EFFECT OF WELFARE PRACTICES ON STAFF RETENTION AT
POSTBANK: A SURVEY OF POSTBANK BRANCHES
IN CENTRAL BUSINESS DISTRICT, NAIROBI

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NOVEMBER, 2012
DECLARATION

I declare that this research project is my original work and has not been presented for examination at any university or institution of higher learning.

Name: Kabale Tache Arero  Sign............ Date................

This research project has been submitted for examination with my approval as the student’s supervisor.

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For and on behalf of Kenyatta University

Dr. Muathe
Chairman
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Sign.................. Date................
DEDICATION

This work is dedicated to my mother. She instilled the value of education in me notwithstanding the fact that she never went to school. The unfortunate part is that she cannot read and understand what I have written down.
ACKNOWLEDGEMENT

I take this opportunity to thank the Almighty God for giving me the opportunity to give me the strength of writing this project. I would like to acknowledge the following people without whose assistance, encouragement and presence this work would not have been accomplished. My heartfelt appreciation goes to my supervisor Ann Wambui Muchemi who throughout the semester taught me how to prepare a good project and gave her time and attention to this work. I am indebted too to my family and friends for their endless support.
ABSTRACT

Human resource is undeniably one of the key resources in any form of an organization. Within operational expenses of a company, human resource related costs form a huge chunk of the total costs indicating the amount of cash resources organizations spend to have people in their payroll. Further, to indicate the importance of human resource, scholars and entrepreneurs have defined employees as human capital while knowledge management has been introduced in many organizations in order to preserve the knowledge and skills generated by staff. In order to retain valuable human resource and their embodied skills and knowledge, organizations employ various welfare practices and strategies to protect exit of staff. The overall objective of the study was to analyze the effects of staff welfare practice on staff retention at Kenya post office savings bank. The following specific objectives were formulated; to establish the effect of staff loans on staff retention, to identify the role of bonus salary on staff retention, to establish the implication of long service awards on staff retention, to identify the most and least popular staff welfare facility among the staff, and to establish the perceptions of staff regarding the adequacy of welfare facilities offered by the Bank. The researcher used a descriptive research design which is often used in survey research. The estimated target population in the area of interest was 300. The sample was drawn from the 300 employees across its branch network within the central Business District, Nairobi through stratified random sampling in order to come up with a sample size of 60. Questionnaires were used as the research instruments of data collection. Data analysis was done by the use of descriptive statistics and presented in form of frequency tables, and percentages. The response rate was 90% where out of the issued 60 questionnaires 54 were returned and considered adequate to commence the analysis. Findings established that the effects of staff loans on staff retention at Postbank include staff loans are the most influential staff benefit to retention, staff loans with concessions improve staff retention, staff loans lock employees to Postbank even when they would want to leave for better career, and that if staff loans were eliminated many employees would opt to leave the bank. The effects of bonus salary on staff retention in the organization include bonus salary are the most influential staff benefit to retention, bonus salary lock employees to Postbank even when they would want to leave for better career, if bonus salary were eliminated many employees would opt to leave the bank, and that if the range of bonuses was increased, staff morale will be better. The reasons why employees leave the organization for another include hiring practices, management style, lack of competitive compensation system, lack of recognition, toxic workplace environment, and lack of job security. The most popular staff welfare facilities available for Postbank employees include car loans, bonus salary, long service awards, mortgage loans, and salary advances. It was recommended that the organization should ensure that there is adequate allocation of resources; the organization should exercise a healthy hiring practice so as to ensure cooperation between employees of the various departments in the organization, and establish an implementation team that is responsible with overseeing those organizational procedures are observed to the latter. The researcher suggested that further research should be carried out on the effects of employee reward systems on organizational performance.
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OPERATIONAL DEFINITION OF TERMS

Employee retention  Refers to policies and practices companies use to prevent valuable employees from leaving their jobs

Staff welfare practice  Refers to common ways employed by the organization to promote and protect the interests of their employees
CHAPTER ONE
INTRODUCTION

1.0 Introduction
This chapter constitutes discussions on the background of the study, statement of the problem, study objectives and the research questions. The chapter also explores the significance of the study and potential limitations of this study.

1.1 Background of the Study
Welfare schemes have been introduced in most organisations in Kenya to assist their employees cater for their daily needs which have proved to be very expensive over the years. In some organisations schemes like medical allowance, risk allowance, house allowance, and transport allowance are included in the salary while in others they are paid separately or given loans to purchase houses, or given company cars and houses. Productivity is described as what an employee is able to produce at the work place if all the other things are provided. If the welfare needs of employees are catered for 100%, they will tend to work hard. When employees are motivated, they can perform so well and improve the productivity of the organizations they are working (Raikes & Vernier, 2004)

According to Dessler (2004) benefits which include indirect financial and non-financial payments employees receive for continuing their employment with the company are an important part of just about everyone’s compensation. They include things like health, life insurance, pensions, time off with pay and child care assistance. Dessler (2004) goes a head to say that employees understand the value of health benefits. One study concluded that employees whose firms provided such benefits accepted wages about 20% lower than what they would have received working at firms without them. Armstrong (2006) says that employee benefits are elements of remuneration given in addition to the various forms of cash pay. They also include items that are not strictly remuneration such as annual holidays. The objectives of employee benefits policies and practices of an organisation are as follows; to provide an attractive and competitive total remuneration package which both attract and retains high-quality employees, to provide for the personal needs of employees, to increase the commitment of employees to the
organisation and to provide for some people a tax-efficient method of remuneration. According to Cole (2000), employee remuneration is not just about payment of wages and salaries but it is also concerned with non-pay benefits or benefits in kind which are also known as employee benefits or sometimes known as fringe benefits or perks. Benefits are usually provided as a package of items for example pension, subsidised meals, discounts on company products and the like. Such benefits vary in importance to the individual. An older employee will value a pension scheme much higher than a young employee. Subsidized meals appeal more to some employees than others who would perhaps prefer luncheon vouchers. All employees would probably welcome the opportunity of having a company car. Cole (1997) goes ahead to say that most benefits plans do not permit an employee to choose his or her preferred range of benefits on a so-called cafeteria basis i.e. where an employee may select those benefits which are the most valuable personally up to a certain cost limit. Generally benefits are offered on a take-it-or-leave it basis with the exception of pension schemes in which participation is usually compulsory.

The company objectives can not be met and profitability goes down when deadlines are not met because of poor health and absenteeism. According to Werner (1993), the success of many Human Resource Development programmes and processes depends in part on whether the individual is motivated to participate, learn and use what is learned to improve performance. Werner (1993) goes ahead to say that the reason a person chooses to attend a training class but then fails to use the skills learned in training back on the job may be rooted in motivation. Motivation theories are useful in diagnosing the cause of performance problems and often serve as the basis for designing or choosing Human Resource Development programmes to remedy those problems. According to Vroom’s expectancy theory, people choose to put their effort into activities that they believe they can perform and that will produce desired outcomes. Armstrong (1984) sees welfare services as falling into 2 categories i.e. Individual or personal services in connection with sickness, bereavement domestic problems etc. Group service which consists of sports, social activities, clubs for retired staff and benevolent organizations
Armstrong (2006) goes ahead to say that individual services are generally provided as an “extra” on top of existing services. Thus in a situation of sickness the organization’s sick pay scheme will take care of the immediate financial demands upon an employee and even need to visit patients. Other benefits provided by employers include: Pension scheme which can be contributory or non-contributory, life insurance, private health care, bridging loans and house purchase, mortgages, profit sharing, car, telephone, education of children etc. As per the Employment Act Cap. 226 laws of Kenya No.12(1) it says that subject to sub-section 2 every employer shall ensure the provision of his employees of proper medicines during illness and medical attendance during serious illness and shall take all reasonable steps to ensure that the illness is brought to his notice as soon as reasonably practicable after the first occurrence thereof. It shall be a defense to a prosecution for an offence under sub-section 1 if the employer shows that he did not know that the employee was ill and that he took all reasonable steps to ensure that the illness was so brought to his notice or that it would have been unreasonable, in all the circumstances of the case to have required him to know the employee was ill.

