THE ROLE OF RETENTION STRATEGIES ON EMPLOYEE TURNOVER: A CASE STUDY OF NATIONAL BANK OF KENYA

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ABSTRACT

One of the important factors to the success of an organisation is retaining a positive and motivated workforce. When there is high employee turnover, expenses increase and can also have negative impact on the organisation’s morale. Therefore, implementing employee retention strategies is an effective way of being assured that key personnel are retained and at the same time job commitment and productivity is improved. This study analyzed how retention strategies can impact on the turnover of employees in organizations with a case study on National Bank of Kenya. The study was centered on four strategies. The research design was a descriptive research with a population sample of 60 respondents receiving a 100% response rate. The data was analyzed using Microsoft Excel and presented in the form of tables and charts. The study revealed that retention strategies affect the employee turnover but at varying degrees. The study suffered a major limitation as it was conducted primarily in Mombasa and hence did not take into account views from other parts of the country and the world. The researcher suggests that similar research should be carried out on another setting, preferably in a more competitive area.

Key Words: Retention strategies, employee turnover, National Bank of Kenya

Introduction

The people organizations wish to retain are often the ones most likely to live. It was claimed by Reed(2001) as cited by Armstrong 2009 that: “Every worker is five minutes away from handing in his or her notice and 150 working hours away from walking out of the door to a better offer. There is no such thing as a job for life and today’s workers have a few qualms about leaving employers for greener pastures.”

One of the biggest challenges companies are facing is the attraction and retention of top performers. The World Future Society predicted that the greatest test of durability for companies in the next five years would be the ability to get and keep good people (Cheryl Cran, http://www.cherylcran.com/). According to Beardwell and Claydon, 2007 as stated by Manfred
Kets de Vries (cited in Williams, 2000), today’s high performers are like frogs in a wheelbarrow: they jump out any time. Most organizations are recognizing this and are turning their attention to the retention of key staff.

Armstrong 2009 defines employee turnover – also referred to as wastage, attrition – as the rate at which people leave an organization. Turnover of employees, especially key staff or high performers, can be disruptive and costly.

Retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. Effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed, by having policies and practices in place that address their diverse needs (Workforce Planning for Wisconsin State Government, 2005). These policies and practices employed by organizations to encourage employees to remain in the organization are what is referred to as the retention strategies.

Labour turnover can be either voluntary or involuntary. According to Noe, Hollerbeck, Gerhart and Wright: 2007, involuntary turnover is turnover initiated by the organization (often among people who would prefer to stay), while voluntary turnover is turnover initiated by employees (often whom the company would prefer to keep). For purposes of this study, we will focus on effect of retention strategies on voluntary turnover.

The turnover of key employees will mean loss in productivity, loss of customers, damaged morale, damaged organization image, destabilized business and incurring costs associated with separation, hiring and training, all which will affect the organization’s overall commitment. Powerful leaders know that the success of their company is built on the quality of their people (Cheryl Cran, http://www.cherylcran.com/). Thus retaining top or key performers is critical to the long term health and success of the business.

To counter turnover and its resulting effects, concerted action is required to retain talented people. Organizations must therefore work on their employee value proposition. An organization’s employee value proposition consists of what an organization has to offer that prospective or existing employees would value and which would help to persuade them to join or remain with the business (Armstrong 2009). It will include remuneration – which is important but can be over-emphasized compared with other elements that are non-financial in nature. These non-financial factors may be crucial in attracting and retaining people and include the attractiveness of the organization, the degree to which it acts responsibly, respect – diversity and inclusion, work-life balance and opportunities for personal and professional growth. The aim is to become an employer of choice, a firm people want to work and stay with.

The study will analyse the effects of some of the above retention strategies on employee turnover at the National Bank of Kenya (NBK) – Head Office. National bank of Kenya Limited (N.B.K.) was incorporated in June 1968 and officially opened in November 1968. The objective for which
it was formed was to help Kenyans get access to credit and control their economy after independence. At the time the government of Kenya wholly owned the Bank.

