EFFECT OF NON-MONETARY FACTORS ON EMPLOYEE RETENTION IN THE BANKING SECTOR OF KENYA

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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A Research Project Submitted to the Chandaria School of Business in Partial Fulfillments of the Requirement for the Degree of Masters of Business Administration

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SPRING 2018
STUDENTS DECLARATION

I declare this project to be my original work, and that it has never been submitted to any other institution of higher learning other than the United States International University-Africa, Nairobi Kenya.

Signed: ..........................               Date: ..............................

Lynn W. Mungai (ID: 634768)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ..........................               Date: ..............................

Professor. Fred Newa

Sign: ..........................               Date: ..............................

Dean, Chandaria School of Business
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ABSTRACT
This study sought to investigate how non-monetary factors affect employee retention at Prime bank, KCB and Chase bank. The research questions for this study were; what is the effect of job security, on employee retention in banks, in Kenya? What is the effect of career growth opportunities and career development, on employee retention in banks, in Kenya? What is the effect of Job flexibility, on employee retention in banks, in Kenya?

The research adopted a descriptive research design in order to examine the situation as it currently exists. The target population of 800 respondents for this study included the employees of Prime Bank, Chase Bank and KCB. The stratified simple random sampling technique was used as it was effective for the study. A sample of 30% was considered adequate for the generalization of the findings to the whole population resulting into 239 respondents however only 220 responded thus giving a 92% response rate. The tool used to collect the data was a structured questionnaire. The data was then summarized, classified, coded and tabulated. The statistical package for social sciences (SPSS) data analysis software was used to analyze data based on descriptive and inferential statistics.

The study also used a correlation analysis to establish the relationship between the dependent variable and the independent variables. Quantitative data was presented using tables.

The study revealed that there was uncertainty of respondents feeling secure in their present jobs. Many however disagreed that they are stressed on the job because of lack of security. Majority also disagreed that they foresee having destabilized income in next 12 months; neither did they indicate that they expect job redundancy and reorganization of the firm to affect their jobs, nor have announced redundancy within the same period. A Pearson correlation analysis done to establish the relationship between the dependent variable (Employee retention) and job security, revealed a weak positive relationship between the variables though not significantly.

A Pearson correlation analysis was done to establish the relationship between the dependent variable (Employee retention) and career growth opportunities, the results established a positive relationship between the variables. Therefore, an increase in career growth opportunities results in a slight improvement of employee retention. The research analyzed the relationship between the dependent variable (Employee retention) and career
growth. The results showed that only 3.1% of the variation in employee retention was explained by the variations in career growth.

The findings revealed that there is flexibility to manage work and non-work interests. Respondents also denied that they face difficulty in adopting a flexible working arrangement due to lack of support. A Pearson correlation analysis was done to establish the relationship between the dependent variable (Employee retention) and job flexibility, the results established a weak positive relationship between the variables \( r=0.074, \ p>0.05 \). Therefore, an increase in job flexibility results in slight improvement in employee retention.

The study concluded that employees in the banking sector are uncertain of their job security in their present jobs. This cuts across the variety of contract terms offered to them. This has resulted in commitment not varying with the permanence of their contracts. Most bankers are yet to achieve what they want to achieve in their careers, and as a result, a huge percentage would want to work at a higher level position and are prepared to move to other work areas to develop their career. Many banks lack options for change in their work environment and denial of such leaves employees feeling like the firm lacks growth opportunity.

The study recommended that banks need to ensure that employees are secure in their present job. This can be done by having well laid out terms and condition in long term and short term contracts. There should be set out career growth and development paths so as to ensure employees achieve their career goals. They should also continue offering flexibility, so as to allow employees to manage their work and non-work interests. Future studies may be done to explore other variables that may impact employee performance such as employee loyalty, employee emotions, corporate culture and values. Moreover, other studies could also study other banks as well.
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May God bless you all.
DEDICATION

I dedicate this paper to my parents Mr. John Miringu and Ms. Anne Wachira for their constant encouragement, guidance and support during my study. Also to my God-Parents Mr. John Mungai and Mrs. Grace Githinji for setting the foundations that I needed, that have allowed me to get this far in my studies.

Thank you for believing in me and walking this journey with me. May God continue to bless you abundantly.
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ACRONYMS AND ABBREVIATIONS

FWAs: Flexible Work arrangements

HREOC: Human Rights and Equal Opportunity Commission

KCB: Kenya Commercial Bank

LPO: Local Purchase Order

M: Mean

NGOs: Non-Governmental Organization

SACCOs: Savings and Credit Co-Operative

SD: Standard Deviation

SME: Small and Medium Enterprise

UAE: United Arab Emirates
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

The retention of employees has been shown to be significant to the development and the accomplishment of the bank’s goals and objectives especially in building competitive advantage over other banks in the phase of increased globalization. According to Coff (1996) outstanding employees may leave an organization because they became dissatisfied or unmotivated and while trying to retain employees within the organization they may present other challenges as well. Cappelli (2000) states that several factors are considered important to have a direct effect on employee retention and these include: career growth opportunities, job flexibility and job security. Cole (2000) suggests that people stay at such companies where there is a sense of pride and will work to their fullest potential. The reasons to stay are work environment, rewards, growth and development and work-life balance.

Due to competition for scarce skills, the attraction and retention of quality employees has emerged as the biggest challenge in human capital management. This has resulted in a high turnover rate in most banks. The retention of highly skilled employees is now the major concern for many of Kenyan Banks. To attract, retain and be profitable, they need novel reward systems that satisfy employees. Managing turnover is proving to be a challenge. High costs are incurred as a result of voluntary turnover. According to Gering and Conner (2002) retaining good workers is critical to any organization. If it’s not able to retain its employees, it will not be able to capitalize on human assets developed within the organization. Literature and best practices indicate that, to some extent, if employers treat their employees as valued contributors, they tend to remain in the organization (Frost, 2001). It is therefore of great importance that banks keep their employees satisfied to improve employee retention.

As turnover is a symptom of a larger systemic problem such as ineffective retention management, companies ought to understand what causes people to commit themselves to being productive and loyal. They must design jobs, systems and organizations that support rather than inhibit it. Fostering commitment means understanding that people need to have a stake in their work, and that employees respond when employers pay attention to their needs and involve them (Benkhoff, 1997; Dobbs, 2001). DeYoung (2000) on the other hand reveals in his studies that many organizations are facing
challenges in the development of in employee retention strategy. Turnover rates are increasing in various organizations; if employees are unhappy with their organizations they tend to leave the organisation (Schuler & Jackson, 2006). This becomes a costly exercise, especially if a valuable employee exits resulting in lost production. In addition, the cost of recruiting another employee is very high and usually takes time. Therefore the responsibility lies with the employer to ensure that they have the right quality and quantity of employees in an organization. This can be achieved through devising an efficient reward system which addresses employees’ needs.

Employee retention issues are emerging as the most critical workforce management challenges of the immediate future. Researches have shown that in the future, successful organizations are those which will adapt their organizational behavior to the realities of the current work environment. In fact, the dynamics of the work environment will have to reflect a diverse population comprised of individuals whose motivations, beliefs and value structures differ vastly from the past and from one another. This phenomenon is especially true in light of current economic uncertainty and following corporate downsizings with the impact of losing critical employees increasing exponentially (Caplan & Teese, 1997). Critical analysis of workforce trends points to an impending shortage of highly-skilled employees who possess the requisite knowledge and ability to perform at high levels, meaning that organizations failing to retain high performers are left with an understaffed, less qualified workforce that ultimately hinders their ability to remain competitive (Rappaport, Bancroft, & Okum, 2003). With managers facing a difficult challenge of motivating and retaining employees in an environment of increased uncertainties (Mitchell, 2002). Retention rates generally fall as employees become distracted, confused and preoccupied with potential outcomes immediately following an organizational transition (Bridges, 1991).

Factors such as remuneration are no longer considered to be enough to motivate employees to retain their positions at organizations once they begin to feel dissatisfied with their jobs. The management of remuneration was once straightforward with a strong link between Job level and Pay (Bussin, 2003). However, it has become very complex due to the pressures of the volatile business world today. Organizations are now being forced to consider factors such as job security and flexibility to help them maintain staff. Non-monetary factors such as the job flexibility, praise and acknowledgement, quality supervision, job flexibility and career growth opportunities have the potential to improve
the competitiveness of organizations in attracting and retaining employees because they are less costly and have a long term focus especially in the case of the banking industry. In this study, we focus on comparing the retention management practices that make people stay at three banks, namely, Prime Bank, Chase Bank and KCB.

Chase Bank (Kenya) Limited provides banking, financial, and related services in Kenya. It was incorporated in 1995 and is headquartered in Nairobi, Kenya. Prime Bank Limited was incorporated in 1992 and is based in Nairobi, Kenya. KCB was incorporated in 2015 as a result of the corporate restructure of Kenya Commercial Bank Group (KCB Group) and is also headquartered in Nairobi. The companies offers savings, current, term deposit, collection, fixed and call deposit, and investment club accounts; save and borrow plans, bid bonds, LPO financing, invoice financing, and cheque discounting products. They also provide various loans; motor, medical, life, small and medium enterprise (SME), and other insurances; microfinance and debit, pre-paid, traveler, and credit cards, as well as mobile and online banking services. They serve the youth, women, diasporas, professionals, business people, elite customers, SMEs, medical professionals, agribusinesses, institutions and corporations, SACCOs, educational institutions, NGOs, churches, and asset finance companies through their various networks throughout Kenya.

1.2 Statement of the Problem

Employee turnover is costly for both employers and workers. Employers find replacement cost and hidden organizational cost high while workers find monetary and psychological costs taxing (Mitchell, Holtom, and Lee, 2001). Thus, there is significant economic impact when an organization loses any of its critical employees, especially given the knowledge that is lost with the employee’s departure.

The employment relationship is undergoing fundamental challenges that have the implication for the motivation and retention of talented employees and talent shortage has resulted in fierce competition (Flippo, 2001). Fitz-enz (1997) states that long term success of an organization depends largely on its ability to effectively manage and utilize its human resources which are considered as the most crucial. It is very costly to do nothing about high rates of turnover because one key individual can hold the fortunes of a department or business in their hands. Loss of several members of core staff in the same unit or team can lead to instability of the entire organization.
Studies have been done in relation to employee retention for instance, Pegg (2009) studied the impact of benefits on talent retention, motivation and productivity levels and how organizations are choosing to inform their people about the type of benefits on offer. Mulwa (2010), carried out a research on factors that influence staff turnover in World Vision and recommended a review of existing pension plan to address staff expectation and Otieno (2010), studied the causes of staff turnover in Private Primary Schools and recommended that employees compensated well as an indicator for management’s appreciation of employees contribution and abilities. Mungai (2008) noted that banks are among many organizations that do not consider the impact of employee retention as a strategy in managing competition and are likely to become victims of industry competition. Njoroge (2007) did a survey of factors that influence employee retention in manufacturing firms in Nairobi. He established that employee retention in the manufacturing industry was influenced by the reward, working environment, career development opportunities and employee motivation. By knowing the effect of employee retention as a strategic response to the competitive business environment, it enables an organization to strategize on how to meet the objectives of the organization because employees are an important resource in an organization.

Most research which has been undertaken has focused on monetary aspects of reward, with little effort being taken to understand the value of non-monetary rewards. The objective of this research was to determine whether banks in Kenya are utilizing non-monetary rewards as a competitive advantage in retraining their employees. Noticing that today, the focus for many of them is to do more with fewer employees and to reduce the cost to income ratio on their balance sheets. It is therefore pertinent that they devise strategies that will enable them to retain talented employees.

1.3 Purpose of the Study
The purpose of this paper was to investigate how non-monetary factors affect employee retention at Prime bank, KCB and Chase bank.

1.4 Research Questions
The research questions for this study are:

1.4.1 What is the effect of job security, on employee retention in banks, in Kenya?
1.4.2 What is the effect of career growth opportunities and career development, on employee retention in banks, in Kenya?
1.4.3 What is the effect of Job flexibility, on employee retention in banks, in Kenya?

1.5 Importance of the Study

1.5.1 The Organizations
Prime Bank, Chase Bank and KCB will benefit because the study will enable them appreciate the factors affecting their retention and how the management could reduce turnover by affecting the factors stated in this paper.