It goes a head to say that the employer shall provide adequate free medical attention and hospital accommodation as and when required for each employee. It also says that every employer who employees not less than one hundred employees in anyone place shall where no public hospital or dispensary facilities are readily available near the place of employment appoint a medical dresser or nurse or other suitable person to supervise the treatment and care of the sick. When organizations offer medical schemes to staff, they make them motivated and will not be taking fake sick-offs from work and the productivity of the organization will greatly improve. The will be working so hard for the organizations because they are happy. The welfare programmes therefore are important for realization of staff motivation and enhanced productivity in organizations.

1.1.1 Brief description of Postbank

Postbank’s mandate as enshrined in the Kenya Post Office Savings Act (Cap 493B Laws of Kenya) allows Postbank to; encourage thrift through mobilization of Savings for National Development, provide facilities for savings accounts, and to issue such other instruments for personal savings in such form as it may from time to time deem to be appropriate, invest surplus
funds in accordance with the provisions of the Kenya Post Office Savings Bank Act. Others are to cover the expenses of its operations with revenue earned from its investments, open, maintain or close branches at such places including at any offices of the Kenya Post and Telecommunications Corporation (now defunct), as the Board deems appropriate, establish a corporate body for the purposes of undertaking banking business and other related financial services in Kenya and to utilize such part of the deposit as the Minister of Finance may authorize, deal in foreign exchange, own and hold shares in any corporate body established in accordance with the Kenya Post Office Savings Bank Act. The overall governance and management of Postbank lies with the Board of Directors appointed by the Ministry. The Board consists of six directors: five non executive and one executive (the Managing Director). Whilst corporate governance places responsibility for the overall business strategy, financial, operational and compliance issues and policies to the Board, it has delegated authority to the Managing Director to conduct the day to day business of Postbank. The Managing Director is supported by three directorates and four departments: Operations and Business Development Directorate which comprises of Operations-Headquarters, Operations - Regions, Marketing and Business Development, Special Products, Card Services, Money Transfer Service, and Customer Relations Departments. Finance & Administration Directorate: comprises of Finance & Accounts, Administration and Property Management Department. The role of the Directorate is to prudently steer, safeguard and manage Postbank’s financial resources and physical assets. Human Resources Directorate: responsible for recruitment, development and maintenance of the workforce. Other Departments are Legal, Internal Audit, Compliance & Inspectorate, Change & Strategic Planning and Information Communication & Technology

1.2 Problem Statement
According to Samuel and Chipunza (2009), the main purpose of retention is to prevent the loss of competent employees from leaving the organization as this could have adverse effect on productivity and profitability. However, retention practices have become a daunting and highly challenging task for managers and human resources practitioners in a hostile economic environment. For several years, Kenya Post Office Savings Bank has witnessed tremendous expansion in terms of product and services and staff development over time. To meet the employee expectations and ensure efficient delivery of service to its customers, the bank has put
in place various welfare benefit programmes that seek to enhance staff motivation and performance.

Despite the hundreds of millions of shillings spent by the bank over the years on staff welfare with a prime objective to attract and retain good employees, the impact of such expenditure has not been evaluated. Furthermore key employees have continued to exit the Bank despite investment in welfare programs. The extent of staff retention capacity through the use of welfare programs will then need to be studied in this Bank with an objective of adding value to knowledge and management documentation. The Bank also does not have an appraisal mechanism for its welfare programs and this study will provide insight into the effectiveness of its welfare programs as a tool for staff retention. The case for providing employee services is based on the realization of the fact that in exchange of offering their services, employees are entitled to rather more than their pay, benefits and healthy and safe systems of work. This research seeks to analyze the effects of staff welfare practices on staff retention at Kenya post office savings bank

1.3 Objectives of the study

1.3.1 General objective

The overall objective of the study was to analyze the effects of staff welfare practice on staff retention at Kenya post office savings bank trading as Postbank

1.3.2 Specific objectives

i. To establish the effect of staff loans on staff retention.

ii. To identify the role of bonus salary on staff retention

iii. To establish the implication of long service awards on staff retention

iv. To identify the most and least popular staff welfare facility among the staff

v. To establish the perceptions of staff regarding the adequacy of welfare facilities offered by the Bank.
1.4 Research Questions

i. What is the effect of staff loans on staff retention?
ii. What is the role of salary bonuses on staff retention?
iii. What are the implications of recognition of long service on staff retention?
iv. What are the least or popular staff welfare facilities at the Bank?
v. What are the perceptions of staff regarding the adequacy of welfare facilities offered by the Bank?

1.5 Significance of the study

Specifically the study would benefit the following groups and organizations: The government, Banking sector and the top management of Postbank; the above policy makers will be able to utilize the results of the study for formulating effective policies for the organizations. These policies include provision of welfare services, strategic plans and other relevant policies to tackle the issues of staff welfare practices and staff retention. Future researchers; the researcher would utilize the information of the study to add to existing volume of knowledge and to seal any gap. The research institution would benefit from this study by evaluating the finding and the recommendations. The areas of further research recommended would be followed by other research institution as a means of increasing more knowledge on financial management and this would also provide grounds for further studies. The employees; the study would have rich information on the effect of welfare practices on staff retention at Postbank. This information would assist them to understand the various welfare practices in the Bank and enlighten them on how to make use of the by understanding its provision regulation thus help in retaining the best workforce within.

1.6 The Delimitation of the Study

Some managers may give incomplete or dishonest information in fear of same reaching the competitors due to suspicion. Letter of confidentiality was issued to each mangers and prior authority sort with top management before the study. This ensured the organization issues notice to all respondents to freely give information hence boost confidence. Respondent’s failure to respond to the questionnaire effectively and on time would be a limitation, sourcing data from the staff was one of the major limitations that the researcher encountered for they are very busy
and may be reluctant to provide adequate information to conduct the study, and hence there was a delay in analysis of the data because the researcher had to accord adequate time to the respondents to respond to the questionnaire. This was also sorted by designing closed ended and multiple choice questions which do not need much information and the allocation of adequate time to the respondents. If the response rate was low this may have affect the results of the study. However, follow up was done to ensure there is a high rate of response. Personal calls, mails reminders were used to ensure respondents are reminded.

1.7 The Scope of the study

The extent of this study was only within the institutions that embrace employee welfare in Kenya but focusing on PostBank branches within Nairobi and covering on the effects of welfare practices as an important tool of staff retention. It’s considering the fact that this is one of the banks that have adopted a number of welfare practices including but not limited to paid vacations, life insurance, and training and development activities.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction

The main purpose of this literature review was to identify and examine what has been done by other scholars in relation to impact of welfare practices on staff retention. The review also assists the researcher to limit the research problem and to define it better. A detailed knowledge of what has been done help the researcher to avoid unnecessary and unintentional duplication of the project and to demonstrate familiarity with other existing body of knowledge. It also forms a frame work within which the research findings are to be interpreted and finally to overcame limitation of previous study. The diagrammatic representation of the study variables will be captured by the conceptual framework.

