfy the achievement, affiliation, and recognition needs of individuals. He argues that through promotion decision contingent upon performance, organizations are signaling to employees that high
Performing staff are duly recognized and distinctively rewarded through attractive pay incentives and career advancement.

Career growth in terms of promotion help employees to plan for the future and to be better equipped with the right skills in order to remain competitive. As vacancies occur, employees must be given equal opportunity and necessary encouragement to apply alongside external candidates for higher positions within the organization. When the employees have the opportunity to be promoted they tend to build their career life around the organization and this can inform their decisions to remain (Ng’ethe, 2013).

Lepak et al., (2006), states that people will work harder and longer in an organization if they feel this will lead to promotion. They have little motivation if they feel that better jobs are reserved for outsiders. The system of promotion permits organizations’ to match its needs for competent personnel with the employees desire to apply the skills they have developed.

**Staff Retention**

Employee retention is an effort by employers to encourage valued employees to remain with their organization. A large part of keeping valued employees is attracting the right people to the organization in the first place by the use of an effective workforce plan and recruitment and selection practices. Once you attract the right people, some strategies are useful in retaining them. (Armstrong, 2009).

Creating an amicable and conducive working environment, makes the employees to work and stay in the organization. In this way, the organization becomes an employer of choice, employees individual needs are met there are good prospects linked to training, appraisal and working with a good boss who listens and gives some autonomy, but helps with coaching and guidance, cole (2002). Reputation of an organization, working environment, location, and career opportunities available, scope of learning new skills, terms and conditions of employment all play an efficient role in the retention of employees. (Armstrong, 2009).

Employee turnover can be costly and disruptive. This calls for measures to retain employees. Retention strategies should be factored right at the initial stages of recruitment and selection. Retention strategy takes into account the retention issues the organization is facing and sets out ways in which these issues can be addressed. The management can make the work place a pleasant and rewarding place, in which working is possible. Issues that might push people towards exit should be fixed. (Armstrong, 2009).

Cole (2002), proposed the use of risk analysis to quantify the seriousness of losing key people or key posts becoming vacant. Risk analysis can be carried out by initially identifying potential risk areas-the key people who may leave and for each of them, as individuals or groups estimate the likelihood of this occurring, how serious the effects of a loss would be on the business; and the case with which a replacement could be made and the replacement costs. Major reasons for turnover include: attractive remuneration, career growth opportunities, better working conditions and training and development opportunities among others.

Some indications of reasons for leaving and therefore where action needs to be taken can be provided by exit interviews, but they are fallible. More reliance can be placed on the results of attitude opinions or surveys to identify any areas of dissatisfaction. The retention plan should propose actions that would focus on each of the areas in which lack of commitment and dissatisfaction can arise (Ng’ethe, 2012). Concerted action is required to
retain talented people, but there are limits to what any organization can do. It is also necessary to encourage the greatest contribution from existing talent and to value them accordingly.

Staff retention is of interest to employers because of the implications of high staff turnover. Cole (2002) argues that retention of employees needs to be managed and identified remuneration, development, career opportunity, work environment, performance management, and work, family and flex time as areas that have an effect on retention of employees. Studies have identified an array of factors that influence employee retention. Gaiduk et al (2009) observed that previous studies have found that employee intentions to remain within an organization are influenced by three major groups of variables which are: employee personal characteristics such as gender, age, position level; the nature of an employee’s current job; and adequate working arrangements including such aspects as the quality of current supervision, opportunities for promotion, available training, and quality of communication within the organization.

Previous research has identified several factors relating to employee retention, situated on both organizational and employee levels. On the organizational side, factors influencing retention appear to be the existence of challenging and meaningful work, opportunities for advancement, empowerment, responsibility, managerial integrity and quality and new opportunities (Birt et al., 2004). Walker (2001) also identified seven factors which can encourage retention and they include: compensation and appreciation of the work performed, the provision of challenging work, opportunities to learn, positive relationships with colleagues, recognition of capabilities and performance contributions, good life work balance and good communication within the organization. Armstrong, (2009), states that, when combined with selective promotion and salary action, the learning and development process is a strong retention activity.

Hytter (2007) demonstrated that workplace factors such as rewards, leadership style, career opportunities, training and development of skills, physical working conditions, and work life balance, have an indirect influence on retention. The fact that effective training, and opportunities to learn and develop, enhances employee retention, is also confirmed by other researchers such as Arnold (2005).

The high cost that comes with turnover has highlighted the need for organization’s to make retention of staff their strategic priority. Retention entails preventing people from leaving an organization to work elsewhere. Preventing persons from leaving, is not an easy task. It requires an organization and the various stakeholders, to give attention to the employee market and to fully understand what people are seeking from the working environment in order to retain them. (Armstrong, 2009).