1.5.2 Human Resource Departments
The study should generate information that would be used by various HR consultants who have interest in retention of workers in order to maintain smooth organizational relations. This study will be helpful in policy making at the banks. In making policies that will govern the work environment. This will help inform when designing regulatory framework and measures on how to monitor employee retention.

1.5.3 The Employees
The findings of this study will also be valuable to employees working at the banks. This is because it will inform them of the importance of employee retention and corporation performance. Through the findings of this study, the employees will understand the factors influencing their intention to leave or continue working with their respective employer.

1.5.4 The Industry
This study is expected to contribute to the existing literature relating to banks retention factors influencing employee commitment. It would shed light on how to maintain and retain employees in an organization. Individuals and organizations in the banking sector that have not been included in this study may also benefit from the results of the research and be able to apply it in their respective organizations and industries. Furthermore, the result of the study might help them in forming their human resource related strategies.

1.5.5 The Academicians and Researchers
Research and development of further models for non-monetary incentives in banks could be developed from this study
1.5.6 The Government
This study can influence and assist in the development of government policies and directives pertaining to non-monetary incentives for the banking sector as well as government bodies.

1.6 Scope of the Study
The focus of this study was to establish that job security, career growth opportunities, career development and job flexibility can affect employee retention within the stated banks. The study included interviewing low level and middle level employees at Prime Bank, Chase Bank and KCB, all in Nairobi. It was not possible to interview all the bank branches in Kenya due to logistical shortcomings. The study was conducted over 14 weeks starting in September 2017. It mainly consisted of interviews with 239 employees all based at the banks stated above. The interview questionnaire contained open ended and closed ended questions that were answered within 15 minutes.

1.7 Definition of Terms

1.7.1 Employee Retention
Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their jobs. It involves taking measures to encourage employees to remain in the organization for the maximum period of time. Hiring knowledgeable people for the job is essential for an employer but retention is even more important than hiring. This is true as many employers have underestimated costs associated with turnover of key staffs (Ahlrichs, 2000).

1.7.2 Banking Industry
The banking sector is the section of the economy devoted to the holding of financial assets for others, investing those financial assets as leverage to create more wealth, and the regulation of those activities by government agencies, (Kenya Bankers, 2015).

1.7.3 Non-monetary Factors
Non-monetary factors which can also be called rewards or benefits or incentives can be defined as return or recompense for service or merit or requital (payment) for good or evil. (Cameron & Pierce, 1997). Non-monetary or non-cash incentives do not involve direct payment of cash and they can be tangible or intangible. They are a means of
providing immediate, non-cash rewards to employees for contributions to the Organization.

1.7.4 Job Security
Job security is defined as the assurance in an employee’s job continuity due to the general economic conditions in the country, (James, 2012) It is concerned with the possibility or probability of an individual keeping his or her job, (Adebayo & Lucky, 2012).

1.7.5 Career Growth Opportunities
Employees often hope to grow in their profession and achieve a distinguished career. (Okurame & Balogun, 2005). The probability that this will come to fruition is the underlying thrust of career growth prospects. Defined as the chances of getting promoted and obtaining career development experiences, career growth prospect is arguably an essential source of motivated work behavior. (Weer, 2006)

1.7.6 Job Flexibility
It can be defined as the arrangements that allow work to be accomplished outside of the traditional temporal and/or spatial boundaries of the standard work day (Rau & Hyland, 2002).

1.8 Chapter Summary
The aim of this chapter was to depict the importance of non-monetary incentives in banks. In order to help solve the problems of employees resigning or having to retrench them due to lack of enough funds to keeps them at the organisation.

The next chapter is literature review which covers an analysis of literature mostly consisting of review of studies conducted in other countries in support of this research. Chapter three will outline the research methodology which involves the research design to be used in the study, the population of the study, sampling method, data collection methods and finally data analysis and presentation. Consequently, chapter four will provide the analysis and presentation of findings with chapter five discussing the findings, drawing conclusions and making recommendations of the study
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter summarizes the literature that has been reviewed in employee retention both in Kenya and globally. The specific areas covered here are employee retention and factors influencing employee retention and went further and illustrated the importance and impact of factors influencing employee retention.

2.2 The effect of job security on employee retention

2.2.1 Employee Retention
Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their jobs. It involves taking measures to encourage employees to remain in the organization for the maximum period of time. Hiring knowledgeable people for the job is essential for an employer but retention is even more important than hiring. This is true as many employers have underestimated costs associated with turnover of key staffs (Ahlrichs, 2000). Turnover costs can be incurred through issues such as reference checks, security clearance, temporary worker costs, relocation costs, formal training costs and induction expenses (Kotzé & Roodt, 2005). Other invisible and hidden costs such as missed deadlines, loss of organizational knowledge, low morale and client’s negative perception of company image may also take place.

Organizations should develop human resource policies and strategies, including selection and recruitment, training and development and performance management that reflect their beliefs and principles as well as maintaining acceptable relationships between management and employees. However, some human resource departments merely devise policies that deal with current problems or requirements (Oakland & Oakland, 2001). Retaining good employees is critical to a firm’s long term success. By taking a proactive approach to developing an effective employee retention program, the anxiety of high turnover can be reduced. True employee retention takes time, effort and resources, but the rewards can prove valuable. One of the major drivers for investing in a retention program is the financial impact of recruiting and training valued employees (Abraham, 2007).

Job dissatisfaction can be a cause for labor turnover. Labor turnover levels can be very high in organizations with poor working conditions, undesirable jobs, pay inequities and limited opportunities for advancement (Nzuve, 1997). There are two general categories of
forces that operate in employee retention: engagement and coercion. Engagement occurs when an employee connects emotionally with his work, coercion occurs when forces outside the employee encourage either attachment to or disengagement from an employer. Good manager’s help people stay engaged; bad ones push them towards disengagement (Glen, 2007).

It is generally accepted that the quality of an organization’s human resources represents a critical factor for business success. One human resource challenge is how to attract, retain, motivate and develop individual talent and if that is not a challenge, consider the impact of a turbulent business environment presents, the difficulty of managing a diverse and ever changing legal climate and government regulation. As business grows, it often becomes increasingly necessary to attract and retain good employees (Carrell, 1995). Employee retention encompasses talent management which is the use of an integrated set of activities to ensure that the organization attracts, retains, motivates and develops the talented people it needs now and in the future. It is assumed that talent management is only concerned with key people – highflyers. For example (Smilansky, 2005) states that it is aimed at improving the caliber, availability and flexible utilization of exceptionally capable (high potential) employees who can have a disproportionate impact on business performance (Armstrong, 2006). Retention rates measure what is wanted rather than what is undesirable (Deane, 2004).

Fostering employee commitment can have a great impact on decreasing turnover rates. Bishop (1997) found that commitment has a positive effect on productivity, turnover and employees willingness to help co-workers because increased employee commitment improves team performance and productivity and decreases absenteeism, turnover, and intention to quit by employees. However, companies can take action to ensure that these increasing trends are minimized within their own individual organizational cultures. Therefore, strong retention strategies must be implemented in an organization if the organization is to promote employee retention.

Byrnies (2002) notes that there are five essential steps for a company to develop an effective retention strategy: a corporate values system must be defined based on the organization’s values and vision where the values guide the company and identify those employees desiring to move in the same direction; trust must be established within all parts of the business because security comes from trust and trust comes from honesty and
communication; assess employee priorities through surveying from time to time to allow an organization to structure effective reward programs, thus increasing employee satisfaction; fourth, Byrnes recommends doing industry homework to enable companies understand competitors compensation and benefit programs so that organizations can keep pace with the industry remuneration packages. A clear understanding of what is expected by employees within the industry provides the company with the opportunity to increase satisfaction. Finally, the creation of a compensation and benefit package, supportive of company values and employee needs, is essential.

2.2.2 Job Security
Job security is basically income security that can be derived from employment, either dependable employment or self-employment. The security is derived from the level of human capital of the individual on the one hand and the functioning of the labor market on the other (Auer, 2007). Employment security generally refers to protection against unfair or unjustified dismissals (Dekker, 2008). According to the most commonly used definition, “employment security means that workers have protection against arbitrary and short notice dismissal from employment, as well as having long-term contracts of employment and having employment relations that avoid casualization” (Wilthagen, 1998; Wilthagen & Tros, 2004), state that employment security is not only important for the purpose of providing income security but also that we should not neglect or underestimate “the non-pecuniary benefits of employment - the sense of social participation that it provides, and the psychological effects on self-confidence and self-respect that employment brings.

According to Arabi (2000), job security is the feeling of having a proper job and the assurance of its continuance in future as well as the absence of threatening factors. If individual A feels that he/she will continue his/her job until the end of his/her service and will not be threatened by individual B to play his/her proper job roles and tasks, such person enjoys job security (Arabi, 2000). Job security is one of the implications of security. In job security, there are issues such as job changes, missing the job and non-achieving proper jobs. According to industrial and organizational psychologists, job security is one of the creators of job satisfaction and commitment (Thomas, Tram, and O’Hara, 2006).
For firms to maximize efficiency, it is important to know what institutions motivate workers to work hard. Job security is a topic where the balance of benefits and costs are still relatively unknown. For example, employees with high job security may invest more in their companies out of loyalty or because they view their jobs as long term commitments. On the other hand, workers may take advantage of their job security and do as little work as possible. Job security can also be costly to the firm since dismissal of employees requires more time, effort, and compensation. Today, Human Resource authors have found that competent and skillful human force is a valuable and unfinished factor in growing and developing organizations and countries. Therefore, respecting their needs and the way to meet such needs by management can lead into HR job satisfaction and, as a result, into organizational commitment (Part, 1999). In current situations, an important organizational resource is to possess satisfied, high energetic, creative and committed human capital (Shagholi, 1999). Woroum believes that job satisfaction is an employees’ reaction to their roles in their jobs (Madhavan, 2001).

According to Arabi (2000), job security is the feeling of having a proper job and the assurance of its continuance in future as well as the absence of threatening factors. Job security is one of the implications of security. In job security, there are issues such as job changes, missing the job and non achieving proper jobs. According to industrial and organizational psychologists, job security is one of the creators of job satisfaction and commitment (Thomas et al., 2006). Preuss and Lautsch (2002) concluded that job insecurity reduces job satisfaction and organizational commitment (Gil and Brenda, 2002). The findings of Warner's study (2005) illustrate the impact of organizational justice on job satisfaction (Gafori, 2008). Abbassi (2008) observed that there is a positive and significant correlation between organizational justice and various areas of organizational commitment (Clay, Reynold and Roman, 2005). The results of studies by Alnajjar (1996) titled the relationship between job satisfaction and organizational commitment in UAE employees based on job security indicated that there is significant relationship between job satisfaction and job security (Ahmad, 1996).

2.2.3 The Relationship between Job Security and Employee Retention
Agrela, et al (2008) states the need to focus on the factors that affects retention leading to growth and success of organizations. Studies suggests that retention strategies, which effectively satisfy the needs of all employees consequently enhances the ability for companies to adapt more effectively to ongoing organizational change (Gale Group,
2006). Research shows that trends redefining modern retention strategies go beyond the traditional salary and benefits package (Gale Group, 2006) and compensation (Feldman, 2000) embracing employee motivation. Thomas (2000) as one of the key factors to cater to the diversity and long stay of the workforce in the organization. Retention factors incorporating the needs and desires of employees at any age enhance levels of individual job satisfaction, loyalty, and commitment (Boomer Authority, 2009). Cunningham (2002) states that job security acts as top priority for prolonging individual employment, while Walker (2001) and others call for establishing of long term employment for employee retention. Providing job security is an effective retention strategy for employees at any age (Yazinski, 2009). Studies indicate fulfilling peoples need for acceptance by assuring them of the security of their jobs prolongs employment of employees (Redington, 2007).

A Study by Yazinski (2009) show trends of an increased number of job applicants seeking out companies that encourage long term employment, beyond the traditional compensation/benefit. An employee who feels secure in their job is one that is committed to their organization and commitment to the organization will ensure retention. Studies have concluded that committed employees’ remains with the organization for longer periods of time than those which are less committed. Steers (1977) suggest that the more committed an employee is, the less of a desire they have to terminate from the organization. These “highly committed” employees were found to have a higher intent to remain with the company, a stronger desire to attend work, and a more positive attitude about their employment.