2.1 Empirical Literature

According to Cole (2000), employee welfare benefit programmes have a variety of titles in industry. Some refer to them as “service programmes”, others characterize them as “non-wage payments” or “employee benefits”. Typically they have been most often referred to as fringe benefits. In the broadest sense, such “fringes” can be construed to include all expenditures designed to benefit employees over and above regular base pay and direct variable compensation related to output. Armstrong (2006), described welfare benefit services as those matters that include individual services relating to employees welfare such as private help with counseling on personal problems, assistance with problems of health or sickness. Group services may include the provision of social and sporting activities and restaurants. Child care facilities may be provided for individual employees but on collective basis. Cole (2000) sees employee welfare programmes as “optional extras”.

A considerable amount of literature has been published on retention. It means the existence of an ongoing employment relationship. With today's high employment levels, organizations find out that balance of power has shifted from the employer to the employee since the turn over impact have not be administered well. Excessive turnover is often a symptom of fundamental problems within the business. It’s critically important to retain them; to do this, one must know how an employee can remain in the particular company. A recent study by Raikes & Vernier (2004)
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analyzed retaining employees is considered as a key strategy to achieve financial success. The challenge might well be increasing day by day. Morgan (2008) advises, “Do not make the headhunters’ job easy”. Recent evidence by Raudenbush & Bryk (2002) suggests that retention is very important for every organization, whereas it has nested relationship within them, and is part of external environment.

Previous studies indicate Cappelli (2000) that several factors are considered important in a well-functioning of employee retention. The determinants that are considered to have a direct affect are career opportunities, work environment and work-life balance. 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. In today’s competitive scenario, as the awareness and technology plays a vital role in developing the competition more vigorous and intense. Retention becomes one of the biggest issues for the in many companies in Kenya because people are the one who generates profits and considered as the capital or asset of the organization.

Without valuable employees, a business cannot generate revenue and prosper. Every individual have a purpose to perform and without single one, the picture becomes invisible to be successful in real manner. Retaining the employees is the most important target for the organization because sometimes the high salary or the designation is not important for the employee to stay in the organization that is, what happening in the Banking industry of Kenya. The intent of this paper will help to find how valuable employees would be retained by focusing on certain determinants i.e. career development opportunities, supervisor support, work environment, rewards and work-life balance. To attract handfuls of people and making huge efforts to make them stay in the company, the discussion will be helpful to know, why employees left the organization and the reason of getting appealed by others (Curtis and Wright, 2001).
2.2 Theoretical Literature

In 1964, Victor Vroom of Yale school of Management developed the expectancy theory. Vroom stresses and focuses on outcomes, and not on needs unlike Maslow and Herzberg. The theory states that the intensity of a tendency to perform in a particular manner is dependent on the intensity of an expectation that the performance will be followed by a definite outcome and on the appeal of the outcome to the individual.

The Expectancy theory states that employee's motivation is an outcome of how much an individual wants a reward (Valence), the assessment that the likelihood that the effort will lead to expected performance (Expectancy) and the belief that the performance will lead to reward (Instrumentality). In short, Valence is the significance associated by an individual about the expected outcome. It is an expected and not the actual satisfaction that an employee expects to receive after achieving the goals. Expectancy is the faith that better efforts will result in better performance. Expectancy is influenced by factors such as possession of appropriate skills for performing the job, availability of right resources, availability of crucial information and getting the required support for completing the job.

Instrumentality is the faith that if you perform well, then a valid outcome will be there. Instrumentality is affected by factors such as believe in the people who decide who receives what outcome, the simplicity of the process deciding who gets what outcome, and clarity of relationship between performance and outcomes. Thus, the expectancy theory concentrates on the following three relationships: Effort-performance relationship: What is the likelihood that the individual’s effort be recognized in his performance appraisal? Performance-reward relationship: It talks about the extent to which the employee believes that getting a good performance appraisal leads to organizational rewards. Rewards-personal goals relationship: It is all about the attractiveness or appeal of the potential reward to the individual.

Vroom was of view that employees consciously decide whether to perform or not at the job. This decision solely depended on the employee's motivation level which in turn depends on three factors of expectancy, valence and instrumentality.
2.2.1 Effect of Staff Loans on Employee Retention

Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their jobs. How to retain valuable employees is one of the biggest problems that plague companies in the competitive marketplace. Not too long ago, companies accepted the "revolving door policy" as part of doing business and were quick to fill a vacant job with another eager candidate. Nowadays, businesses often find that they spend considerable time, effort, and money to train an employee only to have them develop into a valuable commodity and leave the company for greener pastures. In order to create a successful company, employers should consider as many options as possible when it comes to retaining employees, while at the same time securing their trust and loyalty so they have less of a desire to leave in the future (Kaye and Barbara, 2000).

According to Leonard, (2001) many people love their work, and there are a multitude of reasons as to why this is the case. They may like the company atmosphere, their boss, and their co-workers. An exciting position, with plenty of opportunity for growth, learning, and advancement, is always desirable, as is a meaningful job that has the potential to make a difference in the lives of others. Dissatisfaction with one or more of these things could force the employee to consider leaving. A rather obvious way for a company to better retain their employees is by offering competitive salaries and bonuses. Everyone likes to be recognized for a job well done, and nothing makes someone feel more appreciated than cold hard cash. It also shows the employee that the company has some degree of loyalty towards them, which could in turn influence them to repay their employers with some loyalty of their own. Increased benefits, stock options, more vacation time, company cars, child care, and other perks don't hurt either. Financial support for employees who wish to continue their education would also most likely be appreciated and rewarded with employee loyalty.

In many instances, employee retention starts just as soon as an employee is hired. If a company sees an unusual amount of potential in a new hire, management could make them feel appreciated right off the bat, (Bamberger & Meshoulam, 2000). Interest free loans to help pay off their college bills or other debts is one way for an employer to do this. In order to keep the employee from jumping ship before the loan is paid off, the employer can do several things, including staggering payments or making the loan contingent on certain performance goals. In a
way, this practice can be considered a combination of recruitment and retention tools. Similar programs could also be implemented for employees that already have tenure built up with the company (Cappelli, 2000).

There are times when an employee wants to leave a company not for a better job opportunity, but for the chance to relocate (Dubie, 2000). Usually if this is a case, the employee's needs are strictly personal ones. If possible, a business can offer a relocation allowance to the employee and still try to keep them in the company in the same or a different capacity. Again, the details would have to be worked out on an individual basis so that the employee does not abuse this privilege. The implementation of company policies like flextime, job-sharing, and part-time work may also prove useful in retaining an employee who wishes to leave their job for personal reasons. By doing so, a company could gain a reputation as a family-friendly environment and therefore make itself more attractive to future potential employees.

Another thing that employees seem to enjoy are casual days (or even a company-wide casual dress policy). This allows employees the chance to better express themselves and creates a more comfortable work environment. In most cases, the dress code should be clearly defined so that the employees do not abuse the privilege and promote an unprofessional image about the company (Barnett and Hall, 2001).