**Empirical Review**

Ng’ethe (2013) also established that while 61.5% felt that their training levels were adequate for their current jobs, 57.4% felt that fairness was not employed when implementing the training policy and 49.4% felt that external training opportunities influenced staff to leave. 60% of respondents were of the opinion that training would increase staff retention but 53.1% felt that there was insufficient financial support to undertake training. These findings imply that training has a significant bearing on employee retention but the training policies need improvement. 53.5% were not satisfied with the promotion criteria and practices in their organization as well.

Udi, (2010) established that lack of adequate reward and compensation and lack of career development in
terms of promotion influenced employees to leave. Studies by (Radivoev, 2005; Daly et al. 2006; Omari et al., Gaiduk et al, 2009) as cited by Ng’ethe (2013) indicated that employee retention is a pertinent issue globally, but there is no consensus on which factors are critical in influencing staff retention among the various organizations.

Kipyegon (2014), did a study on determinants of employee engagement in the banking industry in Kenya; case of cooperative bank, where he idealized on these variables, performance management, personal development, remuneration package, workplace recreation, where he established that remuneration packages has a high contribution on employee retention in the banking industry in Kenya. Nyamekye (2012) did a study on impact of motivation on employees' retention at Standard Chartered Bank in Ghana and concluded that 65% of the workforce had no intention to leave their organization and they all had long-term career plans. Anyika (2012) researched on perceived relationship between psychological contract and employees’ retention at Barclays Bank of Kenya and concluded that 60% were dissatisfied with the current psychological contract and wished to leave the organization; psychological contract was not the sole reason employees wished to leave the organization as other factors contributed to voluntary exit of employees.

A study by Eshiteti&Maragia, (2013) on effects of succession planning programs on staff retention amongst sugar companies in Kenya concluded that succession planning programs emerged as a strong factor influencing staff retention mainly through provision of employee growth opportunities and job satisfaction. Another study by Tunje (2014) on the relationship between succession planning practices and employees’ retention in large media houses in Kenya concluded that there indeed exists a relationship between succession planning practices and employees’ retention. Waiganjo, Mucai&Njeru (2015) carried out a research on the relationship between strategic recruitment and employees’ retention in commercial banks in Kenya and concluded that strategic employee recruitment influenced the employees’ retention.

An exploratory study by Waleed (2011) on the relationship between human resource practices and employees’ retention in public organizations at the United Arab Emirates (UAE) established that lack of empowerment and management style are factors that influenced the retention of employees in UAE public organizations. A study by Fillip Dochy (2009) while investigating employees’ retention found out that personal factors such as level of education, seniority, self-perceived leadership skills, and learning attitude and organizational factors such as appreciation and stimulation, and pressure of work are of great relevance in employees’ retention.

Omollo (2015), did a study on effect of motivation on employee performance of commercial banks in Kenya; a case of KCB, researched on monetary rewards, job enrichment, training and team building activities, where he established that monetary rewards play an integral part in staff retention and overall employee performance.

Abduljlil,Yazam and Ahmid (2011) conducted a study to investigate the role of employee retention in organizational performance and derived from the outcomes of the study that employee retention has a mediating role in the linking of between HRM practices and organizational performance.

In a study conducted by Kgaolgelo, (2007), the study found out that competitive salaries and rewards, working hours, relationships at work, lack of safety and lack of resources were some of the factors that would lead to employees leaving the organization. Similarly, a study carried out by Van J, et al (2013), established that lack of growth opportunity, had a negative influence on an individual’s attitude
towards the organization which in turn influences the intention to leave, leading to employee turnover.

A study by Akala (2012), established that a relationship exists between career growth and employee retention. In this study, it was found out that employees perceived the support for staff career growth provided by the institution as a factor that lead to retention of employment. The employees also attributed to employee retention to career development factors such as institutional support for staff career growth, employee promotions by merit, clear definition of employee career path, staff mentorship and coaching programs and succession planning practices.

A study carried out by Maina et al., (2014) on the effects of human resource management practices on talent management in the telecommunication sector in Mt. Kenya region, established that people resourcing practice, human resource training practice, employee rewarding practice, and career planning practice, play a major contribution in retaining top talent in the organization, and thus results in both employee and overall organizational performance.

Hussain and Rehman ( 2013) conducted a study on about four hundred respondent from the textile industry to determine whether person-organization fit, employment security, communication and training and development had an impact on employee decision to stay within an organization, They were strongly found to influence employee’s intention to stay with the organization and overall organizational performance.