Steers (1977) concluded that “commitment was significantly and inversely related to employee turnover.” According to Arthur (1994) when organizations seek to foster a philosophy of commitment, then the likelihood of an employee searching for employment elsewhere is lowered. Owens (2006) had a similar finding that employees that had a higher level of commitment also had a higher level of “turnover cognitions”. A higher score in “turnover cognitions” indicated that the employee had a more favorable attitude and was less likely to consider turnover representing an inverse relationship of commitment and turnover. Therefore mentioned studies are representatives of much of the research available relating to commitment and turnover. Commitment has a significant and positive impact on job performance and on workforce retention. The underlying belief is that a more committed employee will perform better at their job (Walton, 1985).
2.3 Effect of Career Growth Opportunities and Career Development on Employee Retention.

2.3.1 Career Growth

Career is understood as the succession of work experiences in an individual’s lifetime (Arthur 2008), “career growth” is defined as, one’s perceptions of the chances of development and advancement within an organisation” (Jans, 1989). Likewise, we can frame the meaning of Organizational Career Growth. It is the opportunity of career growth within present working organisation. Spector (2003) defined career growth or the so-called “career ladder” as an improvement in the positions of employees who put in an effort to gain necessary skills and upgrade their performance. The prominent and feasible in the context of Nepalese environment was adopted from (Weng, McElroy, Morrow & Liu, 2010).

The Weng et.al, (2010) construct proposed four main constructs of Organizational Career growth, viz., career goal progress, professional ability development, promotion speed and remuneration growth. Wherein, Career goal progress is a typical example of higher order need satisfaction (Weng et.al, 2010). Achieving professional ability development in an organisation is also an example of an advanced level of need satisfaction (Weng et.al, 2010). Promotion speed is the pace at which the employee has climbed the ladder as opposed to stagnating in the same function for long time (Dries, Pepermans, & Carlier, 2008). In addition to promotion speed, remuneration growth also provides a measure of how employees are evaluated by employers (Weng et.al, 2010).

In this modern era, no one considered life employment in an organization, unless they get ample space to grow. Individuals who lack career growth prospects within their current organization may emerge as opportunity seekers in the job market. Mobility and career change is more common in the world of employment. Today an individual's career is no longer tied to a single organization, as career changes and job mobility have become common phenomena (Rousseau, 1998). This may be indices towards of the employees perception positively towards their current organisation. If the situation perception of employees towards career growth is understood, employees’ intentions to leave the organizational can be understood. In this regard, Savickas (2011) notes that, whereas in the past an individual's career rested in the hands of an organization, today individuals
own their own careers. Employees especially, the young generation tend to give more emphasize towards their career growth. They tend to leave the organisation more often to get breakthrough to career progression and growth. Employees who lack in development of their career in an organisation tend to leave the organization and search for better options. This suggests that employees who perceive their organization to be interested in their career growth respond positively on behalf of their organization (Wang et.al, 2014).

This can mean that organizational career growth has an implication towards intention to leave the organisation. Nonetheless, the question remains as to whether organizational career growth has other positive effects on employee behavior (Wang et.al, 2014). There is a category of employees in the organization for whom the best strategy to motivation is promotion. Such employees can only be convinced through giving power, authority, and greater span of control, good office, better working environment and promoting in terms of influence over decisions in the organizations. Such employees work efficiently for attainment of the organizational goals when they feel that their jobs have power and authority over decision making. Individuals in most of the cases get motivated when they realize that their actions have a definite pivotal role in defining the overall direction of the organization. People are motivated to work in better ways when their inputs in the organization are tangible and when they can feel that whatever they are doing for the organization are critical and paramount for the success of the organization.

2.3.2 Career Development
Messmer (2000) found that one of the important factors in employee retention is investment on employee training and career development. An Organization always invests in the form of training and development on those workers from whom they expect to return and give output on its investment. Tomlinson (2002) forwarded the view that organizations can keep the leading edge in this competitive world by having their employees well trained in the latest technologies. Garg and Rastogi (2006), explained that in today’s competitive environment feedback is very essential for organizations from employees and the more knowledge the employee learns, the more he or she will perform and meet the global challenges of the market place. Handy (2008) has mentioned that proper innovation, and assimilation of new knowledge is essential for survival in any work environment. Thus knowledge is the most expensive asset of any firm. Improvement in performance such as productivity, quality and services are the training outcomes provided that the job is strategically aligned to the organization’s needs. For an
individual employee, if their desired needs are fulfilled through the training programs provided, there is no doubt that the desired outcome by the organization, retention on employees, will be reached.

Huselid (1995) suggested that perceptions of HR practices such as providing training and job security by the company are important determinants of employee retention. Moreover, some studies also state that HR practices such as benefits and training are positively related to retention because the practices motivate employees and “lock” them to their jobs which is so called employee retention. According to Landsman (2004), he suggested that training is a valuable activity for enhancing skills and improving staff performance and that training can address some of the factors contributing to staff retention, such as perceived support from the supervisor, the agency and community. Training can define roles more clearly to employees thereby minimizing job stress. Organizations with sufficient training opportunities should thus have a higher retention rate.

Training alone, however, cannot address all of the factors contributing to staff retention such as excessive caseloads and promotional opportunities within the organization. It is therefore reasonable to say that training can play a role in improving retention but it may not be sufficient to improve retention if other systematic barriers are not addressed.

2.3.3 The Relationship between Career Growth Opportunities and Employee Retention.

Career growth opportunities are an effective tool to increase the retention in an organization. If the employees are provided opportunities for the advancement and growth, they feel satisfied and contented and they become more committed to the organization. Human resource of any organization has major importance because they run the organization and the expertise, skills and combined intellect that takes the organization to its distinctive position. Schwan (1976) found that the insertion of information on human capital led to extensively recovered forecasts of net income, as compared with using only conventional indicators. Such employees whose ideas are discussed feel honored and try to convince all the other members for the applicability and usefulness of their ideas. These meetings convince and motivate other employees to think creatively in the organization and try to give some useful ideas so that they should also be taken seriously and should be termed as creative individuals in the organization instead of dull individuals who do not think out of the box solutions. Organizational career growth
shows potential for retaining employees, its biggest impact is on those who desire a career (Weng & McElroy, 2012). Organizational career growth is more regular and more closely associated with individual attitudes and behavior (Weng & Xi, 2010).

Weng and McElroy (2012), conceptualized career growth as consisting of four factors: career goal progress, professional ability development, promotion speed, and remuneration growth. The dimensions of career growth were positively related to employee retention. However, promotion speed and remuneration growth into a single facet collapsed to rewards. Wang et.al, (2014), findings highlight a previously unexamined relationship between organizational career growth and voice behavior. Organizational career growth is not a static concept; one might expect the relationship between it and voice behavior to be affected by career stage. The multi-dimensional conceptualization implies by (Weng et al., 2010), that career growth is both a function of the employees' efforts and the organization's willingness and ability to reward such efforts.

Weng et.al, (2010), studied with 961 employees in 10 cities in the People's Republic of China, showed that the four dimensions of career growth. This study was focused on managers because they are more likely than workers to be presented with career growth opportunities, particularly in China. Likewise, Weng and McElroy (2012), studied survey data collected from the People's Republic of China, were used to test Weng's (2010) four facet model of career growth and to examine its effect on occupational commitment and employee retention. The finding of the study was retention is positively related to the three dimensions of career growth, with the correlation coefficient of career goal progress being the highest, followed by professional ability development, and then organizational rewards. With respect to the control variables, age is negatively correlated with retention intentions.

Similarly, as suggested by Ballout (2009) in his research on bank employees in Lebanon, highly committed and competent employees seek challenging tasks and opportunities for career growth if these can be performed successfully. Employers can reap the benefits of highly committed employees if they provide the long-term career development which contributes to career success (Ballout, 2009). It is suggested that employees can find personal growth in other organizations if career opportunities are perceived to be lacking in their current organisation. Loss of a talented and skillful worker is a cost to the
organisation, so organizations strive to retain valuable employees by developing a committed workforce and preparing them for future organizational development and commitment (Ballout 2009). A similar study was undertaken with Weng and Hu’s (2009) model, Karavardar (2014); this study was done in Turkey with 226 auditors from 92 audit firms in Turkey. This study examined the direct effect of organizational career growth on retention, as well as the buffering influence of organizational commitment on this relationship among auditors in Turkey. It was found that professional ability development and remuneration growth have strong influences. In spite of this, career goal progress and promotion speed had no significant effect on employee retention. According to Chang (1999), individuals who seek career growth have higher expectations for career growth opportunities within their organizations. To the degree that individuals can meet their career growth needs within an organization, they are more likely to remain with that organization. Failure to meet these expectations would lead these individuals to seek employment opportunities elsewhere. (Weng & McElroy, 2012).

There are some other benefits of intangible and non-financial rewards that results in increase in commitment of employees. Moreover, intangible forms of incentive are not costly to give. So for little time spent on in giving trainings and providing opportunities, the consequential improvement in engagement and connectivity can be huge. Mason and Watts (2010) also believed that a strong connection was there between encouraged employees on a job and the incentives which they received non-financial in nature. These inducements play a major role in dropping stress levels, turnover and absenteeism. This will bring up the morale, competitiveness, profitability and the productivity. When a comparison was made by Dean (1998) between rewards, which are cash and others that were in kind noted a very important thing. The incentives that were in the monetary form did not offer that much motivation as compared to the non-monetary ones. The performers are not essentially the maximum paid employees.

Good work motivation is best offered by non-monetary incentives. It was observed that that employees working towards monetary payback were cutting corners, which resulted in low quality of output. (Masclet et.al, 2003) observed that recognition which is non-monetary in nature will be received well. Stein (2011) wrote a paper, which also showed the advantages of using of incentives, which are non-monetary. He stated that the cost linked with motivation with the convention of non-monetary will be low as compared to the monetary value of the incentive. This is looking at things in the short run and in the
long run it will be over and above the individual’s salary where financial incentives might just get dilute in it without having the vital affect.

2.4 The Effect of Job flexibility on employee retention
2.4.1 Job Flexibility
The ability to have a flexible schedule is often as valuable to an employee as salary, benefits and perks, Aequus Partners (2010) research shows that flexible work arrangements may reduce stress because employees working flexibly are more satisfied with their jobs, more satisfied with their lives, and experience better work-family balance. As such, the freedom that comes with the ability to have some control over work hours is attractive to many staffers. This can reduce turnover because employees develop a greater sense of job satisfaction and are less likely to leave (Bussin, 2003). Job Flexibility refers to any working schedule that is outside of a normal working pattern (Arthur, 2003). This means that the working hours, instead of being repetitive and fixed, can involve changes and variations. It can mean the employee has variables such as when they are required to work or even report to their place of work. Flexibility is usually a low-cost or no-cost project and has been related to reduced turnover and absenteeism, and increased productivity (Lee, 1991).

Flexible job scheduling has also been associated with reductions in physical and psychological symptoms of job strain (Thomas & Ganster, 1995). In addition, with minor improvements or no change in measures of organizational effectiveness, attendance behavior, and job attitudes such as job satisfaction (Christensen &Staines, 1990). Women who worked for companies with family-friendly flexible working hours recorded higher job satisfaction, lower absenteeism, worked more in their own time, worked later into their pregnancies, and were more likely to return to work after parental leave (Galinsky& Stein 1990).

Scandura and Lankau (1997) defined the positive outcomes in terms of the psychological contract between employer and employee. They suggested that when employers offered flexible working hours, employees felt the need to respond by offering, in return, higher commitment, loyalty, and job performance. Their research indicated that this was more likely to be the case for women and those employees with children. Employers see the advantages of Flexible working hours in the impact such arrangements can make to their bottom line, and Flexible working hours are becoming increasingly important to
employees. Part-time or flexible work has been consistently favored by female employees, but flexibility is also becoming more attractive to male employees.