According to Earle, (2003) A company may also want to spend some time to get to know their employees better. A thorough understanding of an employee's goals, concerns, skill level, values, health, and job satisfaction are just a few of the areas that can be addressed. By doing so, the employee could be made to feel more like a prized individual and less like a cog in a corporate machine. At the same time the company will educate itself as to which employees are the most valuable in both a business and personal sense. When a valued employee leaves, the company can use information gathered in an exit-interview to find out the reasons for the employee's decision and the changes that can be made within the company to keep others from following suit. This data can be gathered into a formal report and distributed to management, members of the human resource team, and other pertinent employees to be used for this purpose.
Finally, upper-level employees can be trained as retention managers to help in the seemingly never-ending battle to keep talent (MacDuffie, 1995). A successful retention manager must be aware of their strengths and weaknesses and have a talent for listening, respecting, and understanding their employees' concerns. Retention managers should be individuals who have already proven their loyalty to the company. Honesty, creativity, and patience are other virtues that can help in this type of position.

2.2.2 The Benefits of Employee Retention

Every company should understand that people are their best commodity. Without qualified people who are good at what they do, any company would be in serious trouble. In the long run, the retention of existing employees saves companies money. As Beverly Kaye and Sharon Jordan-Evans (2000) stated in Training and Development: Studies have found that the cost of replacing lost talent is 70 to 200 percent of that employee's annual salary. There are advertising and recruiting expenses, orientation and training of the new employee, decreased productivity until the new employee is up to speed, and loss of customers who were loyal to the departing employee. Finding, recruiting, and training the best employees represents a major investment. Once a company has captured talented people, the return-on-investment requires closing the back door to prevent them from walking out.

When an employee leaves a company for a direct competitor, there is always a chance that they will take important business strategies and secrets with them to be exploited by the competition. This is yet another reason why the retention of employees is so crucial to some businesses. While this practice seems a bit unscrupulous, it stills happens quite frequently. As Bill Leonard (2001) stated in HR Magazine: "Because employers know that the best-qualified applicants will come directly from competitors, recruiting and hiring employees away from the competition becomes a necessity in an ultra-tight labor market. And necessity is the mother of inventive and sometimes controversial business practices. Recruiting and hiring from your competitors is probably as old as business itself. But what is new—and a hot topic among employers—is how to attract and retain qualified candidates in a highly competitive labor market while also preventing their own intellectual capital from winding up in the hands of competitors."
One way for a company to prevent employees from giving valuable information to competitors is to make it a policy to enforce strict non-compete and confidentiality agreements amongst its employees. The existence of such agreements could in fact deter a competitor from hiring a valuable employ because they might not want to risk possible legal entanglements with the other company. Of course, all this could possibly lead to animosity with the employee who could feel that his or her options are being limited (Leonard, 2001). Many employees don't always remember signing such a document, so a copy of it should always be kept on file for the employee to refer to. This area could prove to be a highly sensitive one between employer and employee, so extreme caution is suggested in all instances.

A number of factors have been articulated in order to explain the reason employees leave one organization for another, or in some cases leave the country. Abassi and Holman (2000), Hewitt Associates (2006), Sherman et al (2006) highlights some of these reasons as hiring practices, management style, lack of recognition, lack of competitive compensation system, toxic workplace environment, lack of interesting work, lack of job security, lack of promotion and in adequate training and development opportunities. According to Flippo (1994), particular employee welfare benefit programmes will produce varying values. Paid vacations are presumed to provide mental and physical respites that generate increased interest and activity on the job. Life insurance reduces worry about ones family security and thus leads to greater concentration upon work. Cafeterias promote the eating of balanced meals, thus reducing fatigue in the late afternoon. Medical services help to keep the employee in good health, thereby reducing absenteeism. Many employers have consequently taken note of the staff requirement for welfare programmes and over time the schemes have grown significantly as a component of total compensation to employees.

2.2.3 Retention Bonuses

Retention bonuses are a form of financial incentive utilized by many different businesses (Borstorff and Marker, 2007). The bonus is usually issued to key employees as a strategy to motivate the individual to remain in the employ of the company. A retention bonus is usually extended when circumstances indicate the employee may be considering resignation, an action that will result in an undesirable loss to the ability of the business to function at optimum levels. The retention bonus is an incentive that is offered above any beyond any other salary, wage, or
other benefits currently extended to the employee via his or her compensation package. Considered a one-time transaction, the bonus is often a show of appreciation for the talents and expertise that the employee provides to the employer. In turn, it is hoped that the employee will reconsider any other employment options that may have come about and stay with the employer for at least a little longer.

It is not unusual for a retention bonus to be issued to key employees when a business is going through some type of major change, such as a merger or acquisition situation (Mak and Sockel, 2001). The idea is to entice the employee to remain in his or her position at least until the current set of circumstances has been resolved. Since increasing salaries or issuing other types of permanent benefits may not be feasible during a period of transition, the bonus allows employers to retain employees at least until the acquisition or other major shift is complete. Since a retention bonus is given freely, there are no contractual obligations that an employee must agree to in order to receive the bonus. However, acceptance of the bonus is considered a tacit agreement to remain in the current position at least temporarily (Levi, 2002). Businesses tend to issue the bonuses with the hope that the extra incentive will compensate the valuable employee for any discomfort or inconvenience that is resulting from the current set of circumstances, and retain his or her services for later times when the crisis has passed.

Just as there is no contractual obligation on the part of the employee to remain after accepting a retention bonus, the issuing of the bonus does not in any way commit the employer to any long-term guarantee of employment for the individual. For example, if the bonus were issued while a company was fighting off a hostile takeover attempt, the employee may still be terminated if new management assumes control of the company without violating any terms of employment that were put in place by the former management. For this reason, employees may choose to evaluate the situation carefully, especially in terms of continued employment after the acquisition is complete. They may choose to accept the retention bonus while understanding that employment is only likely to continue until the takeover is successful, and will proceed with seeking out career opportunities elsewhere (Ramlall, 2003).
2.2.4 Bonuses

 According to Silbert (2005), there are several types of bonus programs. Some plans simply give employees a certain share of the company profits (current profit sharing), regardless of the performance of individuals or teams or perhaps a bonus to the entire company based on the company's performance (organization-wide bonus). Other programs give incentives to individuals (individual incentive) or teams (team incentive/small group incentive) to perform at or above certain thresholds. In some companies, manufacturing teams are able to share in the gains from improvements in production and quality (gain sharing). And a variety of cash and noncash awards are possible for certain types of achievements in some companies (spot bonus awards, noncash rewards). You can also earn bonuses for being hired or getting your friend a job at your company.

2.2.4.1 Current Profit Sharing

 One very basic type of bonus program is current profit sharing. A company sets aside a predetermined amount, usually between 2.5 and 7.5 percent of payroll but sometimes as high as 15 percent, as a bonus on top of base salary. Such bonuses depend on company profits, either the entire company's profitability or from a given line of business (Silbert, 2005). Sometimes the bonuses are given across the board, and sometimes they are given in larger percentages of compensation the more someone makes. The purpose of profit sharing bonuses is to encourage employees to understand how their work affects the company's performance and to improve the company's profitability. Learn how your company makes money and how your position can help it make more. The annual report and other statements will give you an idea of how the company is performing. It will also make you look good to your manager if you show an interest in the company's performance.

2.2.4.2 Gain Sharing

 This type of bonus program is most common in manufacturing plants and is designed to reward productivity and improved product quality. Gain sharing works best when employees become responsible for production quantity and quality and are encouraged to improve the way the product is made. This program reflects a philosophy that employees know their job best. Gain sharing programs pay out bonuses for statistical improvements in production and quality on a
quarterly or sometimes monthly basis, providing a sense of excitement for participants. These programs are often very successful, transforming the manufacturing plant into a center of employee commitment (Silbert, 2005).