Li-Qun (2013) conducted a study empirically evaluating the impact of six HR factors on marketing executive turnover of leasing companies in China. The factors included job knowledge, job analysis, work-life balance, career development, remuneration and relationship with supervisors. The sample of a hundred respondents drawn from ten leasing companies revealed that the HR factors under evaluation did not only have an influence on employee retention or intent to leave, but were also being poorly managed in the leasing companies in China.

According to Kayando (2009), turnover rate could be both positive and negative to an organization. If the organization is losing 20% of the people considered as top performers, then the turnover is definitely negative, but if the majority of people leaving are “bottom performers”, then a high turnover rate is positive. This is the measure that every organization should monitor, the high performance turnover rate. Kayando insists that the most challenging task is maintaining the high performer turnover at 5% or below, this is because the high performers care the most for their jobs; they are also the most easily disappointed and frustrated. High performance employees also tend to have standards, demand a great deal for themselves and others and are also sticklers for details. Kayando also suggests various strategies that can be employed to retain top performers, some of these include: provision of adequate resources such as technology and support staff so as to enable the employees do their work at an optimum level of quality, leveraging talent i.e. matching the work they do with their talent, flexibility in terms of work schedules and policies, recognition ( whereby employees are adequately compensated and rewarded for their efforts and accomplishments e.g. through bonus plans, incentive pay and pay-for performance programs.) and finally development support, where employees are given opportunities to further their professional and personal development.

A study conducted by Kagwi (2015) on the relationship between human resource management practices and staff retention in public hospitals in Kenya, made the use of these variables, reward management practices, training practice and health
and safety. In his findings, a unit increase in employee training lead to a 3.512 increase in staff retention in public hospitals in Kenya, and it was found out that employee training contributed more to staff retention at public hospitals in Kenya.

A study conducted by Ndung’u, (2015), on the relationship between talent management practices and employee turnover in the banking sector in Kenya, established the following variables which include, recruitment, training strategy, retention strategy and employee turnover, found out that training strategy lead to a 0.456 decrease in employee turnover and moreover training strategy contributes more to reduce employee turnover at the banking sector in Kenya.

An explanatory study by Moncarz, et al., (2009), established that employee retention practices of a group of US lodging employers had a relationship between specific organizational initiatives and employees’ service commitments to their employers. The organizational initiatives included compensation and benefits systems, open door policies and autonomous work environments where employees can experience upward mobility.

Ing-Chung, et al., (2006), in their study found out that retention of employees is longer when pay (compared with external or internal rates) is higher and when a worker is recognized as honoured employee. The study also established that when an employee was promoted faster than his/ her colleagues, his/ her retention was shorter.

Ng’ethe (2013) conducted a study on determinants of academic staff retention in institutions of higher learning in Kenya. The study conducted on 496 respondents revealed that 72.7% of the respondents were dissatisfied with their salary and 68.5% did not find the remuneration packages offered by institutions of higher learning attractive. 72.5% did not think that bonuses were fairly allocated and 74.6% did feel that they were remunerated at par with employees in other organization with similar qualifications. From this outcome, we can deduce that the remuneration policy needs an overhaul as the incentives offered seem unsuitable to attract and retain employees long-term, they create a sense of inequity and brings dissatisfaction. Bernard (2012) cites a study of retention in Australian organization’s by Chew (2004) which established that younger employees were mostly driven by remuneration, training and development, career advancement, challenging work, growth opportunities and recognition. The older generation attached great importance to autonomy, opportunities to mentor and job challenge.

RESEARCH METHODOLOGY

This chapter provides information on the methodology that was used in the study.

Research design

Orodho (2004) defines it as the scheme, outline or plan that is used to generate answers to research problems. The study used a case study design method to identify and describe the factors influencing staff retention in the banking industry in Kenya, in Equity bank limited.

Target population

Target population as defined by Mugenda & Mugenda (2003), it is that population which the researcher wants to generalize results. The target population was the staff in the banking industry in Kenya. The study population was narrowed to comprise of top management, middle level management, and lower level management of Equity bank limited, Thika branch, to represent the staff in the banking sector. Data available from Equity Bank, Thika Branch, indicates that there are 200 employees.

Sampling frame

As defined by O’Leary et al. (2002), a sampling frame is a list of population from which a sample is drawn.
For purposes of this study, sampling frame of 200 staff was obtained from Equity bank, Thika branch.

Sample and sampling technique
A sample is a smaller group obtained from accessible population (Mugenda & Mugenda, 2003), whereas, according to Orodho & Kombo (2002), sampling is the process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire population. According to Mugenda and Mugenda (2003) 50 % of the accessible population can represent the total population. The accessible population in Equity bank, Thika branch is 200 and the sample size is calculated to 100. The researcher used Stratified random sampling technique.

