THE INFLUENCE OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEES RETENTION: (A CASE OF COMMERCIAL BANKS IN NAIROBI COUNTY, KENYA)

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SCHOOL OF BUSINESS
KENYATTA UNIVERSITY

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DECLARATION

I declare that, this project is my own original work and has not been presented for award of any degree in any University.

Signed: ___________________________  06/06/2013

CECILIA JEPCHUMBA KAINO  DATE:

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This research project has been submitted for examination with my approval as the University supervisor.

Signed: ___________________________  12/06/2013

MR. SHADRACK BETT  DATE

This project has been submitted for examination with my approval as the Departmental head.

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ABSTRACT

Effective Human Resource practices provide a supportive work environment that affords opportunities to grow and develop. In turn, the organization profits from the quality service provided by competent and loyal employees. Commercial banks in Kenya, have strategically positioned themselves in different areas in the country with a sole aim of reaching its customers. The banks therefore are faced with a challenge of losing its employees to its competitors in the same tier or in other tiers. Despite the recognition of the turbulent nature of the operating environment of the commercial banks in Kenya, there had been no study that has concentrated on the influence of human resources management practices on employees’ retention in commercial banks in Kenya. The main objective of this study was to investigate the influence of human resources management practices on employees’ retention where the focus was on commercial banks in Nairobi County, Kenya. This research was studied through the use of a descriptive research design. The target respondents included 858 top, middle and low level management staffs drawn from 39 commercial banks operating in Nairobi County. Stratified random sampling technique was used where a sample of 10% (86 respondents) were selected. The study used a survey questionnaire administered individually to all respondents of the study. Quantitative data collected was analyzed by the use of descriptive statistics using SPSS and presented through percentages, means, standard deviations and frequencies. The information was displayed by use of bar charts, graphs and pie charts and in prose-form. The study found that compensation, leadership, job placement and training influences retention of employees in the banks. Job satisfaction, monetary benefits such as pay rise, security of tenure, the respect of colleagues and promotion opportunities, encouraging creativeness, creating and sharing an organizational goal, quality and quantity of work, skills necessary to efficiently and productively carry out assigned tasks and attitudes towards other co-workers affect employee retention. The study recommends that better and advanced compensation strategies should be introduced as a way of satisfying the employees in the banks. The banks should embrace proper leadership styles that inspire a shared vision, seeking broad input, and encouraging everyone to think of a new and better future. The banks need to employ various job placement strategies in recruiting staff such as use of commissioning procurement agencies. The banks should conduct regular staff training to help them further their knowledge and skills and enable employees to perform better after the training.