2.2.4.3 Spot Bonus Award

Some companies reward employees on the spot for achievements that deserve special recognition (Tannenbaum, Salas, and Cannon-Bowers, 1996). Spot bonus awards are typically $50 and up and can be made by your immediate supervisor and any higher-level person or peer in your company. You can get these for just being extra helpful. The math is in employees' favor: companies with spot bonus programs offer approximately 1 percent of payroll and expect to give out such bonuses to 25 percent of the employees eligible for them, allowing them to earn more than one instant bonus in a year.

2.2.4.4 Noncash Bonus

Although the wrong kind of "employee of the month" concept can be cheesy, smarmy, and condescending, it's all in the execution. A well designed noncash bonus program can instill pride and improve employee morale (Rhoades and Eisenberger, 2002). Employees who have done a great job should have to come to the front of a crowded room at a special ceremony, as if they are receiving an Academy Award. The certificate or trophy should be thoughtfully and cleverly designed, and appropriate to the occasion. These awards are sometimes coupled with a token tangible award, such as a gift certificate, a bonus day off, or a great parking space. You know your company has a good noncash bonus program if these awards are coveted, and if people who receive them display them proudly at their desks or in their homes. Moreover, this type of award may help you get a promotion or a new job, so include it on your resume.

2.2.4.5 Sign-On Bonus

No longer just for star athletes, sign-on bonuses have become commonplace (Morgan, 2008). Their usage now extends to nearly all level of employees in all walks of life, especially when unemployment is low and top talent is hard to find. Given to new employees who have just joined the company, this award serves two purposes: to establish goodwill and to buy out any compensation "left on the table" from a previous employer. The second purpose is important to remember. Before joining a new company, be sure to account for every kind of compensation.
program in which you participate. If you are expecting a bonus in a few months, ask your new employer to buy you out of it. If you have any stock options, particularly options that are in the money, ask the employer to buy them out (either in cash or new stock options) (Morgan, 2008).

2.2.4.6 Mission Bonus/Task bonus or a Milestone bonus

According to Miller, Erickson, and Yust, (2001) Task bonuses are given to a team of employees for achieving a milestone or for completing an important project. Usually these bonuses are offered sparingly, but they have been used more frequently in software and hardware development to encourage meeting tight deadlines. Sometimes these programs incorporate a quality measure to guard against too much focus on speed. Mission bonuses are in addition to any other compensation program in which you participate and can be significant (one month's salary is not uncommon, and certainly no less than one week). Again, this award is for the kind of achievement that deserves mention in your resume.

2.2.4.7 Referral Bonus

In hot job markets, it can be difficult for employers to find qualified personnel. When talent is scarce, many employers retain recruiters to find candidates, typically paying the recruiter 20 to 30 percent of the new hire's first-year pay (Sjöberg & Sverke, 2000). Many employers would rather not pay this fee, and instead offer referral bonuses to employees for recommending friends and acquaintances. Employers are comfortable in hiring friends of employees because employees are unlikely to recommend people who will make them look bad. So don't be afraid to invite your friend to work at your company.

2.2.4.8 Retention Bonus

Retention bonuses are given to employees in unusual circumstances, such as a merger or acquisition, or when an important project needs to be completed. These bonuses are designed to provide continuity when there is potential uncertainty about an employee's continued employment at the company. The bonus lets employees know their employer wants them to complete the project or, in the case of a merger, to stay until a specified date so that critical activities can continue without disruption. Retention bonuses are usually about 10 to 15 percent of salary (Silbert, 2005).
2.2.4.9 Holiday Bonus

Holiday bonuses range from small gifts (for example, cash or the ubiquitous holiday turkey) to one month's salary (MacDuffie, 1995). The amount is usually dictated by the company's practices. If you do receive one month's salary, count it as part of your salary if you look for work elsewhere. This practice is usually referred to as a "13-month salary," and is not a true bonus since no performance is required to receive it.

2.2.5 Reasons for Awarding Long Service Employees

According to MacDuffie, (1995) a long service reward is a type of long-term incentive. The purpose of this type of incentive can vary; they are generally implemented by companies who wish to retain employees and thereby reduce their recruitment costs, but also develop a sense of company loyalty and community. This has been particularly effective for organizations like John Lewis, which offers each employee shares in the company once they have given a certain number of years' service. The number of shares to which they are entitled increases along with the period of their employment. Indeed, this is perhaps the most common method of implementation for this incentive. The benefits here are clear; it is in the employee's interests for the company to succeed, as the value of their shares rise with the value of the company as a whole.

However, share options are not the only incentive available if you wish to reward long service (Yammarino, and Dansereau, 2004). You may consider, for example, offering a sliding bonus scheme, whereby an employee who has been with the company for five years receives a larger annual bonus than an employee who has only joined that year. The important thing to remember is that long service rewards are offered in addition to any salary. You may offer share options on a salary sacrifice basis in addition to these incentives, but in order to be effective the rewards themselves should be provided over and above the regular remuneration of the employee.

Recruiting and training a new employee can be a costly affair, so it is important to retain your staff for as long as possible. Long service awards are no longer regarded as a precursor to retirement and awarded with a gold watch or clock. But instead seen as a standalone, positive aid to staff retention, by recognizing long-term loyalty, service and commitment (Yammarino, and Dansereau, 2004). The average time an employee stays with an organization is decreasing. As a
result long service award schemes have had to evolve to keep pace with changes in working patterns. Nowadays schemes are starting much lower, with long service often awarded from 5 years, with more regular intervals such as every 5 years thereafter.

By giving your employees the opportunity to choose a gift that they truly want and value, you can be sure that the source of their award will be remembered long after receipt of their gift (Johnson, 2000). Featuring a wide range of gifts and experiences, from the most desirable brands, our points based reward platform, Aspirations, is the ideal solution when implementing a long service award scheme. Available in both catalogue form and online, you can be sure there will be something for everyone from the brands they know and love.

2.3 Conceptual Framework

The figure below demonstrates the conceptual framework of this study clearly showing the dependent variable (employee retention) and the independent variables (career opportunities, supervisor support, working environment, work-life policies and rewards)
Figure 2.1 Conceptual Framework

Independent Variable

Staff Loans
- Car loan
- House loan
- Shamba Loan

Bonus Salary
- Individual incentive
- Team incentive

Long Service Awards
- 25 years of service
- Retirees

Other Benefits (Medical, Library and Training)
- Paid leave
- Group life insurance
- Benevolent allowances

Working Condition
- Working hours
- Leaves
- Conducive working environment

Employee retention
- Years of service
- No. of annual increments

Organizations Environment

Intervening Variables

Source; Author, (2012)
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction
This chapter focused on data collection, processing and analysis methods. Data collection instruments and procedures are also discussed as well as the target population and study sample. Zikmund, Babin, Carr and Griffin (2010) describe a research methodology as a part that must explain technical procedures in a manner appropriate for the audience. It achieves this by addressing the research and sample designs used for the study, the data collection and fieldwork conducted for the study and the analysis done to the collected data. Dawson (2009) states that the research methodology is the philosophy or general principle which guides the research while Kombo and Tromp (2009) concur that research methodology deals with the description of the methods applied in carrying out the research study.

3.1 Research Design
The researcher used a descriptive survey approach that would use questionnaires considering the limitation of the time factor involved in conducting the research. In descriptive study, the researcher would consider or would discover answer to questions like who, what, when, where and sometimes how. The researcher observed and then describes what was observed. Barbie. (1992) argued that a survey is considered to be particularly useful in describing the characteristics of a large population. The descriptive survey was also considered flexible and allows the researcher to ask so many questions when necessary.