Data collection instruments
Burns (2002) define data collection as the precise, systematic gathering of information relevant to the research purpose. The study made use of questionnaires as the major tool of collecting primary data. The researcher used structured (closed-ended) and unstructured (open-ended) questionnaires that captured the various variables of the study and the likert scale used to allow for consistency and ease of answering.

Data analysis and presentation
The researcher used both quantitative and qualitative techniques for data analysis. Descriptive statistics such as mean and percentages were used to present the responses obtained from the respondents. Quantitative approach was used to collect and analyze data from the questionnaires closed ended questions on a likert scale and inventories from review of secondary data and generated frequency distribution tables, data entry sums and averages, while qualitative technique was used to analyze open ended questions on the questionnaire and provide more-in depth details.

Statistical product and service solution (SPSS), software version 22 was used for statistical analysis.

RESEARCH FINDINGS AND DISCUSSION
This chapter describes the analysis of data followed by a discussion of the research findings. The findings relate to the research questions that guided the study. Descriptive and inferential statistical analysis was conducted based on each specific objective.

Response Rate
In this study a total of 100 questionnaires were distributed, a total of 81 questionnaires were returned representing a response rate of 81%.

Gender of the respondents
According to the research findings, 51% of the respondents were males and 49% were females.

Education level of the respondents
According to study findings majority of the respondents 43.5% had attained undergraduate education, 30.4% had attained postgraduate education while 26.1% were diploma holders.

Respondents Years of experience at equity bank
From the study findings majority of the respondents 43.6% had 5-9 years of experience. 33.3% of the respondents had 0-4 years of experience; 16.7% had 10-14 years of experience. 3.8% of the respondents had 15-19 years of experience while 2.6% had 20 and above years of experience.

INFLUENCE OF EMPLOYEE TRAINING ON STAFF RETENTION

Response on presence of any form of training programs in the organization
According to study majority of the respondents 95% indicated that training is offered at their organization while 5% indicated that training is not offered.

**Responses on influence of employee training on staff retention**

In this section of study, the aim was to find out the respondents level of agreement with statements relating employee training and staff retention. According to the findings; in average the respondents agreed that the organization provides broad based training which expands their knowledge which assists in day to day challenges as indicated by a mean of 1.68 and standard deviation of 0.668. The respondents agreed that the training provided broadens their knowledge about the company which makes them appreciated as indicated by a mean of 1.89 and standard deviation of 0.652; they also agreed that the management encourages and supports employees to train and improve their skills as indicated by a mean of 1.67 and standard deviation of 0.671. The respondents disagreed with that, Scholarships and study leaves are available for those who want to train and improve their skills as indicated by a mean of 3.77 and standard deviation of 1.165; the also indicated that they were not sure whether there is a training policy in place and whether they are aware of it as indicated by a mean of 2.65 and standard deviation of 0.911.

The respondents at Equity bank agreed that the training manuals provided by the firm are easy to understand as by a mean of 1.86 and a standard deviation of 0.565; the also agreed that training in the organization’s is aimed at preparing employees for future promotions and increase responsibility by a mean of 2.01 and standard deviation of 0.873. The respondents agreed that Employee skills are appropriately matched with their jobs by a mean of 2.40 and standard deviation of 1.314.

This findings concur with Kagwi (2015) where he idealized on the use of training programs to equip the employees with relevant knowledge, skills and attitudes for efficient performance and training should act as a retention tool, to motivate, attract and retain staff for efficient employee performance.

**INFLUENCE OF REWARD PRACTICE OF STAFF RETENTION**

**Response on reward practice that should be increased**

According to study majority of the respondents 65% indicated that the bank should increase both monetary and non-monetary rewards while 35% of them indicated that monetary rewards should be increased.

**Responses on level satisfaction with reward practices at the bank**

The respondents agreed that Good reward practices attracts and enhances retention of qualified staff as indicated by a mean of 1.65 and standard deviation of 0.839; they also agreed that their salary enables them to meet their basic needs as indicated by a mean of 2.34 and standard deviation of 0.795. The findings of this study concur with Ajila (2009) found out that reward systems are vital in all organizations and can actively engage and renew the overall sense of community and mission of an organization.

**INFLUENCE OF WORK-LIFE BALANCE ON STAFF RETENTION**

**Response on whether staff are satisfied by work-life balance practices at Equity Bank**

According to study findings majority of the respondents 36.3% disagreed that they are satisfied with work-life balance practices at Equity bank. 30%
strongly disagreed that they are satisfied with work-life balance practices at Equity bank; 16.3% were neutral. 8.8% strongly agreed that they are satisfied with work-life balance practices at Equity bank while 8.8% also indicated that they agreed that they are satisfied with work-life balance practices at Equity bank.