In 1994, the government reduced its shareholding by 32% to members of the public and further reduced it by 40 million shares to the public in 1996. The current shareholding now stands at: National Social Security Fund (NSSF) 48.06%, the General Public 29.44%, Kenya Government 22.5%. In the year 2003 the bank increased its share capital from Kshs.3 Billion to Kshs.9 Billion.

NBK is a major player in Kenya’s Banking industry. It is one of the largest banks in the country giving financial services to all sectors of the economy. Besides offering traditional financial services and products, the bank has taken a leading role in the issuance and promotion of modern delivery and payments system. The bank has also been involved in the stock exchange market playing multiple roles as an arranger, underwriter and placing agent. NBK is an appointed fiscal agent, registrar and market maker in the secondary market. NBK operates one subsidiary company, Natbank Trustee and Investment Services Limited.

The bank has 30 outlets spread across the country in the form of full-time branches, sub-branches and agencies. The bank will continue to cover the financial landscape and respond positively to the needs of its customers, shareholders and the economy.

Statement of the problem

There are a large proportion of banks, approximately 42, in Kenya offering almost the same products and services, though at different terms and rates. Thus, banks have to come up with strategies that will give them a competitive edge and ensure they remain relevant in the market. It is through their human resource that the banks are able to develop and implement these competitive strategies effectively and so they must ensure that at any one time, they have the right and sufficient number of employees. It is therefore a problem, when a bank is not able to retain top performing employees since the turnover will affect the timely and proper implementation of the laid down strategies, resulting in competitors exploiting the opportunity instead. With the bank’s competitive edge compromised, it will not realize as much profit and growth as would have been envisioned. This will be true for NBK, since high employee turnover will mean delayed exploitation of opportunities that would have otherwise benefited both the bank and employees. A high employee turnover for NBK will impact on the image of the bank negatively and will also mean deterioration in service delivery to their customers, all of which may result in reduced deposits. It is clear then, that attracting and retaining the right and sufficient number of employees at any given time is crucial to the overall organizational commitment. This study will therefore attempt to identify strategies that can be applied by NBK to ensure retention of top performing employees.
General objectives

The purpose of this study is to analyse the effect of organizational retention strategies on employee turnover.

Specific objectives

1. To assess the role of rewards and recognition on employee turnover
2. To find out the role of the induction process on employee turnover
3. To establish the role of the working environment on employee turnover
4. To determine the role of training and career management on employee turnover

Literature Review

The effect of rewards on employee turnover

The single most important obligation owed by an employer to an employee is to pay him/her wages (Cole 2002). It must be emphasized, however, that pay is not the only form of reward. Indeed it is occasionally argued that financial payment is not even the most effective form of reward (Kressler 2003). Today workers expect more than just an hourly wage or a salary from their employer; they want additional considerations that will enrich their lives. These considerations in an employment setting are called employee benefits (Decenzo, Robbins 1999).

Compensation, sometimes referred to as rewards, deals with every type of reward individuals receive in exchange for performing organizational tasks (Ivancevich 2007). It is the chief reason why most individuals seek employment. Ivancevich (2007), views it as an exchange relationship where employees trade labour and loyalty for financial and non-financial compensation (pay, benefits, services, recognition etc).

Reward, as remuneration for the effort and results of work encompasses a variety of elements that are both financial and non financial (Kressler 2003). Ivancevich (2007) further divides the components of compensation into direct financial compensation, indirect financial compensation and non-financial rewards.

Where direct financial compensation consists of the pay an employee receives in the form of wages, salaries, bonuses or commissions. Indirect financial compensation also called benefits and services consists of all financial rewards that are not included in direct financial compensation, for instance, pensions, insurance cover among others. While non-financial rewards, as defined by Armstrong (2009), are rewards which do not involve any direct payments and often arise from the work itself, for instance, achievement, self esteem and recognition.

Recognition is one of the several types of non-financial incentives (Dessler 2008). It includes things like employee of the month award, praise, personalized plaques, parties and movie tickets. Recognition Armstrong (2007) adds, can be provided by positive and immediate feedback from
managers and colleagues that acknowledges individual and team contributions. It is also
provided by managers who listen to and act upon suggestions of their team members. Others
include promotion, allocation to a high-profile project, job enlargement to provide for more
interesting and rewarding work, public applause and sabbaticals among others.