Lee (1991) reported that the acceptance rate of flexible working hours for females remained constant at around 75% between 1985 and 1990, while the acceptance rate for males increased from 37% to 56% over the same period. However, the positive attitudes and benefits associated with workplace flexibility occur only when the introduction of Flexible working hours has been employee-driven. In many industries, notably finance, hospitality, health, education, retail, manufacturing and production, Flexible working hours have been introduced to meet management's agenda. Flexibility has been imposed on workers as a means of reducing penalty rates, expanding ‘ordinary’ work time, and increasing operating efficiency (HREOC, 1996).

In these cases, the Human Rights and Equal Opportunity Commission (HREOC) noted that the impact on workers and families has been largely negative, with many lower-paid workers, predominantly women, being denied regularity and predictability of employment. The irregularity and unpredictability of income and hours creates financial difficulties, and impacts negatively on those with family responsibilities. Flexibility is not always family-friendly. Work satisfaction and family well-being result from programs and work cultures which give employees a level of control over their work arrangements (Clark, 2001). The HREOC report emphasizes the need to develop ‘equable’ ( strategies, that is, those designed to meet the needs of both employees and employers. Where Flexible working hours have been instituted as a means of helping employees achieve a better life/work balance, such changes are well regarded.

Organizations that invest considerable time and money into training and developing their staff see it as good business to adopt policies that will attract and retain skilled personnel. Even though Christensen and Staines (1990) found only limited advantages associated with the use of flextime, they noted that employers were likely to continue its use because they were responding to employees’ preferences and needs. Other flexible working hours allow for leave entitlements or variation of hours which do not involve any such financial penalty. These include options such as flex time, parental leave, career’s leave, telecommuting, and so on. Even so, employees can be reluctant to use these options if they perceive that such use will be viewed unfavorably, or if they feel there is a lack of organizational support for their use. Often this lack of support is experienced at the
middle management or supervisory level rather than the organizational level. Allen (2001) listed the following as factors preventing employees from using Flexible working hours: lack of informal support from supervisors, negative judgment regarding their lack of work commitment, and possible negative career impact.

2.4.2 Flexible Work Arrangement and Employee Well-being

Research has focused on examining the relationship between the use of FWAs and work-family conflict, based on the assumption that FWAs will reduce conflict, by helping employees to better manage the boundaries between work and home life. Although a positive relationship would be expected, research findings have been inconsistent, suggesting a complex picture in which flexibility does not always facilitate a better work-life balance for working parents (Bryon, 2005; MesmerMagnus & Viswesvaran, 2006). Overall, the research suggests that flexibility is effective in improving some aspects of work-life balance, specifically, by reducing work-to-family conflict, but the effect is relatively small (Shockley & Allen, 2007).

These benefits are mostly due to time flexibility rather than other forms of flexibility, such as location flexibility, and are also largely confined to working women with high levels of family responsibility, rather than working women in general, or other categories of employees. Further studies have indicated that the level of benefit from FWAs depends critically on the extent to which flexibility increases (or decreases) the amount of control that employees experience as a result (Allen et al., 2013). The support provided by the organisation and line managers is an important factor in ensuring that employees benefit from FWAs. Lapierre and Allen (2006) found that supervisory support was linked to reduced work-family conflict and improved well-being. Although there were some benefits associated with time flexibility, they found that location flexibility (e.g., working from home) could actually have negative effects, as this can lead to family time demands impinging on work responsibilities.

The attitudes of spouses will influence the effects on employees, with positive partner attitudes towards FWAs facilitating a decrease in work-family conflict, and enhancing the employee’s commitment to the organisation (Wayne et al., 2013). Flexibility at work is often viewed as a recruitment tool for organisations, and it is increasingly common for employees to negotiate personalised work arrangements on their appointment with an organisation (known as idiosyncratic deals, or ideals). Hornung, Rousseau, and Glaser
(2008) found that the negotiation of flexibility i-deals (such as part-time working or homeworking) led to decreased levels of work-life conflict, but had no effect on work performance. There is good evidence to support a link between the use of FWAs (particularly time flexibility) and employee health and well-being (Nijp et al., 2012). Grzywacz, Carlson and Shulkin (2008) found that FWAs (including time flexibility and compressed hours) were associated with lowered stress and burnout, with time flexibility being the best predictor of employee well-being. The evidence for other forms of flexibility is less consistent.

Nijp et.al, (2012) conducted a review of studies, and found that enhanced flexibility (such as employee worktime control) was strongly related to improved work-life balance over time, but this did not necessarily lead to better health and well-being. Ter Hoeven and van Zoonen (2015) found that employee well-being was enhanced through improved work-life balance, increased control and enhanced communications, but could still be damaged through increased interruptions (especially due to location flexibility). Overall, the research presents mixed evidence of the extent to which FWAs improve work-life balance, and subsequent health and well-being. Where there is support from the organisation, and also from the family, the evidence suggests that there can be a significant impact on individual well-being, which should translate into improved job satisfaction and job performance. However, the benefits are relatively small, and largely restricted to working women with high family responsibilities.

2.4.3 The relationship between Job Flexibility and Employee Retention

Job flexibility is vital for retaining employees of any age (Boomer Authority, 2009). Researchers describe the importance of employment flexibility such as scheduling variations that better accommodate individual work times, workloads, responsibilities, and locations around family responsibilities (Cunningham, 2002; Pleffer, 2007). Studies show that "flexibility" empowers individuals to facilitate a healthier balance between work and personal obligations, something that appeals to all ages of employees (Eyster, et al., 2008; Scheef & Thielfodt, 2004). Prenda and Stahl (2001) say that employees having job flexibility options report having higher levels of individual commitment, concentration, satisfaction, productivity, loyalty, and mental capacity at any age. Studies supports the conclusion that organizations providing job flexibility options benefit from satisfying the needs of all employees, independent of age, which allows for the reallocation of expenses related to recruitment, work space changes, sick time,
absenteeism, and commuting costs (Agrela, et al., 2008; Boomer Authority, 2009; Cunningham, 2002).

Consequently, studies indicate that there is a link between flexibility choices and advanced levels of job satisfaction, accuracy, productivity, recruitment, and employee retention (Boomer Authority, 2009; Cunningham, 2002; Prenda & Stahl, 2001. Eyster, et al (2008) state organizations can effectively fulfill the needs for job flexibility options to promote employee retention. Thus, the provision of flexibility options is critical in the retention of all employees despite disparity in age, position, skill/knowledge level, and duration of employment (Eyster, et.al, 2008; McIntosh, 2001).

Another mechanism through which FWAs may impact on individual and team performance is through improved employee engagement. However, the research evidence surrounding the link between the use of FWAs, work engagement and work performance has been mixed, with relatively little support for flexibility leading to improved work performance through work engagement. Bal and De Lange (2014) found that the use of FWAs was not linked to employee engagement. However use of FWAs was related to job performance: employees who were better able to manage their work-life balance performed better at work, but this was not necessarily facilitated by higher employee engagement. However, the availability of FWAs was a significant predictor of both employee engagement and performance. This is because the availability of FWAs acts as a signal to employees that they are valued by the organisation, and so increases their level of organisational commitment.

The effect of perceived flexibility on work engagement is also influenced by perceptions of supervisor support (Swanberg et al., 2011). Increased commitment to the organisation can strengthen intentions to stay, and so increase retention. Indeed, significant associations have been found between FWAs and employee turnover (Richman et al., 2008). Recent research has supported differential effects of perceived flexibility (i.e., availability of FWAs) versus the use of FWAs by employees. Timms et al (2015) found that use of FWAs had a significant negative relationship with work engagement over time, while non-use of FWAs actually led to increased work engagement. The research suggested that unless FWAs were implemented within a supportive organisational environment, they could put an additional burden on employees that reduced their engagement over time. The positive benefits of using FWAs were very much contingent
on support at an organisational level and perceived support from supervisors. Working for a company that had FWAs available increased work engagement, for those employees who did not use them, while those who made use of FWAs experienced less work engagement. These findings might suggest that those who use FWAs see this as necessary for them to manage work-life boundaries, but at the same time, damaging to their career prospects, and so negatively affects their work engagement.

Gajendran, Harrison, and Delaney-Klinger (2015) found evidence that flexible working (remote working) has a positive effect on individual effectiveness, including both task and contextual performance, but this is dependent on the relationship with the line manager. Individuals with a good supervisor relationship achieved higher levels of task and contextual performance regardless of the extent to which they worked remotely. In addition, remote working was linked to task and contextual performance via perceived autonomy. Overall, the research evidence suggests that there is limited support for a clear link between flexible working and job performance facilitated by enhanced work engagement. Organisational productivity benefits more from perceived flexibility (i.e., the availability of FWAs), than via the increased work engagement of flexible workers. Indeed, the extent to which flexible working enhances work engagement (and subsequent performance) of flexible workers depends critically on the relationship between employees and their managers.

2.5 Chapter Summary
The chapter discussed literature review of existing research literature on employee retention, job security, career growth opportunities, career development and job flexibility. These retention strategies are important for the retention of employees. The discussion addressed and tackled all the research questions raised and provided a firm theoretical background for the study. The chapter delved into how these retention strategies for help an organization.

The next chapter will outline the research methodology used and describe the research design, population and sampling design, methods of data collection and data analysis methods that were used in the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter presents the research methodology used in the study and comprehensive research design, population and sampling, data collection methods, research procedures and how data collected is analyzed. This research methodology aims at enabling the researcher to obtain and process the data.

3.2 Research Design
According to Creswell (2014) research designs are types of inquiry within qualitative, quantitative, and mixed methods approaches that provide specific direction for procedures in a research study. It expresses both the structure of the research problem –frame work, organization, or configuration of the relationship among variables of a study- and the plan of investigation used to obtain empirical evidence on those relationships (Cooper & Schindler, 2014). The research adopted a descriptive research design. This is a basic research method that examines the situation as it currently exists. It involves identifying the features of a certain phenomenon based on observation. A descriptive study was aimed at describing or defining a subject often by creating a profile of a group of problems, people or events through the collection of data and tabulation of the frequencies on research variables or their interaction. It defined questions, people surveyed, and the method of analysis prior to beginning data collection.

3.3 Population and Sampling Design
3.5.1 Population
A population is the total collection of elements about which we wish to make some inference (Cooper & Schindler, 2014). The target population for this study includes the employees of the three banks stated in chapter one, which are Prime Bank, Chase Bank and KCB. KCB is a tier one bank and hence the intention was to investigate if, as a tier one bank KCB employees are confident in their work environment. Prime Bank is a tier two bank, and find out if as a tier two bank, its working environment mirrors that of KCB, or if it’s better or worse. Chase Bank was chosen due to the specific reason that it was placed under receivership in 2015. And since then the bank has gone through challenges
trying to clean up its image. But despite all this, do its employees still have confidence in working for the bank?

Table 3.1. Target Population

<table>
<thead>
<tr>
<th>Bank</th>
<th>Population (In Nairobi)</th>
<th>Population %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Bank Kenya</td>
<td>230</td>
<td>29</td>
</tr>
<tr>
<td>Chase Bank Kenya</td>
<td>115</td>
<td>14</td>
</tr>
<tr>
<td>KCB Kenya</td>
<td>455</td>
<td>57</td>
</tr>
<tr>
<td>Total</td>
<td>800</td>
<td>100</td>
</tr>
</tbody>
</table>

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

Sampling design refers to a research plan that indicates how cases are to be selected for observation or as respondents (Mugenda & Mugenda, 2003). Ngechu (2004) on the other hand underscores the importance of selecting a representative sample through making a sampling frame. The stratified simple random sampling technique was used as it was effective for the study. This is a probability sampling method where the population is divided into smaller groups known as strata which are based on similar characteristics shared by the members.