Responses on influence of Work-Life balance on Staff Retention

According to the study findings the respondents agreed that, flexible working patterns can help improve productivity, loyalty and commitment. The respondents indicated that they were not sure if there is a work-life balance policy in place; the respondents disagreed that work schedule allows them to strike a balance between their work and responsibilities as indicated by a mean of 3.51 and a standard deviation of 1.293.

The respondents disagreed that they are at liberty to choose to work within the hours most convenient for them with a mean of 4.01 and standard deviation of 1.185; they agreed that, leaves are provided in their organization by a mean of 1.83 and standard deviation of 0.839. They indicated that they were not sure if, permission to attend personal responsibilities is offered as indicated by a mean of 2.94 and standard deviation of 1.276.

These findings concur with the Institute for Employment Studies (Kodz, 2002), identified employees who were staying longer with their firms because of access to flexible working arrangements.

INFLUENCE OF EMPLOYEE PROMOTION ON STAFF RETENTION

Responses on whether the employees are satisfied with promotion practices at Equity Bank

According to study findings; majority of the respondents 47.3% agreed that the staff are satisfied with employee promotion practices in the company. 24.3% strongly agreed that the staffs are satisfied with employee promotion practices in the company; 16.2% were neutral while 12.2% disagreed that agreed the staffs are satisfied with employee promotion practices in the company.

Responses on influence of Employee Promotion on staff retention

In this section of study sought to find out the respondents level of agreement with statements relating Employee Promotion and staff retention at Equity Bank. According to the findings; in average the respondents agreed that there is a promotion policy in the bank as shown by a mean of 2.20 and standard deviation of 0.872. The respondents were not sure if the promotion is based on career development as shown by a mean of 2.89 and standard deviation 1.331; they also agreed that promotion is based on experience as shown by a mean of 1.75 and standard deviation 0.626. The respondents agreed that, all employees are encouraged to apply for internal promotions as indicated by a mean of 1.80 and a standard deviation of 0.664.

The respondents agreed that, regular promotion would make staff more motivated and want to stay longer as by a mean of 1.79 and standard deviation of 0.706; they also agreed that promotions are frequent in the organization by a mean of 1.83 and a standard deviation 0.823. These findings are in line with Griffeth et al (2002), who have idealized that career development involves creating opportunities for promotion within an organization and providing opportunity for training and skill development that allows employees to improve their employability on the internal and the external labor market.
Responses on Staff Retention at Equity bank

According to study findings the respondents were not sure that they love their job and they have no intention of leaving the bank by a mean of 2.89 and standard deviation of 1.140. The respondents indicated that they were not sure whether they plan to stay in the same job for at least 2 to 3 years as shown by a mean of 2.93 and standard deviation of 1.104;

The respondents disagreed that they plan to work in their current job as long as possible as shown by a mean of 3.73 and standard deviation of 1.061; the respondents agreed that they would have to quit their job by a mean of 2.41 and standard deviation of 1.022. The respondents agreed that they often think of leaving the job as indicated by a mean of 1.90 and standard deviation 1.116;they also agreed that they are searching for an alternative bank as shown by a mean of 2.41 and a standard deviation of 1.376; they also agreed that they will leave the bank as soon as possible as shown by a mean of 1.98 and a standard deviation of 1.214. The respondents agreed that they are in the bank due to lack of a better option as indicated by a mean of 1.83 and a standard deviation of 1.170.

Studies have identified an array of factors that influence employee retention. Gaiduk et al (2009) observed that previous studies have found that employee intentions to remain within an organization are influenced by three major groups of variables which are: employee personal characteristics such as gender, age, position level; the nature of an employee’s current job; and adequate working arrangements including such aspects as the quality of current supervision, opportunities for promotion, available training, and quality of communication within the organization.

Correlation analysis

Multiple correlation measures indicate the degree of association between two or more variables simultaneously. In this study the aim was to establish whether there is linear relation between the dependent variable (Staff Retention) and independent variables that is (Employee Training, Reward Practices, Work-Life balance, Employee Promotion), at 95% confidence interval and 5% level of significance. As stated above if the significance value is less than 0.05 (p<0.05) then it is considered statistically significant. If the significance value is greater than 0.05 (p>0.05) the relationship is not statistically significant.