Recognition, as Armstrong (2007) points out, is one of the most powerful methods of rewarding
people. They need to know not only how much well they have achieved their objectives or
carried out their work but also that their achievements are appreciated.

Employee compensation is a vital part of human resource management. According to Gupta
(2008), no organization can expect to attract and retain qualified and motivated employees unless
it pays fair compensation. By paying at competitive levels, the company can retain its personnel.
It can minimize the incidence of quitting and increase employee loyalty.

For most people, work is their primary source of income and financial security. Pay is also seen
as an indicator of status within the organization as well as in the society at large. Thus, for some
people, pay is a reflection of self-worth, so pay satisfaction takes on critical significance when it
comes to retention (Noe, Hollenbeck, Gerhart and Wright 2006).

One of the main dimensions of satisfaction with pay, deals with pay levels – that is, the absolute
amount of income associated with the job. Indeed, when it comes to retention, employees being
recruited away from one organization by another are often lured with promises of higher pay
levels (Noe, Hollenbeck, Gerhart and Wright 2006).

As stated by Torrington, Hall and Taylor (2005), a debate exists in the retention literature about
the extent to which raising pay levels reduces staff turnover. On one hand, there is evidence to
show that on average, employers who offer the most attractive reward packages have lower
attrition rates than those who pay poorly (Gomez-Mejia and Ballan 1992), an assumption which
leads many organization to use pay rates as their prime weapon in retaining staff (Cappelli 2000).

On the other hand, there is questionnaire-based evidence which suggests that pay is a good deal
less important than other factors in a decision to quit one’s job (Bevan et al 1997, Hiltrop 1999).
The consensus among researchers specializing in retention issues, says, Torrington, Hall and
Taylor (2005), is that pay has a role to play as a satisfier, but that it will not usually have an
effect when other factors are pushing an individual towards quitting. Raising pay levels thus
result in greater job satisfaction where people are already happy with their work, but it will not
deter unhappy employees from leaving.

The case for arguing that pay rates have a relatively minor role to play in explaining individual
resignations rests partly on the assumption that other elements of the employment relationship
are more important. It is argued that people will ‘trade in’ high pay in order to secure other
perceived benefits and that consequently low-paying employers can retain staff effectively
(Torrington, Hall and Taylor 2005).
As Sandra O’Neal as cited by Armstrong and Murlis (2007) points out: ‘It is simply no longer possible to create a set of rewards that is universally appealing to all employees or to address a series of complex business issues through a single set of solutions.’ Torrington et al (2005) are of the opinion that an employer who allows individual employees to choose how they make up their own remuneration package will generally be more attractive than one who only offers a ‘one size fits all’ set of benefits. Thus it is up to the organization to analyse and understand its diverse workforce and come up with a blended mixture of rewards addressing each group of employees appropriately.

The effect of the induction process on employee turnover

Armstrong (2009) defines induction as the process of receiving and welcoming employees when they first join a company and giving them the basic information they need to settle down quickly and happily and start work. If recruitment is to be considered successful says Maitland (2005), an organization still needs to help the new recruit settle down to work for the company on a long-term basis.

When an employee joins an organization, he is completely a stranger to the people, workplace and the work environment. Therefore, he is likely to feel insecure, shy and nervous. In the absence of information and support there is likely to be anxiety and fear in his mind. He may undergo reality shock caused by a gap between his expectations and the real situation. All this may cause the new entrant form false impression and negative attitude towards the organization or the job because first impression is the last impression. Induction can help overcome these problems, for through it; the new entrants feel at home and develop a sense of pride in the organization and commitment to the job which in turn helps reduce labour turnover and absenteeism (Gupta 2008).

Induction, also referred to as orientation, should help familiarize the recruit with his role and the company he’ll be working for. It should further allow you to know the recruit well, recognizing and resolving any problems or special needs he might have. The result of this will be a happy recruit who wants to stay with you, and he’ll be able to slot into the workforce swiftly and efficiently (Maitland 2005). It also ensures that the new starters are brought up to speed a good deal quicker, and that they are less likely to leave at an early date (Torrington, Hall and Taylor 2005).