3.3.2.2 Sampling Technique

In this survey, stratified random sampling technique was adopted. The technique was adopted given its ability to allow all the population groups to be represented in the final sample hence reduces variability. It is also economical and provides for a higher degree of representation. Moreover, the suitability of stratified random sampling technique is down to it being possible for the populations to be divided into several mutually exclusive sub populations or strata hence, inferences on the specific groups of the population can then be made. The research used stratified random sampling so as to increase a sample’s statistical efficiency, provide adequate data for analyzing the various subpopulations or strata, and to enable different research methods and procedures to be used in different strata (Cooper & Schindler, 2008).
3.5.2.3 Sample Size
A sample examines a portion of the target population, and the portion must be carefully selected to represent that population (Cooper & Schindler, 2014). The stratification was based on the various departments represented at the headquarters of the banks. According to Mugenda and Mugenda (2003), a sample of 30% is adequate for the generalization of the findings to the whole population if the sample size in more than 30 elements. Based on these, the study sampled 30% of the population proportionately from each employee cadre. The sample size was as follows

Table 3.2. Sample Size

<table>
<thead>
<tr>
<th>Bank</th>
<th>Target Population</th>
<th>Sample Size (30%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Bank Kenya</td>
<td>230</td>
<td>69</td>
</tr>
<tr>
<td>Chase Bank Kenya</td>
<td>115</td>
<td>34</td>
</tr>
<tr>
<td>KCB Kenya</td>
<td>455</td>
<td>136</td>
</tr>
<tr>
<td>Total</td>
<td>800</td>
<td>239</td>
</tr>
</tbody>
</table>

3.4 Data Collection
The data that was collected during the study will be both nominal and ordinal in nature and was used to measure the frequency of variables so as to unearth the relationships between them rather than precise measurements. The collated results was used to express the most common insights among the employees of the banks, that is, the mode as well as the level of agreement with different statements therefore measuring median. This type of data was good for cross tabulation as it gave critical insights into data patterns. The tool used to collect the data was a structured questionnaire. The structured questionnaire used will contain a mixture of closed ended and open ended questions. Questionnaires was used since the study is concerned with variables that could not be observed, that is views, opinions and perceptions of the respondents. This kind of information is best collected through questionnaires (Touliatos & Compton, 1998).

The questionnaire was divided into five main sections. Section A was used to collect background information of the respondents on areas like age, gender, education level etc. Section B, C, D and E will address each of the three research questions. In addition, the five-point Likert type scale was used throughout the questionnaire to standardize the responses and assign quantitative values to qualitative data therefore making it suitable
3.5 Research Procedures

The questionnaire was pretested before its administration to ensure validity and reliability of the data to be collected. The questionnaire was pre-tested on ten staff members working in the bank. According to Kothari (2004), the purpose of pre-testing the data instrument is to ensure that the items in the instrument are stated clearly and have the same meaning to all respondents. It is only during pre-testing that the researcher is able to assess the ease of use of the instrument. Any sensitive, confusing or biased items was identified and modified or omitted. Pre-testing permits refinement before the final test (Cooper & Schindler, 2003).

It will also be useful in order to assess the clarity of the questions and establish the average length of time it would take to administer the questionnaire. This helped the researcher to prepare and plan for the actual data collection process. The next step involves the recruitment of 2 volunteer data collection assistants who was trained to conduct face to face interviews with the respondents. To ensure a high response rate, respondents was informed beforehand of the duration of the interview and to make it easier for them to commit to the interview without feeling pressured. Once the interviews are completed, the questionnaires was collected and collated by the researcher in to a MS Excel sheet and the transferred to the statistical package for analysis.

3.6 Data Analysis Methods

This is a process used to make sense of the data. The data was collected, thoroughly examined for completeness as well as correctness and appropriately stored in a format that permits statistical analysis. The data will then be summarized, classified, coded and tabulated. The statistical package for social sciences (SPSS) data analysis software was used to analyze, by use of descriptive and inferential statistics. Descriptive statistics such as mean, frequencies, standard deviation and percentages was used to profile sample characteristics and major patterns emerging from the data. The study will also use correlation analysis to establish the relationship between the dependent variable and the independent variables. Quantitative data was presented using tables.
3.7 Chapter Summary

This chapter presented the selected research design for the study and the target population. The sampling design used was the descriptive survey and the data collection method was the interview administered questionnaires. The sampling technique used was the stratified random sampling, targeting a select group of banks. The research procedures and application of the research questions in this study were explained in detail. Finally the software for data analysis (SPSS .version 22) was selected considering the type of data that was collected and analyzed. Interpretation of the statistical outputs was done and the next chapter discussed the presentation of results and findings of the study.
CHAPTER FOUR

4.0 Results and Findings

4.1 Introduction
This chapter presents the results established from the data analysis done. This includes findings relating to the demography and specific research objectives aimed at establishing how non-monetary factors affect employee retention at Prime bank, KCB and Chase bank.

4.1.1 Response rate
The research issued a total of 239 questionnaires and a total of 220 were filled and returned giving a response rate of 92%. This was considered sufficient for the study as indicated in table 4.1

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and returned</td>
<td>220</td>
<td>92</td>
</tr>
<tr>
<td>Non-response</td>
<td>19</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>239</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2 General Information

4.2.1 Age
The analysis of the respondent’s ages established that majority were aged between 31-40 years and accounted for 54.6%, while those of 21-30 years followed at 21.8%, and those of 41-50 at 12.3%. The findings recorded that those whose age was above 50 years accounted for 11.4%. This implies that the respondents were mature enough to reason and offer objective feedback from the questions asked.

Figure 4.1: Age
4.2.2 Gender
To analyse the respondent’s gender the result established that majority were female and accounted for 60%, while those who were male were 88 and accounted for 40%. This implies that both sexes were sufficiently represented in this study.

![Gender Pie Chart]

Figure 4.2: Gender

4.2.3 Education
To analyse the respondents levels of education the result established that majority were graduates and they accounted for 79.5% of the total population, while undergraduates represented 20.5% of the total. This implies that the respondents had a high literacy level to comprehend the questions asked.

![Education Bar Chart]

Figure 4.3: Education

4.2.4 Position
To analyse the respondent’s positions in the firm, the result established that majority were managers and they accounted for 35.9% of the total population, while 20.5% failed to indicate their position in the firms. It was also established that 18.2% were bankers, while sales persons, junior managers and senior managers accounted for 7.3% of the total
respectively and clerks had the least figure at 3.6%. This implies that the response received was diverse and thus represented a wide range of opinions.

![Bar chart showing frequency and percentage of responses for different job positions.](image)

**Figure 4.4: Position**

**4.2.5 Bank**

Analysis of the institutions revealed that 35.9% were from KCB Bank, 32.7% represented chase bank, while 29.1% represented Prime bank.

**Table 4.2: Bank**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No response</td>
<td>5</td>
<td>2.3</td>
</tr>
<tr>
<td>Prime bank</td>
<td>64</td>
<td>29.1</td>
</tr>
<tr>
<td>KCB</td>
<td>79</td>
<td>35.9</td>
</tr>
<tr>
<td>Chase Bank</td>
<td>72</td>
<td>32.7</td>
</tr>
<tr>
<td>Total</td>
<td>220</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**4.3 Effect of Job Security on Employee Retention**

The study sought to analyze the effect of job security on employee retention. To achieve this objective, respondents were asked a set of questions to indicate to what extent they agree or disagreed with the given statements, using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree.

**4.3.1 Descriptive of Effect of Job Security**

The study revealed that there was uncertainty of respondents feeling secure in present job (m=3.03, SD =1.236). Many however disagreed that they have stress on the job because
of lack of security (m=2.92, SD =1.326). Majority also disagreed that they foresee having destabilized income in next 12 months (m=2.80, SD =1.164), neither did they indicate that they expect job redundancy in next 12 months (m=2.33, SD=1.211). In addition there was no indication of reorganization of the firm affecting their job (m=2.05, sd =1.141) nor will they have announced redundancy in next 12 months (m=2.95, sd=1.400). Majority also disagreed that longevity of contracts offer job security (m=2.80, sd=1.305), in addition, the findings indicate that commitment did not vary with permanence of the contracts (m=2.96, sd=1.399).

### Table 4.3: Descriptive of Effect of Job Security

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feel secure in present job</td>
<td>15.5</td>
<td>11.4</td>
<td>42.8</td>
<td>15.5</td>
<td>15</td>
<td>3.03</td>
<td>1.236</td>
</tr>
<tr>
<td>My job stress because of lack of security</td>
<td>11.4</td>
<td>39.6</td>
<td>15.9</td>
<td>14.5</td>
<td>18.6</td>
<td>2.92</td>
<td>1.326</td>
</tr>
<tr>
<td>Destabilize income in next 12 months</td>
<td>11.8</td>
<td>32.3</td>
<td>33.2</td>
<td>10.9</td>
<td>11.8</td>
<td>2.80</td>
<td>1.164</td>
</tr>
<tr>
<td>Expect Job redundancy in next 12 months</td>
<td>35.9</td>
<td>26.4</td>
<td>18.6</td>
<td>14.5</td>
<td>45</td>
<td>2.33</td>
<td>1.211</td>
</tr>
<tr>
<td>Reorganization affecting the Job</td>
<td>45</td>
<td>21.8</td>
<td>22.3</td>
<td>7.3</td>
<td>3.6</td>
<td>2.05</td>
<td>1.141</td>
</tr>
<tr>
<td>Announced redundancy in next 12 months</td>
<td>20.9</td>
<td>25.5</td>
<td>26.4</td>
<td>3.6</td>
<td>23.6</td>
<td>2.95</td>
<td>1.400</td>
</tr>
<tr>
<td>Longevity of contracts offer job security</td>
<td>22.7</td>
<td>20.9</td>
<td>22.3</td>
<td>26.4</td>
<td>7.7</td>
<td>2.80</td>
<td>1.305</td>
</tr>
<tr>
<td>Commitment varies with permanence of my contracts</td>
<td>23.6</td>
<td>17.8</td>
<td>10.9</td>
<td>36.8</td>
<td>10.9</td>
<td>2.96</td>
<td>1.399</td>
</tr>
</tbody>
</table>

### 4.3.2 Correlation of Job Security on Employee Retention

A Pearson correlation analysis was done to establish the relationship between the dependent variable (Employee retention) and job security, the result established a week insignificant positive relationship between the variables (r=0.131, p>0.05) as indicted in table 4.4. Therefore, an increase in job security results to slight improvement in employee retention.

### Table 4.4: Correlation of Job Security on Employee Retention

<table>
<thead>
<tr>
<th>Variable</th>
<th>Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Security</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-Tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
</tbody>
</table>
4.4 Effect of Career Growth Opportunities on Employee Retention

The study sought to analyze the effect of career growth on employee retention to achieve this objective. Respondents were asked a set of questions to indicate to what extent they agree or disagree with these statements. Using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree

4.4.1 Descriptive of Career Growth Opportunities on Employee Retention

The result revealed that they have already achieved all they want to achieve in their career (m=2.06, sd=1.161). There was uncertainty on respondents considering current positions as a training ground for their next career option. (m=3.60, sd=1.169). Majority also expressed uncertainty of seeing their current organization as a training ground for their next career move (m=3.37, sd=1.044). A huge percentage agreed that they want to work in a higher level position (m=4.03, sd=1.279) and they were prepared to move into a different work area to develop their career (m=3.95, sd=1.054).