Table 1: Correlation matrix

<table>
<thead>
<tr>
<th></th>
<th>Staff Retention</th>
<th>Employee Training</th>
<th>Reward practice</th>
<th>Work-Life Balance</th>
<th>Employee Promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pearson</strong></td>
<td>1</td>
<td>0.213</td>
<td>0.912</td>
<td>1</td>
<td>0.81</td>
</tr>
<tr>
<td><strong>Sig. (2-tailed)</strong></td>
<td>N</td>
<td>81</td>
<td>81</td>
<td>81</td>
<td>81</td>
</tr>
</tbody>
</table>

Table 1: Correlation matrix
Table 1 indicates the correlation between the independent variables (Employee Training, Reward Practices, Work-Life balance, Employee Promotion) and Staff Retention at Equity Bank of Kenya. The findings revealed that there is weak positive relationship which is not statistically significant between Employee Training and Staff Retention ($r=0.213, p=.912>0.05$). There is weak positive relationship which is not statistically significant between Reward Practices and Staff Retention at Equity Bank of Kenya ($r=0.251, p=0.185>0.05$). There is weak positive relationship which is statistically significant between Work-Life Balance and Staff Retention ($r=0.354, p=0.002<0.05$). There is strong positive relationship which statistically significant between Employee Promotion and Staff Retention at Equity Bank of Kenya ($r=.246, p=0.030<0.05$).

**Regression Analysis**

The researcher conducted regression analysis to determine statistical significance between the independent variables (Employee Training, Reward Practices, Work-Life balance, Employee Promotion) and dependent variable Staff Retention at Equity Bank of Kenya.

### Table 2: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.533</td>
<td>.584</td>
<td>.561</td>
</tr>
</tbody>
</table>

R-square is the Coefficient of determination that explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (Staff Retention) that is explained by all the four independent variables (Employee Training, Reward Practices, Work-Life balance, Employee Promotion). From Table 2, the value of R-Square is 0.584. This implies that, 58.4% of variation of Staff Retention was
explained by Employee Training, Reward Practices, Work-Life balance and Employee Promotion. From the findings, there is remaining 41.6\% which implies that there are factors not studied in this study that affects Staff Retention at Equity Bank of Kenya.

**Table 3: ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>3.729</td>
<td>4</td>
<td>.932</td>
<td>4.397</td>
<td>.003</td>
</tr>
<tr>
<td>Residual</td>
<td>15.054</td>
<td>71</td>
<td>.212</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>18.783</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Employee Training, Reward Practices, Work-Life balance, Employee Promotion  
b. Dependent Variable: Staff Retention

The ANOVA test is used to determine whether the model is important in predicting the Staff Retention. At 0.05 level of significance the ANOVA test indicated that in this model the independent variables namely; Employee Training, Reward Practices, Work-Life balance, Employee Promotion are important in predicting Staff Retention as indicated by significance value=0.003 which is less than 0.05 level of significance (p=0.003<0.05). Therefore there is significant relationship between the dependent variable (Staff Retention) and the independent variables (Employee Training, Reward Practices, Work-Life balance, Employee Promotion).

**Table 4: Coefficient of Multiple determinations of the variables**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.734</td>
<td>0.387</td>
<td>7.068</td>
<td>.000</td>
</tr>
<tr>
<td>Employee Training</td>
<td>0.146</td>
<td>0.142</td>
<td>0.121</td>
<td>1.028</td>
</tr>
<tr>
<td>Reward Practices</td>
<td>0.025</td>
<td>0.122</td>
<td>0.028</td>
<td>0.207</td>
</tr>
<tr>
<td>Work-Life Balance</td>
<td>0.309</td>
<td>0.103</td>
<td>0.392</td>
<td>2.986</td>
</tr>
<tr>
<td>Employee Promotion</td>
<td>0.186</td>
<td>0.108</td>
<td>0.197</td>
<td>1.727</td>
</tr>
</tbody>
</table>

From the findings in table 4 above, at 5\% level of significance, Employee Training was a significant predictor of Staff Retention at Equity Bank of Kenya where (p=0.008<0.05). Reward Practices was not a
significant predictor of Staff Retention at Equity Bank of Kenya where (p=0.836>0.05). Work-Life Balance was a significant predictor of Staff Retention at Equity Bank of Kenya where (p=0.004<0.05). Employee Promotion was a significant predictor of Staff Retention at Equity Bank of Kenya where (0.028<0.05).

Where, is Y the dependent variable (Staff Retention at Equity Bank of Kenya), \(X_1\) is Employee Training, \(X_2\) is Work-Life Balance and \(X_3\) is Employee Promotion. As per the SPSS generated regression Table 4 the equation 
\[
(Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon)
\]
becomes:
\[
Y=2.734+0.146X_1+0.309X_2+0.186X_3
\]
According to the equation taking all factors constant; the Staff Retention at Equity Bank of Kenya was 2.734. A unit increase of Employee Training would lead to a 0.146 increase in Staff Retention at Equity Bank of Kenya; a unit increase of Work-Life Balance would lead to 0.309 increase in Staff Retention at Equity Bank of Kenya; a unit increase in Employee Promotion leads to 0.186 increase in Staff Retention at Equity Bank of Kenya. Therefore according to the study findings Work-Life Balance contributes more to increase of Staff Retention at Equity Bank of Kenya

**SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

This chapter presents summary of key findings, conclusions from the findings and recommendations made. The Conclusions and recommendations drawn are based on each specific objectives and research questions of the study. Areas for further research that may have been identified are also captured in this chapter.