Torrington, Hall and Taylor (2005) points out that the presence of effective and timely induction process often results in reduction of turnover early in the employment relationship. It is very easy to overlook induction, in the rush to get people into key posts quickly and it often carried out badly, but it is essential if avoidable early turnover is to be kept to a minimum.

With employee turnover costing as much as two and a half times an employee’s annual salary, notes Arthur (2007), it behooves any organization to do what it can to keep high performers motivated and interested in staying put. In a survey conducted by Manchester Inc., as cited by
Arthur (2007), nearly 60 percent of the responding companies reported that improved orientation programs increased retention rates among frontline employees; 33 percent said orientation improved retention among executives; and 43 percent reported help with middle manager retention. In another study about the correlation between orientation and employee retention, again as cited by Arthur (2007), a consulting group named Deliver the Promise, determined that organizations conducting comprehensive orientation can look forward to a decline in turnover by as much as 50 percent within two years.

Induction is important because it reduces the cost and inconvenience of early leavers. Employees are far more likely to resign during the initial months after joining the organization. First impressions are important as is the impact of the first few weeks of employment. Such early resignations cause disruptions and create recurrent costs such as the costs of obtaining replacements, training costs and the costs of lower productivity from new starters. It is worth making an effort to reduce such costs; giving more attention to induction pays off (Armstrong 2009).

Maitland (2005) says that a check of company turnover figures will typically reveal that more resignations occur in the first three months of employment than at any other time. This is usually because employees find the job is not what they expected, their concerns are ignored and it is hard to fit into the team. Arthur (2007) is of the opinion that orientation programs should first and foremost focus on affirming a person’s decision to join your company. There is nothing worse than making a career move, only to have regrets shortly thereafter. If a little more thought had been put into induction, says Maitland (2005), there would be far fewer resignations and the increasing costs of starting the recruitment process all over again would be avoided. Induction may appear to involve excessive time and effort, but it is well worthwhile.

The effect of the work environment on employee turnover

Armstrong (2009) defines the work environment as consisting of the systems of work, the design of jobs, working conditions and the way in which people are treated at work by their managers and co-workers. Working conditions need to meet health and safety requirements. The way people are treated is a matter of managerial behaviour, achieving work-life balance and dealing with issues such as stress, harassment and bullying.

Work-life balance

Torrington et al (2005) point out the inability to juggle the demands of a job with those of the family as one of the more significant reasons for voluntary resignations from jobs. Raising children has never been easy, and in an age when both parents work or where families are being run by single parents, this task is not getting any easier (Noe et al 2006). Employers who have staff retention high on their agenda are now considering ways in which employment can be made more family friendly.
Armstrong (2009), explains that 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 this balance should be healthy further explains Kodz et al (2002) as cited by Armstrong (2009).

Thus, the idea that employers might use family-friendly (work-life balance) policies to help recruit and retain valued workers is one that has been used for years by many employers (Noe et al. 2006).

The IRS (2002) considers that ‘Flexible working is considered the most practical solution to establishing an effective work-life balance.’ The term flexible working covers flexi time, homeworking, part-time working, compressed working weeks, annualized hours, job sharing and term-time only working. It also refers to special leave schemes that provide employees with the freedom to respond to a domestic crisis or to take a career break without jeopardizing their employment status (Armstrong 2009).

Armstrong (2009), points out that, work-life balance policies can lower absence and help to tackle the low morale and high degrees of stress that can lead to retention problems as employees tire of juggling work and life responsibilities. A research conducted by the Institute of Employment Studies (Kodz et al, 2002), identified employees who were staying longer with their firms because of access to flexible working arrangements.

**Quality of work relationships**

If it is the case that many, if not most, voluntary resignations are explained by dissatisfaction on the part of employees with their supervisors, it follows that the most effective means of reducing staff turnover in organizations is to improve the commitment of line managers. Too often, it appears, people are promoted into supervisory positions without adequate experience or training. Organizations seem to assume that their managers are capable supervisors, without recognizing that the role is difficult and does not usually come naturally to people. This organization should take action to improve the effectiveness of supervisors (Torrington et al. 2005).

Lawler (2003) suggests that what managers have to do is ‘to treat people right’. This means recognizing them as individuals with different needs and wants, rewarding their achievements, helping them to develop and treating them with consideration as human beings.