A majority neither agreed nor disagreed on being prepared to move to another geographical area to develop their career (m=3.08, sd=1.331) they also don’t have a clearly established career path (m=3.08, sd=1.381). On the other hand the findings show that majority have had an opportunity to learn and grow (m=3.82, sd=0.804) although throughout the year they have not had adequate promotion opportunities (m=2.88, sd=1.129), neither are there well-functioning mentorship programs (m=2.88, sd=1.108) nor interdepartmental exchange programs for individual skill development (m=2.71, sd=1.140).
Table 4.5: Descriptive of Career Growth Opportunities on Employee Retention

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have already achieved all I want to achieve in my career</td>
<td>36.4</td>
<td>44.1</td>
<td>7.3</td>
<td>4.1</td>
<td>8.2</td>
<td>2.06</td>
<td>1.161</td>
</tr>
<tr>
<td>I see my current position as a training ground for my next career</td>
<td>3.6</td>
<td>15.5</td>
<td>28.2</td>
<td>26.4</td>
<td>26.4</td>
<td>3.60</td>
<td>1.169</td>
</tr>
<tr>
<td>I see my current organization as a training ground for a career move</td>
<td>4.1</td>
<td>11.4</td>
<td>46.4</td>
<td>21.8</td>
<td>16.4</td>
<td>3.37</td>
<td>1.044</td>
</tr>
<tr>
<td>Want to work in a higher level position</td>
<td>11.8</td>
<td>0</td>
<td>7.4</td>
<td>36.3</td>
<td>45.5</td>
<td>4.03</td>
<td>1.279</td>
</tr>
<tr>
<td>Prepared to move in another work area to develop career</td>
<td>8.2</td>
<td>0</td>
<td>9.6</td>
<td>55</td>
<td>27.3</td>
<td>3.95</td>
<td>1.054</td>
</tr>
<tr>
<td>Prepared to move to another geographical area to develop career</td>
<td>16.8</td>
<td>14.5</td>
<td>27.7</td>
<td>26.4</td>
<td>14.5</td>
<td>3.08</td>
<td>1.331</td>
</tr>
<tr>
<td>I have clearly established my career path</td>
<td>18.2</td>
<td>11.4</td>
<td>35.4</td>
<td>15</td>
<td>20</td>
<td>3.08</td>
<td>1.381</td>
</tr>
<tr>
<td>Opportunity to learn and grow</td>
<td>0</td>
<td>3.6</td>
<td>35.4</td>
<td>41.4</td>
<td>19.5</td>
<td>3.82</td>
<td>0.804</td>
</tr>
<tr>
<td>Throughout the year we have adequate promotion opportunities</td>
<td>15.5</td>
<td>17.3</td>
<td>40.5</td>
<td>19.5</td>
<td>7.3</td>
<td>2.88</td>
<td>1.129</td>
</tr>
<tr>
<td>Well-functioning mentorship programs</td>
<td>14.6</td>
<td>21.8</td>
<td>36.8</td>
<td>19.1</td>
<td>7.7</td>
<td>2.88</td>
<td>1.108</td>
</tr>
<tr>
<td>Interdepartmental exchange programs for individual skill development</td>
<td>15.9</td>
<td>28.7</td>
<td>32.7</td>
<td>15.5</td>
<td>7.3</td>
<td>2.71</td>
<td>1.140</td>
</tr>
</tbody>
</table>

4.4.2 Correlation of Career Growth on Employee Retention

A Pearson correlation analysis was done to establish the relationship between the dependent variable (Employee retention) and career growth, the result established a week significant positive relationship between the variables (r=0.176, p=0.011) as indicted in table 4.6. Therefore, an increase in career growth results to slight improvement in employee retention.

Table 4.6: Correlation of Career Growth on Employee Retention

<table>
<thead>
<tr>
<th>Variable</th>
<th>Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career Opportunity</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
</tbody>
</table>

*. Correlation is significant at the 0.05 level (2-tailed).
4.4.3 Regression Analysis of Career Growth on Employee Retention

The research analyzed the relationship between the dependent variable (Employee retention) and career growth. The results showed that the $R^2$ value was 0.031 hence 3.1% of the variation in employee retention was explained by the variations in career growth as illustrated in Table 4.7.

**Table 4.7: Model Summary of Career Growth on Employee Retention**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>SD. Error of the Estimate</th>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.176</td>
<td>.031</td>
<td>.026</td>
<td>.80737</td>
<td>Change Statistics</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>R Square Change</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>F Change</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>df1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>df2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sig. F Change</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), career opportunity

4.4.4 Anova of Career Growth on Employee Retention

An ANOVA analysis was done between employee retention and career growth at 95% confidence level, the F critical value was 6.552 and the P value was (0.011) therefore significant, the results are illustrated below in Table 4.8. This indicates that there was no significant relationship between the variables.

**Table 4.8: Anova of Career Growth on Employee Retention**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>4.271</td>
<td>1</td>
<td>4.271</td>
<td>6.552</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>133.630</td>
<td>205</td>
<td>.652</td>
<td>.011b</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>137.901</td>
<td>206</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Retention
b. Predictors: (Constant), career opportunity

4.4.5 Coefficients of Career Growth on Employee Retention

The regression equation illustrated in Table 4.8 established that taking career growth into account and other factors held constant employee retention improved by 2.0832 units and both variables were significant.

$Y = \beta_0 + \beta_1 X_1 + \varepsilon$

$Y = 2.082 + 0.281 X_1 + .8074$

Where:
Y is the dependent variable (employee retention)

β0 is the regression constant;

β1 coefficients of independent variables;

X1 factors that determine career growth, and ε is the error term.

Table 4.9: Coefficients of Career Growth on Employee Retention

<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></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.082</td>
<td>.358</td>
<td>5.817</td>
</tr>
<tr>
<td></td>
<td>career opportunity</td>
<td>.281</td>
<td>.110</td>
<td>.176</td>
</tr>
</tbody>
</table>

4.5 Effect of Job Flexibility on Employee Retention

The study sought to analyze the effect of Job flexibility on employee retention. To achieve this objective, respondents were asked a set of questions to indicate to what extent they agree or disagree with statement. Using a five pointLikert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree

4.5.1 Change in Work Environment

Respondents were asked to respond to how management felt about them asking for a change in work environment and the results revealed that 62 failed to respond representing 28.2%, while 59 were denied the opportunity and accounted for 26.8%, in addition, 8 respondents have never asked representing 3.6%. On the other hand those who have been accepted were 25 and represented 11.4%. A majority represented by 30% felt the option was not applicable as shown in Table 4.9

Table 4.10: Change in Work Environment

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing</td>
<td>62</td>
<td>28.2</td>
</tr>
<tr>
<td>Denied</td>
<td>59</td>
<td>26.8</td>
</tr>
<tr>
<td>Did not ask</td>
<td>8</td>
<td>3.6</td>
</tr>
<tr>
<td>Accepted</td>
<td>25</td>
<td>11.4</td>
</tr>
<tr>
<td>not applicable</td>
<td>66</td>
<td>30.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>220</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
4.5.2 Feelings after Denial
Respondents were asked to respond to how they felt about after being denied in opportunity to change the work environment and the results revealed that 48 failed to respond representing 21.8%, while 25 felt bad and this accounted for 11.4%, in addition, 22 respondents felt demotivated representing 10%. On the other hand those who felt the firm lack flexibility were 18 and represented 8.2%, while those who felt the firm lack of growth were 13 and represented 5.9%. It was also revealed that 11 respondents felt unvalued and represented 5%. A majority represented by 83% felt the option was not applicable as shown in Table 4.10

Table 4.11: Feelings after Denial

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing</td>
<td>48</td>
<td>21.8</td>
</tr>
<tr>
<td>Bed</td>
<td>25</td>
<td>11.4</td>
</tr>
<tr>
<td>Demotivated</td>
<td>22</td>
<td>10.0</td>
</tr>
<tr>
<td>Lack Flexibility</td>
<td>18</td>
<td>8.2</td>
</tr>
<tr>
<td>Growth</td>
<td>13</td>
<td>5.9</td>
</tr>
<tr>
<td>Not Applicable</td>
<td>83</td>
<td>37.7</td>
</tr>
<tr>
<td>Unvalued</td>
<td>11</td>
<td>5.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>220</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

4.5.3 Descriptive of Job Flexibility
The findings revealed that there is flexibility to manage work and non-work interests (m=3.55, sd=1.181). Respondents also denied that they face difficulty in adopting a flexible working arrangement due to lack of support (m=2.49, sd= 1.190). They however denied to having access to ad hoc flexibility when needs change abruptly (m=2.92, sd=1.271) However, a majority were uncertain of their commitment being questioned if they worked flexibly (m=3.25, sd=1.469)
Table 4.12: Descriptive of Job Flexibility

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexibility to manage work and non-work interests</td>
<td>3.6</td>
<td>18.6</td>
<td>24.5</td>
<td>29.1</td>
<td>24.1</td>
<td>3.55</td>
<td>1.181</td>
</tr>
<tr>
<td>Difficult to adopt a flexible working arrangement due to lack of support</td>
<td>29.1</td>
<td>25.5</td>
<td>29.5</td>
<td>8.2</td>
<td>7.7</td>
<td>2.49</td>
<td>1.190</td>
</tr>
<tr>
<td>Access ad hoc flexibility when needs change in a short notice</td>
<td>20.9</td>
<td>21.8</td>
<td>25.5</td>
<td>19.1</td>
<td>12.7</td>
<td>2.92</td>
<td>1.271</td>
</tr>
<tr>
<td>Commitment would be questioned if worked flexibly</td>
<td>15.5</td>
<td>18.6</td>
<td>20.4</td>
<td>18.2</td>
<td>27.3</td>
<td>3.25</td>
<td>1.469</td>
</tr>
</tbody>
</table>

**4.5.3 Correlation of Job Flexibility on Employee Retention**

A Pearson correlation analysis was done to establish the relationship between the dependent variable (Employee retention) and job flexibility, the result established a weak positive relationship between the variables \( r=0.074, p>0.05 \) as indicated in table 4.13. Therefore, an increase in job flexibility results to slight improvement in employee retention.

Table 4.13: Correlation of Job Flexibility on Employee Retention

<table>
<thead>
<tr>
<th>Variable</th>
<th>Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Flexibility</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
</tbody>
</table>

**4.6 Employee Retention**

A review of employee retention reveled that there are no policies and practices that prevent valuable employees from leaving \( m=2.86, sd=1.186 \). There was however uncertainty about the banks having management practices in place that encourage acceptable relationships between management and employees \( m=3.11, sd=.931 \), or the firms providing desirable working conditions that encourage retention \( m=3.07, sd=.919 \). Majority also disagreed that the firm foster commitment by ensuring employee needs are incorporated \( m=2.91, sd=1.046 \).
Table 4.14: Descriptive of Employee Retention

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policies and practices that prevent voluble employees from leaving</td>
<td>21.8</td>
<td>18.6</td>
<td>30</td>
<td>22.3</td>
<td>7.3</td>
<td>2.86</td>
<td>1.186</td>
</tr>
<tr>
<td>Management practices in place that encourage acceptable relationship</td>
<td>4.5</td>
<td>18.6</td>
<td>42.3</td>
<td>30.9</td>
<td>3.6</td>
<td>3.11</td>
<td>.931</td>
</tr>
<tr>
<td>between management and employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provide desirable working conditions that encourage retention</td>
<td>12.3</td>
<td>15</td>
<td>45.9</td>
<td>22.7</td>
<td>4.1</td>
<td>3.07</td>
<td>.919</td>
</tr>
<tr>
<td>Foster commitment by ensuring employee needs are incorporated</td>
<td>20.2</td>
<td>22.5</td>
<td>24.5</td>
<td>20.1</td>
<td>12.7</td>
<td>2.91</td>
<td>1.046</td>
</tr>
</tbody>
</table>

4.6.1 Cross Tab of Employee Retention across the Banks

A cross tab was done to determine how employee retention varied across the three banks and the findings are indicated as follows.

4.6.1.1 Policies and Practices That Prevent Voluble Employees from Leaving

An analysis of banks to establish if there exist policies and practices that prevent valuable employees from leaving revealed that at prime bank 13% agreed and 3% strongly agreed. At KCB 24% agreed and 9% strongly agreed, while at chase bank 16% agreed and only 4% agreed. This implies that KCB had the best existing policies and practices that prevent voluble employees from leaving.

Table 4.15: Cross Tab of Employee Retention and Policies and Practices

<table>
<thead>
<tr>
<th>Bank</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime bank</td>
<td>14</td>
<td>11</td>
<td>25</td>
<td>13</td>
<td>3</td>
<td>66</td>
</tr>
<tr>
<td>KCB</td>
<td>7</td>
<td>16</td>
<td>24</td>
<td>24</td>
<td>9</td>
<td>80</td>
</tr>
<tr>
<td>Chase Bank</td>
<td>16</td>
<td>13</td>
<td>20</td>
<td>16</td>
<td>4</td>
<td>69</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
<td>40</td>
<td>69</td>
<td>53</td>
<td>16</td>
<td>215</td>
</tr>
</tbody>
</table>

4.6.1.2 Management Practices and Relationships

An analysis of banks done to establish if there are management practices in place that encourage acceptable relationship between management and employees revealed that at prime bank 16 agreed. At KCB 34 agreed and 4 strongly agreed, while at chase bank 22 agreed and only 5 strongly agreed. This implies that out of the three banks KCB had the best management practices in place that encourage acceptable relationship between management and employees.
Table 4.16: Cross Tab of Management Practices and Relationships

<table>
<thead>
<tr>
<th>Bank</th>
<th>ER2</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime bank</td>
<td></td>
<td>8</td>
<td>12</td>
<td>30</td>
<td>16</td>
<td>0</td>
<td>66</td>
</tr>
<tr>
<td>KCB</td>
<td></td>
<td>1</td>
<td>16</td>
<td>25</td>
<td>34</td>
<td>4</td>
<td>80</td>
</tr>
<tr>
<td>Chase Bank</td>
<td></td>
<td>2</td>
<td>14</td>
<td>26</td>
<td>22</td>
<td>5</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>11</td>
<td>42</td>
<td>81</td>
<td>72</td>
<td>9</td>
<td>215</td>
</tr>
</tbody>
</table>

4.6.1.3 Desirable Working Conditions

An analysis of banks done to establish if the banks provide desirable working conditions that encourage retention revealed that at prime bank 14 agreed. At KCB 29 agreed and 5 strongly agreed, while at chase bank 20 agreed and only 4 strongly agreed. This implies that out of the three banks KCB provides the most desirable working conditions that encourage retention.