**Summary**

Staff retention is a strategic component to attain competitive advantage in organisations. The study was mainly idealised on the reasoning that human resources are a key resource for the banking sector in Kenya, and their retention is of utmost great importance because of the role the sector plays in the economy and development of the nation.

Therefore, the purpose of this study was to investigate the factors influencing staff retention in the banking industry in Kenya. The specific objectives of the study were; to establish the influence of employee training on staff retention in Equity bank limited; to examine the influence of employee remuneration on staff retention in Equity bank limited; to determine the influence of work-life balance on staff retention in Equity bank limited; to examine the influence of employee promotion on staff retention in Equity bank limited.

**Objective one:** To establish the influence of employee training on staff retention in Equity bank limited.

Employees in Equity bank felt that training is a process for the benefit of skill and effectiveness, in terms of their skills, knowledge and attitude as building blocks towards the achievement of wider organizational goals, to improve organizational efficiency. Training methods such as on job training techniques and mentorship programs should be provided to the employees as part of their training Programme, in order to be equipped with the relevant knowledge, skills and attitudes for efficient employee performance and training will also act as a retention strategy. Training provides employees with specific skills or helps to correct deficiencies in their performances. The banking industry personnel have to be thoroughly trained to attain these merits which include, low employee turnover, boost morale, efficiency in processes resulting in financial gain, job satisfaction, enhance a firm’s image, it leads to improved productivity.

**Objective two:** To examine the influence of employee remuneration on staff retention in Equity bank limited.
Employee remuneration has been cited as the greatest motivator of employees and it also acts as a retention strategy. Remuneration ascertains the following aims: Reward people according to their contribution: reward people according to what the organization values and wants to pay for; reward people for the value they create; to support the achievement of the company’s strategic & shorter term objectives by helping to ensure that it has secured competent, motivated & committed workforce; helps to communicate the organization’s values & performance expectations (honesty, unity, respect); to compete in the employment market by paying competitive rates which attract & retain good quality employees: motivate all members of organization through judicious use of the contributions of financial & non-financial rewards: develop a performance culture: motivate people and obtain their commitment and engagement: help to attract and retain the high quality people the organization needs.

Reward incentives mainly involve financial rewards (bonus, allowances, contingent pay, pay, profit sharing plans, paid leave, sick pay etc), non-financial rewards (recognition, praise, worship, autonomy, career opportunities and growth). The banking sector should ensure to adequately pay their employees well and they should provide financial, non-financial and also employee benefits to motivate, attract, and retain staff for superior employee performance.

**Objective three:** To determine the influence of work-life balance on staff retention in Equity bank limited

The banking sector should ensure to have a work-life balance policy in place, so as to motivate, attract and retain their staff. Employees in this sector do work for long hours, and the management of the bank should ensure to provide recreational facilities for the staff to enjoy during their free time, in order for them to regain their energy. Flexi work schedules should also be provided where employees can work at specified time arrangements to motivate them in order to increase productivity and also there should be flexible leave schemes for employees, so that they can have time off to attend to family responsibilities and also due their personal duties.

**Objective four:** To examine the influence of employee promotion on staff retention in Equity bank limited

When employees are promoted to a higher job grade in the organisation, this will catapult their performance, it will lead to increased expertise, boost their morale, fulfils the psychological contract, boosts amicable and better employee relations between the employees and the management. However during promotion of staff, the management should consider certain aspects such as experience, education level, attainability of targets and also the qualities of the employee. Biasness during promotion should be discouraged.

**Conclusions**

Superior human resource practices play a pivotal role in the motivation, attraction and retention of employees. The factors that were analyzed include: employee remuneration, employee training, work-life balance and employee promotion.

Employees in Equity bank agree that that the use of both financial and non-financial rewards was a major retention tool which influenced them to stay with the organization, and some also argued that the allowances that they receive for working overtime are inadequate and so the management has to review the allowances as a motivation tool. Employees were not aware of the reward policy in the organization and they idealized the use of better reward management practices to attract talented staff. Employee remuneration was used to motivate, attract and retain the workforce. The banking sector has to ensure to incorporate better reward management strategies, such as job evaluation, pay and grade structures, market analysis strategies, introduction of financial and non-financial rewards,
and evaluation of the reward management practices. The relevance of reward practices include: motivate, energize and direct behavior, it can change the way people think about work, attracts and retain high performing culture, boosts standards of living of the employees and the society where they live in, employees see money in what it can buy, employee satisfaction with pay is correlated with organization commitment and trust in management.