3.2 Target Population
This research focused on the 8 branches of Postbank situated within the Central Business District (CBD) of Nairobi. The estimated employee population in the area of interest is 300. The target population was composed of staff from top level management, middle level management, and lower level management. This is as outlined in the table 3.1 below

Table 3.1 Target Population

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>Population Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>24</td>
</tr>
</tbody>
</table>
Middle level management | 66  
---|---
Lower level management | 210  
TOTAL | 300  

Source; Human Resource Department records Postbank(2012)

### 3.3 Sample Size and Sample Strategy

This study applied stratified and simple random sampling techniques. Stratified sampling was used to select a sample from employees. According to Oso and Onen (2005), stratified sampling technique is a technique that identifies subgroups in the population and their proportions and select from each subgroup to form a sample. It groups a population into separate homogenous subsets that share similar characteristics so as to ensure equitable representation of the population in the sample. According to Mugenda and Mugenda (2003), a sample size of 10% is acceptable. In this research a sample size of 20% will be used and considered more representative. From the above population a sample size of 60 will be obtained using stratified random sampling. This will be as shown in the Table below;

#### Table 3.2 Sample Strategy

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>Population Frequency</th>
<th>Sample ratio</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>24</td>
<td>24*.20</td>
<td>5</td>
</tr>
<tr>
<td>Middle level management</td>
<td>66</td>
<td>66*.20</td>
<td>13</td>
</tr>
<tr>
<td>Lower level management</td>
<td>210</td>
<td>210*.20</td>
<td>42</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>300</strong></td>
<td></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>


### 3.4 Data Collection Instruments

The researcher used questionnaires as the main tool for collecting data. The questionnaires were used since the study is concerned with variables that cannot be directly viewed or observed like views, opinions, perception, feelings and attitudes of the respondents. Such information is best collected through the use of a questionnaire. The target population was also largely literate and
therefore they were able to respond positively to questionnaires. Structured and non structured questions were used to collect data.

3.5 Validity and Reliability of Research Instrument

3.5.1 Validity
According to Amin (2005), validity is defined as the ability to produce findings that are in agreement with theoretical or conceptual values; in other words, to produce accurate results and to measure what is supposed to be measured. Questionnaires were given out to the supervisor and other experienced people who ensured their reliability. After pilot study, relevant adjustments were made on the questionnaires before actual data collection was done. The supervisor then put the expert knowledge into the instrument through proper and clear formulation and framing of the questions in order to bring out clarity of the research questions and objectives. Modification and corrections were then made before the instrument is administered.

3.5.2 Reliability
According to Amin (2005), reliability is defined as the level of internal consistency or stability of the measuring device over time. An instrument will be reliable if it produces the same results whenever it is repeatedly used to measure trait or concept from the same respondents even by other researchers. Reliability is the measure or the degree to which a research instrument yields same results after repeated trials. It may also mean consistency of the research instrument over time. To achieve the reliability of research instrument a pilot study of the area under study was carried out to establish the reliability.

3.6 Data Collection Procedure
After sampling and making all the preliminary preparations, the relevant authority was informed of the intended study to sensitize them on the whole exercise and enlighten the respondents at least a month in advance. This reduces suspicion and enhances cooperation. The researcher personally administered the research tools after a prior visit that assisted in refining timings of distribution of questionnaires. It also provides a rough picture of the respondents’ expectations. The researcher agreed with the respondents when the research instrument was to be administered.
and specifically dates of collecting the questionnaires. The respondents were given adequate time to respond to the questions.

3.7 Data Analysis and Presentation

The study applied descriptive statistics as data analysis techniques to analyze data. This ensured that the data was analyzed in a systematic way in order to come to some useful conclusions and recommendations. Data obtained from the questionnaires, and document analysis was coded, organized, analyzed and presented using frequency tables, and percentages.

3.8 Ethical Considerations

The researcher sought permission from the Banks management. The questionnaires were handled with confidentiality and participants advised not to indicate their names on the questionnaires. The research findings were also made confidential and were only used by the researcher and in answering the research questions and no publication were done without a notification from the parties involved. The participants were also informed before collecting any data from them.
CHAPTER FOUR

4.0 DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the findings from the study. Data from the field was coded and edited for completeness. The response rate was 90% where out of the issued 60 questionnaires 54 were returned and considered adequate to commence the analysis. This implies that there is a true representative sample for this study and more reliability of the data that was obtained from the questionnaire findings. It was then analyzed in form of percentages and presented in form of frequency distribution tables, pie charts and graphs.

4.2 General Information

The researcher found it necessary to establish the background information of the respondents. The background information is meant to determine whether the respondents were in a position to respond to the topic under study and more so make necessary conclusions and recommendations on the same. The background information includes, gender, age, education level, working experience of the employees which formed a basis of knowing what kind of employees the researcher is dealing with.

4.2.1 Gender of the Respondents

Gender plays a vital role in determining the major welfare practices employed by the organization in an effort to encourage employee retention in the organization through acting accountable in their daily operations. The researcher had to determine whether there were any gender specifications as far as welfare practices in the organization is concerned. The response on gender parity in the organization is as represented in the figure 4.1 below
From the findings, 31 respondents were male representing 57%, while 23 respondents representing 43% were female. This is a clear indication that, there exists a gender balance in recruiting of employees by the organizations human resource department as there is almost equilibrium between the male and female respondents.

4.2.2 Age bracket

The researcher found it important to collect data on the age of the respondents since the age plays a critical role in determining the working experience and the effectiveness of the respondents in terms of their performance in the function. Age also formed an important aspect as far as understanding the welfare practices employed by the organization.
As per the figure above 34% of the respondents were in the age bracket 20-30, 30% of the respondents were in the age bracket of 31-40, 20% of the respondents were in the age bracket of 41-50, while 7% of the respondents were in the age bracket of 51-60 years of age, while the remaining 9% were above 61 years of age an indication that most respondents are young and capable of determining the effects of welfare practices among employees on employee retention in the organization.

4.2.3 Level of education for Respondents

The study sought to find out the highest level of education attained by the respondents. The response is as indicated in the table 4.1 below
### Table 4.1 Level of Education

<table>
<thead>
<tr>
<th>Education level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>O'level</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Diploma</td>
<td>14</td>
<td>26</td>
</tr>
<tr>
<td>Degree</td>
<td>19</td>
<td>35</td>
</tr>
<tr>
<td>Masters</td>
<td>16</td>
<td>30</td>
</tr>
<tr>
<td>Professional courses</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source; Researcher (2012)

From the table above, none of the respondents had O’level education, 26% of the respondents were diploma holders, 35% of the respondents were degree holders, 16(30%) were masters holders, while the remaining 5(9%) had professional qualifications. An indication that most of the respondents were learned enough to determine what is required in order for them to attain the required levels of performance hence employee retention through the practical application of welfare practices.