Table 4.17: Cross Tab of Desirable Working Conditions

<table>
<thead>
<tr>
<th>Bank</th>
<th>ER3</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime bank</td>
<td></td>
<td>8</td>
<td>12</td>
<td>32</td>
<td>14</td>
<td>0</td>
<td>66</td>
</tr>
<tr>
<td>KCB</td>
<td></td>
<td>1</td>
<td>17</td>
<td>28</td>
<td>29</td>
<td>5</td>
<td>80</td>
</tr>
<tr>
<td>Chase Bank</td>
<td></td>
<td>2</td>
<td>14</td>
<td>29</td>
<td>20</td>
<td>4</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>11</td>
<td>43</td>
<td>89</td>
<td>63</td>
<td>9</td>
<td>215</td>
</tr>
</tbody>
</table>

4.6.1.4 Foster Commitment

Foster commitment by ensuring employee needs are incorporated

An analysis of banks done to establish if the banks foster commitment by ensuring employee needs are incorporated revealed that at prime bank 15 agreed. At KCB 26 agreed and 5 strongly agreed, while at chase bank 13 agreed and only 5 strongly agreed. This implies that out of the three banks KCB foster commitment by ensuring employee needs are incorporated.

Table 4.18: Cross Tab of Fostering Commitment

<table>
<thead>
<tr>
<th>Bank</th>
<th>ER4</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime bank</td>
<td></td>
<td>12</td>
<td>8</td>
<td>31</td>
<td>15</td>
<td>0</td>
<td>66</td>
</tr>
<tr>
<td>KCB</td>
<td></td>
<td>6</td>
<td>18</td>
<td>25</td>
<td>26</td>
<td>5</td>
<td>80</td>
</tr>
<tr>
<td>Chase Bank</td>
<td></td>
<td>11</td>
<td>9</td>
<td>31</td>
<td>13</td>
<td>5</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>29</td>
<td>35</td>
<td>87</td>
<td>54</td>
<td>10</td>
<td>215</td>
</tr>
</tbody>
</table>
4.6.2 Multiple Correlation

A Pearson correlation was done to establish the relationship between employee retention and other factors and the findings revealed that there was a positive relationship between employee retention and job security \((r=0.131, p>0.05)\), Career growth \((r=0.176, p<0.05)\), job flexibility \((r=0.074, p>0.05)\). There was also a significant correlation between career growth and Job security \((r=0.265, p<0.01)\), Flexibility and career growth \((r=0.288, p<0.01)\), the results were as shown in Table 4.19.

Table 4.19: Multiple Correlations

<table>
<thead>
<tr>
<th></th>
<th>Employee Retention</th>
<th>Job Security</th>
<th>Career</th>
<th>Flexibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Security</td>
<td>Pearson Correlation</td>
<td>.131</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.059</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career</td>
<td>Pearson Correlation</td>
<td>.176*</td>
<td>.265**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.011</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexibility</td>
<td>Pearson Correlation</td>
<td>.074</td>
<td>.136</td>
<td>.288**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.292</td>
<td>.050</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>207</td>
<td>207</td>
<td>207</td>
<td>207</td>
</tr>
</tbody>
</table>

*. Correlation is significant at the 0.05 level (2-tailed).

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

4.7 Chapter Summary

This chapter presents the results established from the data analysis done. This includes findings relating to the demography and specific research objectives aimed at establishing how non-monetary factors affect employee retention at Prime Bank, KCB and Chase Bank. The first section presents the demography data, in the subsequent section the data is presented in line with the specific objectives of the study. Chapter five will present the discussions, conclusions and recommendations of the study.
CHAPTER FIVE

5.0 DISCUSSION CONCLUSION AND RECOMMENDATION

5.1 Introduction

This section seeks to analyse the findings in comparison to the literature review done in line with employee retention. This was organized based on the specific research questions which sought to establish the effect of job security, on employee retention in banks, in Kenya, the effect of career growth opportunities and career development, on employee retention in banks, in Kenya, and the effect of Job flexibility, on employee retention in banks, in Kenya.

5.2 Summary of the Study

The purpose of this paper was to investigate how non-monetary factors affect employee retention at Prime bank, KCB and Chase bank. The research questions for this study were; what is the effect of job security, on employee retention in banks, in Kenya? What is the effect of career growth opportunities and career development, on employee retention in banks, in Kenya? What is the effect of Job flexibility, on employee retention in banks, in Kenya?

The research adopted a descriptive research design in order to examine the situation as it currently exists. The target population of 800 respondents for this study included the employees of Prime Bank, Chase Bank and KCB. The stratified simple random sampling technique was used as it was effective for the study. A sample of 30% was considered adequate for the generalization of the findings to the whole population resulting into 239 respondents however only 220 responded thus giving a 92% response rate. The tool used to collect the data was a structured questionnaire. The data was then summarized, classified, coded and tabulated. The statistical package for social sciences (SPSS) data analysis software was used to analyze data based on descriptive and inferential statistics. The study also used a correlation analysis to establish the relationship between the dependent variable and the independent variables. Quantitative data was presented using tables.

The study revealed that there was uncertainty of respondents feeling secure in present job (m=3.03, sd =1.236). Many however disagreed that they have stress on the job because of
lack of security \( (m=2.92, \ sd =1.326) \). Majority also disagreed that they foresee having destabilized income in next 12 months \( (m=2.80, \ sd =1.164) \), neither did they indicate that they expect job redundancy in next 12 months \( (m=2.33, \ sd=1.211) \). In addition there was no indication of reorganization of the firm affecting their jobs \( (m=2.05, \ sd =1.141) \) nor have announced redundancy in next 12 months \( (m=2.95, \ sd=1.400) \). Majority also disagreed that longevity of contracts offer job security \( (m=2.80, \ sd =1.305) \), in addition, the findings indicate that commitment did not vary with permanence of the contract \( (m=2.96, \ sd=1.399) \). A Pearson correlation analysis done to establish the relationship between the dependent variable (Employee retention) and job security, revealed a weak positive relationship between the variables \( (r=0.131, \ p>0.05) \).

A Pearson correlation analysis was done to establish the relationship between the dependent variable (Employee retention) and career growth, the result established a positive relationship between the variables \( (r=0.176, \ p=0.011) \). Therefore, an increase in career growth results to slight improvement in employee retention. The research analyzed the relationship between the dependent variable (Employee retention) and career growth. The results showed that the \( R^2 \) value was 0.031 hence 3.1 % of the variation in employee retention was explained by the variations in career growth. The regression equation illustrated that taking career growth into account and other factors held constant, employee retention improved by 2.0832 units and both variables were significant.

The findings revealed that there is flexibility to manage work and non-work interests \( (m=3.55, \ sd=1.181) \). Respondents also denied that they face difficulty in adopting a flexible working arrangement due to lack of support \( (m=2.49, \ sd= 1.190) \). They however denied to having access ad hoc flexibility when needs change abruptly \( (m=2.92, \ sd=1.271) \) However, a majority were uncertain of their commitment being questioned if they worked flexibly \( (m=3.25, \ sd=1.469) \). A Pearson correlation analysis was done to establish the relationship between the dependent variable (Employee retention) and job flexibility, the result established a weak positive relationship between the variables \( (r=0.074, \ p>0.05) \). Therefore, an increase in job flexibility results to slight improvement in employee retention.
5.3 Discussion

5.3.1 Effect of Job Security on Employee Retention

The study revealed that many disagreed that they have stress on the job because of lack of security. Retaining good employees is critical to a firm’s long term success. By taking a proactive approach to developing an effective employee retention program, the anxiety of high turnover can be reduced. True employee retention takes time, effort and resources, but the rewards can prove valuable. One of the major drivers for investing in a retention program is the financial impact of recruiting and training valued employees (Abraham, 2007). Job dissatisfaction can be a cause for labor turnover. Labor turnover levels can be very high in organizations with poor working conditions, undesirable jobs, pay inequities and limited opportunities for advancement (Nzuve, 1997).

Majority also disagreed that they foresee having destabilized income in next 12 months neither did they indicate that they expect job redundancy in next 12 months. According to Glen (2007) two general categories of forces that operate in employee retention: engagement and coercion. Engagement occurs when an employee connects emotionally with his work, coercion occurs when forces outside the employee encourage either attachment to or disengagement from an employer. Good manager’s help people stay engaged; bad ones push them towards disengagement

The study also revealed that there was no indication of reorganization of the firm affecting the job. Fostering employee commitment can have a great impact on decreasing turnover rates (Bishop, 1997) found that commitment has a positive effect on productivity, turnover and employees willingness to help co-workers because increased employee commitment improves team performance and productivity and decrease absenteeism, turnover, and intention to quit by employees.

A Pearson correlation analysis done to establish the relationship between the dependent variable (Employee retention) and job security, revealed a positive relationship between the variables. Agrela, et al (2008) states the need to focus on the factors that affects retention leading to growth and success of organizations. Studies suggests that retention strategies, which effectively satisfy the needs of all employees consequently enhances the ability for companies to adapt more effectively to ongoing organizational change (Gale Group, 2006). Research shows that trends redefining modern retention strategies go beyond the traditional salary and benefits package (Gale Group, 2006) and compensation
(Feldman, 2000) embracing employee motivation (Thomas, 2000), as one of the key factors to cater to the diversity and long stay of the workforce in the organization.

Studies indicate fulfilling peoples need for acceptance by assuring them of the security of their jobs prolongs employment of employees (Redington, 2007). A Study by Yazinski (2009) show trends of an increased number of job applicants seeking out companies that encourage long term employment, beyond the traditional compensation/benefit. An employee who feels secure in their job is one that is committed to their organization and commitment to the organization will ensure retention. Studies have concluded that committed employees’ remains with the organization for longer periods of time than those which are less committed.

Steers (1977) suggest that the more committed an employee is, the less of a desire they have to terminate from the organization. These “highly committed” employees were found to have a higher intent to remain with the company, a stronger desire to attend work, and a more positive attitude about their employment. Steers (1977) concluded that “commitment was significantly and inversely related to employee turnover.”

According to Arthur (1994) when organizations seek to foster a philosophy of commitment, then the likelihood of an employee searching for employment elsewhere is lowered. Owens (2006) had a similar finding that employees that had a higher level of commitment also had a higher level of “turnover cognitions”. A higher score in “turnover cognitions” indicated that the employee had a more favorable attitude and was less likely to consider turnover representing an inverse relationship of commitment and turnover. The underlying belief is that a more committed employee will perform better at their job (Walton, 1985).

5.3.2 Effect of Career Growth and Development on Employee Retention

A Pearson correlation analysis was done to establish the relationship between the dependent variable (Employee retention) and career growth, the result established a positive relationship between the variables. Therefore, an increase in career growth results to slight improvement in employee retention. Career growth opportunities are an effective tool to increase the retention in an organization. If the employees are provided opportunities for the advancement and growth, they feel satisfied and contented and they become more committed to the organization. Human resource of any organization has major importance because they run the organization and the expertise, skills and
combined intellect that takes the organization to its distinctive position. Schwan (1976) found that the insertion of information on human capital led to extensively recovered forecasts of net income, as compared with using only conventional indicators. Such employees whose ideas are discussed feel honored and try to convince all the other members for the applicability and usefulness of their ideas. These meetings convince and motivate other employees to think creatively in the organization and try to give some useful ideas so that they should also be taken seriously and should be termed as creative individual in the organization instead of dull individuals who do not think out of the box solutions.