**The effect of training and development on employee turnover**

Bernardin (2006) defines training as any attempt to improve employee commitment on a currently held job or one related to it. He goes further to point out that development differs from training, where development refers to learning opportunities designed to help employees grow – such opportunities do not have to be limited to improving employees’ commitment on their current jobs.
Armstrong (2006) describes career management as being concerned with providing opportunities for people to progress and develop their careers and ensuring that the organization has the flow of talent it needs. He goes on to say that the elements of career management are the provision of learning and development opportunities, career planning and management succession planning.

Career development programs, according to Bernardin (2006), are effective retention tools and are quickly becoming an employee expectation. Organizations recognize that they can link their career programs to specific business objectives while developing their employees to meet their goals. These programs tell employees that the organization values and respects them by investing in their future career growth. Thus feel the need to remain in the organization.

Bernardin (2006) points out that, organizations with exceptional training opportunities and programs often make Fortune Magazine’s list of the “Best Companies to Work for”, an honour that also translates into financial success. A recent study found that companies that make Fortune’s list had 50 percent less turnover than their peers and returned about three times more money for stockholders.

To become a leading edge company, Bernardin (2006) says, a firm will need to become more concerned with the types of programs they use to improve workplace learning and commitment, not simply how much money they spend on training. People want to be associated with leading edge companies and thus show more commitment to such companies.

A direct incentive to remain with an employer, Torrington et al (2005) says, can be through sponsoring of long-term courses of study such as an MBA or accountancy qualification. In financing such courses, the employers send a very clear signal to the employees concerned that their contribution is valued and that they can look forward to substantial career advancement if they opt to stay. Leaving would mean an end to the funding for the course, thus an employee opting to remain with the sponsoring employer.

There are however two widely expressed, but wholly opposed, perspectives on the link between training interventions and employee turnover. On the one hand is the argument that training opportunities enhance commitment to an employer on the part of individual employees, making them less likely to leave voluntarily than they would if no training were offered. The alternative view holds that training makes people more employable and hence more likely to leave in order to develop their careers elsewhere (Torrington et al 2005).

According to Green et al (2000) report as cited by Torrington et al (2005), research on perceptions of 1,539 employees on different kinds of training found that the overall effect is neutral; 19% of employees saying that the training was more likely to make them actively look for another job and 18% saying it was less likely to do so. However, they also found the type of training and the source of sponsorship to be a significant variable. Training which is paid for by the employer is a good deal less likely to raise job mobility than that paid for by the employee.
Firm-specific training is also shown in the study to be associated with lower turnover than training which leads to the acquisition of transferable skills.

Torrington et al (2005) concludes that whatever form of training, an employer can develop a workforce which is both capable and committed by combining training interventions with other forms of retention initiatives.

**Critical review**

From the analysis of past studies, it is clear that retention of employees is very important and more so retention of key staff. Employee turnover especially at an alarming rate will mean loss in productivity and incurring costs associated with recruiting and training new employee among others. Employee turnover also tarnishes the company image. Concerted action is thus required to retain talented people.

The literature review does not clearly bring out which of the retention strategies or a combination is best placed at resulting into a higher retention rate. We acknowledge there are limits to what any organization can do to retain its employees, but there are those strategies, even though not giving a 100 percent retention, which can result in a retention rate acceptable to the organization and the industry at large.

This study will thus seek to address this gap and so try to point out the retention strategies, which when applied can result in a high retention rate of employees in organizations and more so in the banking industry.

**Research Methodology**

**Research Design**

The type of research design used in the study to gather information from the respondents was Descriptive Research Design. This study sought to give an account of the effect of retention strategies on employee turnover, by collecting views on the same from a determined set of respondents. Descriptive research design was best placed to help the researcher accomplish this for as explained by Nyandemo (2007), the purpose of descriptive research is to give accurate account of the characteristics of a particular phenomenon, situation, community or person. It also includes the estimate of how frequently some event occurs or of the proportion of people within a certain population sharing certain views or acting in a certain manner.