#### 4.2.4 Working experience for respondents.

Data was collected to ascertain the level of experience which has been attained by the respondents as a result of working in the organization and more importantly their familiarity with the procedures of the organization which will form the basis of analyzing the aspects of staff retention by the respondents which in proportion affects their ways of operations in the organization.
### Table 4.2 Work Experience

<table>
<thead>
<tr>
<th>Duration</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 4 Yr</td>
<td>9</td>
<td>17</td>
</tr>
<tr>
<td>Between 5-8Yrs</td>
<td>14</td>
<td>26</td>
</tr>
<tr>
<td>Between 9-12 Yrs</td>
<td>20</td>
<td>37</td>
</tr>
<tr>
<td>Between 13-16 Yrs</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Over 17 Yrs</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source: Researcher (2012)**

The study indicated that, 17% of the respondents had worked for a period less than 4 years. 26% had worked for a period between 5-8 years, 37% had worked for 9-12 years, 13% had worked for 13-16 years, while 7% had worked for over 17 years for the organization. This implies that they are aware of what the organization requires in terms of welfare practices as a performance guide towards employee retention.

### 4.2.5 Department of the Respondents

The researcher thought it appropriate to determine the working department of the respondents so as to be able to obtain the views of the various cadres of management on their take on the effects of welfare practices on employee retention. Respondents from the top management, middle management as well as lower level management were grouped into various departments in the organization where the response obtained is as indicated in table 4.3 below.
Table 4.3 Working Department of the respondents

<table>
<thead>
<tr>
<th>Department</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Finance</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>ICT</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Audit</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Credit</td>
<td>9</td>
<td>17</td>
</tr>
<tr>
<td>HR</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>Cards</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Others</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Researcher (2012)

Study findings established that 4(7%) of the respondents were from the executive department, 7(13%) were from finance department, 8(15%) were from ICT, 5(9%) were from audit department, 9(17%) were from credit department, 10(19%) were from human resource department, 7(13%) were from cards department while the remaining 4(7%) were from other departments. This is an indication that the researcher sought the opinions of the various departments in the organization and as such various opinions were incorporated in the findings of the study.

4.2.6 Employees retention welfare strategies in organizations

For the purposes of ensuring the success of the study the researcher thought it appropriate to determine the ways through which welfare practices are employed by the organization in enhancing employee retention. The field response obtained is as indicated in the figure 4.3 below on the given ways of employee retention.
Figure 4.3 Ways of Retaining Employees

Ways of Retaining Employees

- Offering competitive salaries and bonuses (22%)
- Recognition for a job well done (19%)
- Increased benefits (15%)
- More vacation time (20%)
- Giving insurance cover (24%)

Source: Researcher (2012)

Figure 4.3 above indicates that 10(19%) of the respondents indicated that the organization participated in offering competitive salaries and bonuses as a way of employee retention. Recognition for a job well done was another way of employee retention as indicated by 11(20%) of the respondents. It was also established that there was increased benefits as indicated by 13(24%) of the respondents. More vacation time was another mode of employee retention as indicated by 8(15%) of the respondents. Finally giving insurance cover was another welfare practice employed by the organization to retain employees as indicated by 12(22%) of the respondents. This is a clear indication that the organization employs a host of welfare practices to promote employee retention.

4.2.7 Reasons as to why Employees love their work in the Organization

A satisfied employee in the organization will surely be motivated to work towards attaining the goals as well as the objectives of the organization. The application of various welfare practices by the organization encourages employee retention which the researcher thought appropriate to establish basis as to whether employees love their work in the organization. Response obtained is as indicated in table 4.4 below.
Table 4.4 Reasons as to why Employees love their work in the Organization

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>They like the company atmosphere</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>They like their bosses and their co-workers</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>An exciting position</td>
<td>13</td>
<td>24</td>
</tr>
<tr>
<td>Plenty of opportunity for growth, learning</td>
<td>23</td>
<td>42</td>
</tr>
<tr>
<td>and advancement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Researcher (2012)

The major reason as to why employees love their work in the organization as indicated by 23(42%) of the respondents is due to plenty of opportunity for growth, learning and advancement that is provided by the organization policies and procedures. An exciting position was also another major reason as indicated by 13(24%) of the respondents. It was also established that employees like the company atmosphere thus making them love their job as indicated by 10(19%) of the respondents. Finally asked as to whether employees loved their work in the organization, 8(15%) indicated that it's because they like their bosses and their co-workers. An indication that it's due to numerous reasons that the organization is able to retain employees.

4.2.8 Effects of Staff Loans on Staff Retention at Post Bank

Staff loans play a major role in the retention of employees since it acts as a motivator to them as they perform their chores and as a result each and every employee will be striving to attain the required levels of performance so as to be able to retain by the organization. The researcher therefore set out to determine the effects of staff loans on staff retention where response obtained is as indicated in table 4.5 below.
The major effects of staff loans on staff retention at Postbank included the effect that staff loans are the most influential staff benefit to retention where 32(59%) strongly agreed while 22(41%) agreed on the same. Staff loans have no effect on staff retention according to 26(48%) and 28(52%) of the respondents whom strongly agreed and agreed respectively. It was also established that staff loans with concessions improve staff retention where 21(39%) of the respondents strongly agreed while 33(61%) agreed on the same. Another effect is that staff loans lock employees to Postbank even when they would want to leave for better career where a
majority 41(76%) strongly agreed while 13(24%) agreed on the same. If staff loans were eliminated many employees would opt to leave the bank where 38(70%) of the respondents strongly agreed while 16(30%) agreed on the same. It was evident that if the range of staff loans was increased, staff morale will be better according to 43(80%) of the respondents whom strongly agreed while 11(20%) agreed on the same. Finally it was established that if you were to get an employer with better loan terms you would opt to leave as indicated by 16(30%) of the respondents whom strongly agreed while 38(70%) agreed on the same.

4.2.9 Effects of Bonus Salary on Staff Retention in the Organization

An additional bonus salary awarded to employees in an organization may act as a motivator to employees in the process of ensuring that the employees of the organization work towards attaining the required levels of performance. It was thus necessary for the organization to establish the effects of bonus salary on staff retention in the organization where response obtained is as indicated in table 4.6 below.

<table>
<thead>
<tr>
<th>Role</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonus salary are the most influential staff benefit to retention</td>
<td>19(35%)</td>
<td>35(65%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bonus salary have no effect on staff retention</td>
<td>28(52%)</td>
<td>26(48%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bonus salary lock employees to Postbank even when they would want to leave for better career</td>
<td>24(44%)</td>
<td>30(56%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>If bonus salary were eliminated many employees would opt to leave the bank</td>
<td>17(31%)</td>
<td>23(43%)</td>
<td>-</td>
<td>14(26%)</td>
<td>-</td>
</tr>
<tr>
<td>If the range of bonuses was increased, staff morale will be better</td>
<td>38(70%)</td>
<td>16(30%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Researcher (2012)
Study findings established that the effects of bonus salary on staff retention in the organization indicated that bonus salary are the most influential staff benefit to retention where 19(35%) of the respondents strongly agreed and 35(65%) agreed on the same. Bonus salary have no effect on staff retention according to 28(52%) of the respondents whom strongly agreed while 26(48%) agreed on the same. Bonus salary lock employees to Postbank even when they would want to leave for better career was an effect where 24(44%) of the respondents strongly agreed and 30(56%) agreeing on the same. It was also established that if bonus salary were eliminated many employees would opt to leave the bank where 17(31%) of the respondents strongly agreed, 23(43%) agreed while the remaining 14(26%) disagreed on the same. Finally it was established that if the range of bonuses was increased, staff morale will be better as indicated by 38(70%) of the respondents whom strongly agreed and 16(30%) agreed on the same.