Employees in Equity bank Ltd, agree that the firm provides broad based training which expands their knowledge, skills and attitudes for efficient performance and training acts as a retention tool. Employees also argued that the management of Equity bank encourages and supports training and ensures the training content is well designed, clear and also the management offers scholarships to its employees and study leaves to ensure they go for training opportunities thus equipping them with skills, knowledge to bridge the gap between standard performance to the desired performance in the organization. Training opportunities should also be evaluated by the management in order to boost performance. The organization should train their employees on managing diversity, customer care relations, information technology. Through training, it provides skills for proper job implementation and paves way for promotions and additional responsibilities leading to career growth and it also leads to improving productivity in the organization thus helps in attaining the set goals and objectives. Equity bank employees agree that flexible working patterns can help improve productivity, loyalty & commitment. The employees were not sure if there is a work-life balance policy in the organization and they also argued that they are not at liberty to choose work within the hours most convenient for them. A work-life balance policy should be enacted in the organization and it should incorporate flexi work schedules and flexible leave arrangement to motivate, attract and retain the staff to higher productivity. Equity bank employees agree that there’s a promotion policy in the organization though some were not sure if the promotion was based on career development, though some employees agreed it was based on experience, and they were encouraged to apply for internal promotions which made them motivated and work harder, and promotion practices act as a retention tool. Promotion of staff should also be considered and the management should review certain factors and qualities when prompting employees for career progression ladders.

Recommendations

On the basis of the summary of the findings and the conclusions, the following recommendations were made. The recommendations will help the various stakeholders who include, the management, Kenya Bankers Association, the Government of Kenya, and various commissions (Public Service Commission, Salaries review commission) and also the recommendations could be used by other sectors in Kenya. The recommendations that guided the study were based on review of retention strategies (factors) that have plagued the banking sector in Kenya according to Kenya Bankers Association (2015) and this are the recommendations:

The study recommends that the management of Equity bank should put into consideration the use of financial and non-financial needs in order to fully satisfy different employee needs thus attaining the set goals and objectives. Rewards maybe intrinsic (self-generated factors such as, autonomy, recognition, advancement, training) or extrinsic (what is done to others e.g. pay, bonus, allowances etc) in nature, depending with the employee. The study also recommends that the organization also needs to establish a reward policy /system and involve employees in determining acceptable and affordable rewards based on achievement of performance targets, this can be done in liaison with
the government agencies such as SRC (Salaries and review commission).
The management of Equity bank should ensure there is a training policy in the organization, and the policy should clearly indicate content of training, time of training, trainer of trainers, training technique, in order to give the employees information of the type of training that will be given to them for the employees to gain knowledge, skills and attitude for efficient employee performance.
The management of Equity bank should ensure that their employees are thoroughly trained on issues that can increase the bank’s productivity, such as customer relations, mobile banking, information technology etc, in order for the employees to acquire knowledge, skills and attitudes. Through training programs for the employees, it will boost the firm’s productivity, boost the firm’s image, boost employee morale, increase in task expertise and moreover lead to career progression ladders which will act as a retention strategy.
The management of Equity bank, should ensure that they hold up mentorship programs, where they invite successful businessmen, other bank’s employees, government agencies, where there employees are advised, encouraged on ways to become a top performer in the organization, and through this mentorship program, employees learn on the business processes, ways to increase both individual and organizational goals, how to handle failure and criticism with honor and this program will motivate, attract and retain employees thus boosting employee performance.

The management of the bank, should ensure to offer recreational facilities for the staff in order for them to have time off and enjoy and relax in order to regain the lost energy that they have used as a result of the long working hours in the bank. Recreational facilities such as swimming pools, television sets, and sauna should be provided for the staff as form of the retention strategy in order to promote work-life balance policy, because careers are not our lives but part of our lives. Recreational facilities will act as a motivation tool and it will boost employee performance.
The study also recommends that the management of the bank should ensure there is a proper promotion policy in place. Promotions in the organization should be based on certain factors such as experience, education level, attainment of targets or results, qualities of the job holder etc, and the promotion process should be free from biasness. Promotion of employees will boost their morale, increase job satisfaction, boost employee relations in the organization and increase employee commitment to the organization.

Suggestions for further research
This study was limited to the factors influencing staff retention in the banking industry in Kenya, and it brought out this four factors, employee training, employee remuneration, work-life balance and employee promotion. Future researchers should focus on other variables that may influence retention of the banking personnel such as recruitment and selection, employee relations, empowerment, employee assistance Programme, performance contracting, involvement and participation, organizational culture and leadership styles.

This study was limited to the banking sector in Kenya using Equity Bank limited as a case study. A similar study could be carried out in other financial institution especially in the public sector to find out whether the same results shall be obtained.
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