Further, the choice of using descriptive design was preferred since the methods of data collection it utilizes, that is, interviews and questionnaires will be applicable to the study and aid in collecting precise information.
Target Population

Population, also referred to as universe, is the units of analysis that are contained in a problem complex that a researcher would like to say something general about. The target population was employees from National Bank of Kenya, head office division.

Sample Design and Procedure

The researcher used stratified random sampling to obtain the probability samples. Samples here being units that the researcher selected from the population. Nyandemo (2007) pointed out that stratified random sampling is preferred as a way of obtaining probability samples over other methods like simple random sampling because it gives a sample that is representative of the population, especially if it is a small sample from a large population. Thus for this study, stratified random sampling was preferred as it gave a sample that was a representative of the population. The target population was divided into various categories referred to as strata and employees (of NBK) were randomly selected from these strata to form the samples.

Data Collection Instruments

The researcher used both interviews and questionnaires to collect data. The interviews were used to collect data from two people in management. The other sample though in management, was issued with questionnaires.

Data Analysis

The collected data was processed and analysed. As Kothari (2004) explained, processing implied editing, coding, classification and tabulation of collected data so that they are amenable to analysis. The term analysis on the other hand refers to the computation of certain measures along with searching for patterns of relationship that exist among data groups. Thus the data collected was edited, coded, classified and tabulated after which it was subjected to analysis.

Research Results

Findings indicated that 8 (13.33%) of the respondents are aged between 20 - 30, 20 (33.33%) are aged between 30-40, 26 (43.33%) fall under the age bracket of 40-50 and 6(10%) are over 50 years old. 37 (62%) were men and 23 (38%) were female. 12 (20%) employees were in the sales and marketing section, 9 (15%) in the accounts and IT respectively while human resource and administration sections were 22 (36.67%) and 8 (13.33%) respectively.

Majority of the respondents, 35 (58.33%), are university graduates, 16 (26.67%) are college graduates while 6 (15%) is a high school graduates. Most of the respondents 44 (73.33%) are single while 16 (26.67%) were married.
Research Questions and Findings

The first research question was: What is the effect of recognition and rewards on employee turnover?

This question sought to get information on how employees rate their rewards / compensation package, of the employees perceive feeling proud of their work is more important to them than getting a raise and the extent the type of rewards would retain them in the organization. Findings show that 3 (5%) of the employee rated reward packages as excellent, 22 (36.67%) rated it as good, 25 (41.67%) rated it as fair. 6 (10%) rated it as poor and 4 (6.66%) rated the package as unsatisfactory. Only 4 (6.67%) employee strongly agreed that feeling proud of their work is more important that getting a raise, 14 (23.33%) mostly agree, 34 (56.67%) barely agreed while 8 (13.33%) disagreed with the perception.

The second research question was: What is the effect of the induction process on employee turnover?

This question sought to get information on the length of service, extent the organisation emphasized on inducting new employees and how timely orientation would affect their loyalty to the organisation. Findings show that those who have served in the organisation for less than 3 years are 6 representing 10%. Those between 3 – 5 years were 12 (20%) while those between 6 – 10 years of service were 32 (53.33%). Those who have served between 11 – 15 years were 6 (10%). Those who have served for more than 15 years were 4 representing 6.67%.

Findings show that 13 (21.67%) feel that the organization emphasized on orienting / inducting new employees to a great extent, 27 (45%) feel the organization averagely conducted induction on new employees, 18 (36.66%) feel induction process is not emphasized as they would have preferred while 2 (3.33%) feel the organisation does not at all emphasize on the induction process. 42 (70%) employees believe that timely orientation will make them be committed to the job, while 16 (30%) believe that timely orientation will have no effect on their commitment to the organization.

The third research question was: What is the effect of working environment on employee turnover?

This question sought to get information from how the employees rated the organizations working environment which included the physical working conditions, welfare, working hours, working life balance, and nature of work and employee relation. Findings show that 2 (3.33%) respondents rated the working environment as excellent, 22 (36.67%) rated it as good while 18 (30%) rated it as fair. However, other respondents did not rate the working environment favorably with 12 (20%) rating it as poor and 6 (10%) rating it as unsatisfactory.
Findings indicate that the issue of good physical working conditions received various ratings; 26 (43.33%) believed it would affect their commitment to a greater extent, 20 (33.33%) to some extent 4 (6.66%) averagely, 8 (13.33%) felt it would affect them that much and 2 (3.33%) employee believe it will not affect at all.