The research analyzed relationship between the dependent variable (Employee retention) and career growth. The results showed that the $R^2$ value was 0.031 hence 3.1% of the variation in employee retention was explained by the variations in career growth. Organizational career growth shows potential for retaining employees, its biggest impact is on those who desire a career (Weng & McElroy, 2012). Organizational career growth is more regular and more closely associated with individual attitudes and behavior (Weng & Xi, 2010). Weng & McElroy (2012), conceptualized career growth as consisting of four factors: career goal progress, professional ability development, promotion speed, and remuneration growth. The dimensions of career growth were positively related to employee retention. However, promotion speed and remuneration growth into a single facet collapsed to rewards.

Wang et al. (2014), findings highlight a previously unexamined relationship between organizational career growth and voice behavior. Organizational career growth is not a static concept; one might expect the relationship between it and voice behavior to be affected by career stage. The multi-dimensional conceptualization implies by (Weng et al., 2010), that career growth is both a function of the employees' efforts and the organization's willingness and ability to reward such efforts.

The regression equation illustrated that taking career growth into account and other factors held constant employee retention improved by 2.0832 units and both variables were significant. Weng & McElroy (2012), studied survey data collected from the People's Republic of China to test Weng's (2010) four facet model of career growth and to examine its effect on occupational commitment and employee retention. The finding of the study was retention is positively related to the three dimensions of career growth, with
the correlation coefficient of career goal progress being the highest, followed by professional ability development, and then organizational rewards. With respect to the control variables, age is negatively correlated with retention intentions. Similarly, as suggested by Ballout (2009) in his research on bank employees in Lebanon, highly committed and competent employees seek challenging tasks and opportunities for career growth if these can be performed successfully. Employers can reap the benefits of highly committed employees if they provide the long-term career development which contributes to career success (Ballout 2009).

5.3.3 Effect of Job Flexibility on Employee Retention

The findings revealed that there is flexibility to manage work and non-work interests. Prenda & Stahl (2001) say that employees having job flexibility options report having higher levels of individual commitment, concentration, satisfaction, productivity, loyalty, and mental capacity at any age. Studies supports the conclusion that organizations providing job flexibility options benefit from satisfying the needs of all employees, independent of age, which allows for the reallocation of expenses related to recruitment, work space changes, sick time, absenteeism, and commuting costs (Agrela, et al., 2008; Boomer Authority, 2009; Cunningham, 2002).

Research shows that flexible work arrangements may reduce stress because employees working flexibly are more satisfied with their jobs, more satisfied with their lives, and experience better work-family balance. As such, the freedom that comes with the ability to have some control over work hours is attractive to many staffers. This can reduce turnover because employees develop a greater sense of job satisfaction and are less likely to leave (Bussin, 2003). Job Flexibility refers to any working schedule that is outside of a normal working pattern, Arthur, (2003). This means that the working hours, instead of being repetitive and fixed, can involve changes and variations. It can mean the employee has variables such as when they are required to work or even report to their place of work.

A Pearson correlation analysis was done to establish the relationship between the dependent variable (Employee retention) and job flexibility; the result established a positive relationship between the variables. Job flexibility is vital for retaining employees of any age (Boomer Authority, 2009). Researchers describe the importance of employment flexibility such as scheduling variations that better accommodate individual work times, workloads, responsibilities, and locations around family responsibilities
(Cunningham, 2002; Pleffer, 2007). Studies show that "flexibility" empowers individuals to facilitate a healthier balance between work and personal obligations, something that appeals to all ages of employees (Eyster, et al., 2008; Scheef & Thielfdot, 2004).

Consequently, studies indicate that there is a link between flexibility choices and advanced levels of job satisfaction, accuracy, productivity, recruitment, and employee retention (Boomer Authority, 2009; Cunningham, 2002; Prenda & Stahl, 2001. Eyster, et al (2008) state organizations can effectively fulfill the needs for job flexibility options to promote employee retention. Thus, the provision of flexibility options is critical in the retention of all employees despite disparity in age, position, skill/knowledge level, and duration of employment (Eyster, et al., 2008; McIntosh, 2001).

Flexibility is usually a low-cost or no-cost project and has been related to reduced turnover and absenteeism, and increased productivity (Lee, 1991). Flexible job scheduling has also been associated with reductions in physical and psychological symptoms of job strain (Thomas & Ganster, 1995), and with minor improvements or no change in measures of organizational effectiveness, attendance behavior, and job attitudes such as job satisfaction (Christensen &Staines, 1990).Women who worked for companies with family-friendly flexible working hours recorded higher job satisfaction, lower absenteeism, worked more in their own time, worked later into their pregnancies, and were more likely to return to work after parental leave (Galinsky & Stein 1990).

Scandura and Lankau, (1997) defined the positive outcomes in terms of the psychological contract between employer and employee. They suggested that when employers offered flexible working hours, employees felt the need to respond by offering, in return, higher commitment, loyalty, and job performance. Their research indicated that this was more likely to be the case for women and those employees with children. Employers see the advantages of Flexible working hours in the impact such arrangements can make to their bottom line, and Flexible working hours are becoming increasingly important to employees.

5.4 Conclusion
5.4.1 Effect of Job Security on Employee Retention
Employees in the banking sector are uncertainty of their job secure in present job. This cuts across the variety of contract terms offered to them. This has resulted into commitment not varying with permanence of the contract. Despite this, bankers are not
stressed on the job because of lack of security and the sector has not foresee having destabilized income in next 12 months, neither did they indicate that they expect job redundancy in next 12 months.

5.4.2 Effect of Career Growth and Development on Employee Retention
Most bankers are yet to achieve what they want to achieve in their career as a result a high percentage would want to work at a higher level position and they are prepared to move to another work area to develop their career. There is however uncertainty in regards to moving to another geographical area to develop their career. This has been motivated by the lack of a clearly established career path although the correlation analysis indicates that an increase in career growth results to slight improvement in employee retention.

5.4.3 Effect of Job Flexibility on Employee Retention
Many banks lack options for change in work environment and denial of such leaves employees feeling demotivated thus feeling like the firm lacks growth opportunity. Employees face difficulty in adopting a flexible working arrangement due to lack of support, in addition there is an uncertainty of commitment being questioned as a result of employees working flexibly.

5.5 Recommendation
5.5.1 Recommendation for Improvement
5.5.1.1 Effect of Job Security on Employee Retention
Banks need to ensure that employees are secure in their present job. This can be done by having a well laid out terms and condition in long term and short term contracts. In addition, the permanent employees should be given more privilege as compared to the contract this will ensure varying commitment with varying permanence of the contract.

5.5.1.2 Effect of Career Growth and Development on Employee Retention
There should be set out career growth and development paths so as to ensure employees achieve their career goals. This will ensure that employees consider their current positions as training grounds for their next position. Promotions should also be based on employee’s merit and banks need to offer adequate promotion opportunities and well-functioning mentorship program for growth purposes.
5.5.1.3 Effect of Job Flexibility on Employee Retention

The banks should continue offering flexibility to manage work and non-work interests among employees. When emergencies arise employees need to be accorded access to ad hoc flexibility when the need arises. This will make employees feel appreciated.

5.5.2 Recommendation for Further Studies

This study analyzed the effect of job security, job flexibility and career growth opportunities and development on employee retention at Prime bank, KCB and Chase bank. Future studies may done to explore other variables that may impact employee performance such as employee loyalty, employee emotions, corporate culture and values. Moreover, other studies could also study other banks as well.
REFERENCES


APPENDICES

APPENDIX I: QUESTIONNAIRE

This study seeks to establish the effect of Non-monetary factors on employee retention in the banking sector of Kenya. Kindly spare 10 minutes of your time to give your personal opinion in relation to the following questions. All the information obtained will be treated with strict confidentiality and will only be used for academic purposes.

Section A: BACKGROUND INFORMATION

Instructions: Please take a few minutes to answer the following questions. The data collected here will be anonymous and your confidentiality is highly assured.

1. Age: ( ) Below 20 yrs. ( ) 21-30yrs ( ) 31-40yrs ( ) 41-50yrs ( ) 51yrs & above

2. Gender: ( ) Male ( ) Female

3. Education level: ( ) O level ( ) College ( ) Undergraduate ( ) Graduate
   Other : ( specify) _____________________

4. What is your Job Position? ____________________________________________

Section B: JOB SECURITY

Please indicate your level of agreement with the following statements.

Where: 5= Strongly Agree, 4 = Agree, 3 = Neutral, 2= Disagree, 1= Strongly Disagree

<table>
<thead>
<tr>
<th>SCALE</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel secure in my present job.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My job stress because of lack of job security.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I expect my income to destabilize or be undefined in the next 12 months.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I expect my post to be made redundant in the next 12 months.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization has faced reorganization that has affected my job position in the past 12 months.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization has announced redundancies in the past 12 months.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The longevity of my contract provides me with a feeling of job security.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My commitment to the organization varies directly with the permanence of my contract.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

List one other factor that makes you feel secure in your current position.
List one other factor that makes you feel insecure in your current position.

Section C: CAREER OPPORTUNITIES

1. Thinking about your current job and your career, indicate your level of agreement with the following statements.

   Where: 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, 1 = Strongly Disagree

<table>
<thead>
<tr>
<th><strong>SCALE</strong></th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel I have already achieved all I want to achieve in my career.</td>
<td></td>
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<tr>
<td>I see my current position as a training ground for my next career move within my current organization.</td>
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<tr>
<td>I see my current organization as a training ground for a career move to another organization.</td>
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<tr>
<td>I want to work in a higher-level position.</td>
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<tr>
<td>I am prepared to move into another work area to develop my career.</td>
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<tr>
<td>I am prepared to move to another geographical area to develop my career.</td>
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<tr>
<td>I feel that I have a clearly established career path in this organization.</td>
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<td>I have opportunities to learn and grow here.</td>
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<tr>
<td>Throughout the year, our organization provides us with adequate promotion opportunities.</td>
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<td>Our organization has a well-functioning Mentorship program.</td>
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<td>Our organization allows inter-departmental exchange programs to allow individual skills development.</td>
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Section D: JOB FLEXIBILITY.

For these questions concerning the effect of job flexibility in your organisation, please choose the appropriate response. Circle the letter before your answer

1. In the past 12 months have you asked for a change in your work arrangements in terms of flexibility, for example, number of hours, variation in core hours or days, location of workplace (i.e. work from home or a different office). Your request was?
   (A) Accepted             (B) Denied

2. If your request was denied, kindly state how this made you feel. .................................................................
   ...................................................................................................................................................
   ...................................................................................................................................................
   ...................................................................................................................................................
   ...................................................................................................................................................
3. Please tick the appropriate box to indicate your agreement with the following statements in regards to job flexibility in your organization:

Where: 5= Strongly Agree, 4 = Agree, 3 = Neutral, 2= Disagree, 1= Strongly Disagree

<table>
<thead>
<tr>
<th>SCALE</th>
<th>5</th>
<th>4</th>
<th>3</th>
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</thead>
<tbody>
<tr>
<td>I have the flexibility I need to manage my work and non-work interests e.g. caring responsibilities, study, sporting interests etc.</td>
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<td>It is difficult for me to adopt a flexible working arrangement because of a lack of support from my supervisor.</td>
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<td>I am able to access ad hoc flexibility when my needs change on short notice.</td>
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<td>My commitment to the organization would be questioned if I worked flexibly</td>
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Section E: EMPLOYEE RETENTION.

With your organization’s turnover rate in mind, indicate your level of agreement with the following statements.

Where: 5= Strongly Agree, 4 = Agree, 3 = Neutral, 2= Disagree, 1= Strongly Disagree

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<tr>
<th>SCALE</th>
<th>5</th>
<th>4</th>
<th>3</th>
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<tbody>
<tr>
<td>My organization has policies and practices that prevent valuable employees from easily leaving the organization.</td>
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<td>My organization has management practices in place that encourage acceptable relationships between management and employees.</td>
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<td>My organization has provided desirable working conditions that encourage employee retention.</td>
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<td>My organization fosters employee commitment by ensuring our employment needs are incorporated into our working environment.</td>
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