On the issue of relationship with the manager/supervisor; 18 (30%) believed a good relationship the supervisor/ manager would enhance commitment to the organization to a great extent, 14 (23.3%) to some extent and 8 (13.33%) averagely rated the issue, 5 (8.33%) rated as little extent while the rest 5 (8.33%) believed the issue would have no effect on their commitment.

On the issue of relationship with colleagues; 32 (53.33%) employees believe a good relationship with colleagues will increase their level of commitment to the organization to a greater extent 24 (40%) to some extent, 2 (3.33%) rated it averagely and 2 (3.33%) rated it to a little extent.

On the issue of favorable working hours; 34 (56.67%) acknowledged that having favorable working hours would increase their level of commitment to the organization to greater extent 26 (43.33%) to some extent and 2 (3.33%) rated it averagely.

**The Fourth research question was: What is the effect of training and career management on employee turnover?**

This question sought to get information from how the employees rated the organization's training programme, the extent the training and career development opportunities influence their commitment to the organization, and the way the employees rate various retention strategies. Findings show that 24 (40%) employees believe the training programme is excellent, 20 (33.33%) rated it as good, 8 (13.33%) rated it as fair, 5 (8.33%) see it as poor and 3 (5%) employees feels that it is unsatisfactory.

Findings show that a large number of employees, 35 (58.33%) believed that training and career development opportunities would influence positively their level of commitment to the organization, 19 (31.67%) to some extent, and 4 (6.67%) to a little extent. Only 2 (3.33%) employees feel no effect on commitment of training.

On the issue of rewards and recognition 30 (50%) believed that the level of rewards & recognition they received will greatly influence their commitment to the organizational, 17 (28.33%) to some extent, 8 (13.33%) to a little extent and 5 (8.33%) to the least extent.

On the issue of induction; 35 (58.33%) see the induction process as a great influence to their commitment to the organization, 15 (25%) to some extent, 5 (8.33%) to a little extent and 5 (8.33%) believe it will not influence at all.
On the issue of working environment; 33 (55%) believe the type of working environment to the organization, 12 (20%) to some extent, 8 (13.33%) to a little extent and 7 (11.67%) believed it will have no influence on them.

On the issue of training and career management 35 (58.33%) believed a proper training and career management will greatly influence their commitment to the organization, 16 (26.67%) to some extent, 6 (10%) to a little extent and 3 (5%) believed training and career management will have no influence on their commitment to the organization.

Observations made

The researcher used the observation schedule to make observation on the employee's body language in relation to their performance and commitment to the organization. The researcher made the following observations.

Most employees are punctual in reporting and learning their work stations and they will interact with one another when undertaking their duties. They however, are reluctant in responding to instruction and are not quick in executing their duties. This is observed in how slow and lazy they carry themselves around.

The researcher observed that the employees respect their superiors but are not committed towards attaining the organization's objectives. This is observed from how they use and take care of the organization's equipment, tools and resources.

Work is delegated through meetings with employees (rarely done), officially and representatives. It is also observed that there is favoritism, tribalism and to some extent nepotism in this the organization. This is due to political interference in the bank.

Discussions on results

The main aim of the study was to investigate the effect of organizational retention strategies on employee turnover in the National Bank of Kenya. The study also attempted to determine if Induction, rewards and recognition, working environment and training and career management would affect the employee's performance and commitment to the organization. The research was centered on the research questions guiding the study.

Induction Process

The results of the study have revealed that most of the employees feel that the organization is not doing enough in the induction process since 33% and 36% indicated the organization averagely or to a little extent emphasized on the indication process respectively. Another 30% felt that the organization is doing a good job in the induction process. The combined 69% from those who
averagely and to a little extent believe the organization can do better in the indication process is a huge number considering that 83% of the employees felt that orientation / induction process contributes heavily to their desire to stay with the organization.

**Rewards and Recognition**

The study revealed that a total of 89% of the employees felt that reward package in the organization is fairly good with 43% saying it is out rightly good and 46% saying it is fair. Hence most of the employees are comfortable with the reward package. Furthermore 60% of the employees consider package to be more important than just feeling proud of their work. Only a total of 16% felt pride in worker is more important than the rewards. About 23% totally disagreed believing that the rewards play a big part in influencing their commitment to the organization with most of them rating basic pay, contingent pay and other benefits highly on their influential commitment to the organization. However the same cannot be said to non-financial rewards since not all of them out rightly agreed it would be an influence with most employees rating it either as average or poor influence.

**Working Environment**

The results of the study have shown that the present environment of the organization is fairly good with 46% of employees saying it is good and 40% saying it is fair. However, there is still a good number who still believe the environment is not good enough with about 6% saying it is unsatisfactory. It is to be noted that most of the employees also rated several aspects of the organization's environment to their commitment to the organization with the relationship with managers is perceived as a stand out element since 60% of employees believed that element would influence their commitment to the organization.

**Training and Career Management**

The study revealed that a good number of employment feel that the organization's programme is good enough with 33 rating it as excellent and 43% as good. But still some employees feel the organization can do better with its programme. There is a need for the organization to improve its training programme since 83% of the employees affirmed that it would affect their commitment to the organization.

**Implications of the research**

The study's main idea was to establish the implications of the research findings on how organizational human resource strategies affect employee commitment. It is hoped that the organization's management at all levels would prepare well calculated retention strategies and if well executed then the organization would have very high commitment from their employees.
The organization would also have positive results in terms of their performance since employees will be comfortable in their workplace.

**Implication on the management of the National Bank of Kenya**

The findings of the study imply that employee turnover can be greatly reduced if the management impresses upon the retention strategies. The employees performed well if a good working environment is set up by the management, a proper indication process set up for new employees, offer proper and attractive reward package set up and a proper training and career management program devised, then they will commit to their present works.

Managing the human resources which are the most important resources in the organization is very crucial and management of the company needs to improve its leadership style so as to be in line with the many changes of the employee needs and the rapidly changing environment in which they work in.

**Implication on the employee**

From the findings of the study, employee's perception on the retention strategies is not as good as it should be, translating to low morale and weak commitment. This negative energy implies that the employees are not putting all their potentials into use and they tend to limit their input in the organization due to their reserved feelings.

**Conclusions**

1. National Bank of Kenya has a well defined organization structure.
2. There is a harmonious relationship is exist in the organization between employees and management.
3. The employees are satisfied with the present incentive plan of the company.
4. Most of the workers agreed that the company is eager in recognizing and acknowledging their work.
5. The study reveals that there is a good relationship exists among employees.
6. The company is providing good safety measures for ensuring the employees safety.
7. From the study it is clear that most of employees agrees to the fact that commitment appraisal activities and support from the coworkers in helpful to get motivated.
8. The study reveals that increase in the salary will motivates the employees to perform better.
9. The incentives and other benefits will influence the commitment of the employees.
10. The incentives and other benefits will influence the commitment of the employees.
11. There are problems with the induction process and requires improvements
Recommendations

Having looked at the implication of the study and made the above conclusions, the researcher has made some recommendations based on the findings of the study and recommendation for further studies / researches.

Recommendation based on the findings of this study have been made

1. The management of the National Bank of Kenya should address employees’ concerns on time and improve the working conditions. This can be done by putting the employees’ suggestions in action and act on them immediately they are expressed.
2. The reward package should be restructured to motivate the employees more. This could be done by comparing and implementing packages using those of best practices in the industries.
3. More emphasis should be put on the induction / orientation process on new employees. This will improve in setting the form of working for the employees and orienting the new employees to the culture of the organization.
4. The employees to improve their skills and ability to handle job tasks effectively.

Recommendation for further research

Given that the findings on the effect of organizational retention strategies on employee turnover were for the National Bank of Kenya, the researcher suggests that more research be conducted in other Companies and other institutions as well.

Policy makers of the National Bank of Kenya need to investigate more on retention strategies and their direct impact on employee turnover.

A research be conducted on various other retention strategies or organizational activities which increase or decrease employee commitment.

References

Nyandemo Dr., S.M. (2007) *Research Methodology – Methods and Approaches*

**Bibliography**