4.2.10 Implications of Long Service Awards on Staff Retention at Postbank

Long service awards in an organization act as a major source of motivation in the organizations workforce and as such the management should device some long service awards that motivate the employees. The researcher therefore thought it appropriate to determine the major implications of long service awards on staff retention at Postbank where response is as indicated in table 4.7 below.
Table 4.7 Implications of Long Service Awards on Staff Retention at Postbank

<table>
<thead>
<tr>
<th>Implications</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long service awards are the most influential staff benefit to retention</td>
<td>17(31%)</td>
<td>37(69%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long service awards lock employees to Postbank even when they would want to leave for better career</td>
<td>33(61%)</td>
<td>21(39%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>If long service awards were eliminated many employees would opt to leave the bank</td>
<td>14(26%)</td>
<td>21(39%)</td>
<td>-</td>
<td>19(35%)</td>
<td>-</td>
</tr>
<tr>
<td>If the range of long service awards was increased, staff morale will be better</td>
<td>41(76%)</td>
<td>13(24%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>If you were to get an employer with long service awards terms you would opt to leave</td>
<td>25(46%)</td>
<td>29(54%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Researcher (2012)

Findings established that long service awards are the most influential staff benefit to retention where 17(31%) strongly agreed as 37(69%) agreed on the same. It was also evident that long service awards lock employees to Postbank even when they would want to leave for better career where 33(61%) of the respondents strongly agreed as 21(39%) agreed. It was also evident that if long service awards were eliminated many employees would opt to leave the bank where 14(26%) of the respondents strongly agreed, 21(39%) agreed as the remaining 19(35%) disagreed on the same. Further if the range of long service awards was increased, staff morale will be better as indicated by 41(76%) of the respondents whom strongly agreed and 13(24%) agreed on the same. Finally it was established that if you were to get an employer with long service awards terms you would opt to leave where 25(46%) of the respondents strongly agreed while 29(54%) of the remaining respondents agreed on the same.
4.2.11 Reasons why Employees Leave the Organization for another

It was also appropriate for the organization to determine the major causes as to why employees leave the organization for another in the presence of welfare practices which are to be observed by the workforce. The responses obtained is as indicated in the table 4.8 below on the reasons as to why employees leave the organization.

Table 4.8 Reasons why Employees Leave the Organization for another

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiring practices</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Management style</td>
<td>9</td>
<td>17</td>
</tr>
<tr>
<td>Lack of recognition</td>
<td>13</td>
<td>24</td>
</tr>
<tr>
<td>Lack of competitive compensation system</td>
<td>18</td>
<td>33</td>
</tr>
<tr>
<td>Toxic workplace environment</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Lack of job security</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source; Researcher (2012)

Table 4.8 above indicates that the major reasons as to why employees leave one organization for the other include hiring practices 6(11%), management style 9(17%), lack of recognition 13(24%), lack of competitive compensation system 18(33%), toxic workplace environment 3(6%) and finally lack of job security 5(9%). An indication that a host of reasons are the major causes as to why employees leave the organization.

4.2.12 Most Popular Staff Welfare Facilities Available for Postbank Employees

It was appropriate to determine the most popular staff welfare facilities available for Postbank employees so as to determine what motivates the workforce towards attaining the desired levels.
of performance in the organization. The response obtained from the respondents is as indicated in table 4.9 below

**Table 4.9 Most Popular Staff Welfare Facilities Available for Postbank Employees**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car loans are the most popular welfare facility</td>
<td>15(28%)</td>
<td>39(72%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bonus salary is the most popular welfare facility</td>
<td>23(43%)</td>
<td>31(57%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long service awards are the most popular welfare facility</td>
<td>32(59%)</td>
<td>22(41%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mortgage loans are the most popular welfare facility</td>
<td>37(69%)</td>
<td>17(31%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Salary advances are the most popular welfare facility</td>
<td>31(57%)</td>
<td>23(43%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Medical services are the most popular welfare facility</td>
<td>43(80%)</td>
<td>11(20%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Researcher (2012)

The study findings established that car loans are the most popular welfare facility employed by the organization where 15(28%) of the respondents strongly agreed as the remaining 39(72%) agreed on the same. Bonus salary is the most popular welfare facility according to 23(43%) of the respondents whom strongly agreed as the remaining 31(57%) agreed on the same. It was also established that long service awards are the most popular welfare facility where 32(59%) of the respondents strongly agreed and 22(41%) agreed on the same. Mortgage loans are the most popular welfare facility as indicated by 37(69%) of the respondents whom strongly agreed while 17(31%) agreed on the same. It was also established that salary advances are the most popular welfare facility according to 31(57%) of the respondents whom strongly agreed while 23(43%) of the respondents agreed on the same. Finally it was established that medical services are the
most popular welfare facility as indicated by a majority 43(80%) of the respondents whom strongly agreed while the remaining 11(20%) disagreed on the same.

4.2.13 Challenges of staff welfare practices on staff retention at Kenya post office savings bank

i. Inadequate resources at the disposal of the organization to support the staff welfare practices employed. This is a major problem that hinders the awarding of employee welfare which is a major source of employee motivation as well as employee retention.

ii. Lack of a sound implementation framework that acts as a guideline. When an organization has a sound implementation framework clear outline of events is outlined so as to facilitate smooth flow of operations.

4.2.14 Ways of overcoming the challenges of staff welfare practices on staff retention at Kenya post office savings bank

i. Adequate allocation of resources that ensure that success of organizational practices is attained by the available resources.

ii. The organization should exercise a healthy hiring practice so as to ensure cooperation between employees of the various departments in the organization.

iii. Establish an implementation team that is responsible with overseeing that organizational procedures are observed to the latter.
CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter contains the findings analysed from the data collected. The findings are further summarised here with a view to crystallise the specific findings in relation to the research objectives. The conclusion is then drawn from the findings and in order to answer the research questions. The researcher then provides recommendations on what needs to be done in order to achieve employee retention through the application of welfare practices. At the end of this chapter, the researcher provides a suggestion for further study in return to the topic of study in order to supplement and complement the study.

5.2 Summary of finding
This section discusses the research findings on the effects of welfare practices on staff retention. The findings of the study were as follows:

5.2.1 Gender of the Respondents
From the findings, 31 respondents were male representing 57%, while 23 respondents representing 43% were female. This is a clear indication that, there exists a gender balance in recruiting of employees by the organizations human resource department as there is almost equilibrium between the male and female respondents.

5.2.2 Age bracket
34% of the respondents were in the age bracket 20-30, 30% of the respondents were in the age bracket of 31-40, 20% of the respondents were in the age bracket of 41-50, while 7% of the respondents were in the age bracket of 51-60 years of age, while the remaining 9% were above 61 years of age an indication that most respondents are young and capable of determining the effects of welfare practices among employees on employee retention in the organization.
5.2.3 Level of education for Respondents
From the table above, none of the respondents had O’level education, 26% of the respondents were diploma holders, 35% of the respondents were degree holders, 16(30%) were masters holders, while the remaining 5(9%) had professional qualifications. An indication that most of the respondents were learned enough to determine what is required in order for them to attain the required levels of performance hence employee retention through the practical application of welfare practices.

5.2.4 Working experience for respondents.
The study indicated that, 17% of the respondents had worked for a period less than 4 years, 26% had worked for a period between 5-8 years, 37% had worked for 9-12 years, 13% had worked for 13-16 years, while 7% had worked for over 17 years for the organization. This implies that they are aware of what the organization requires in terms of welfare practices as a performance guide towards employee retention.

5.2.5 Department of the Respondents
Study findings established that 4(7%) of the respondents were from the executive department, 7(13%) were from finance department, 8(15%) were from ICT, 5(9%) were from audit department, 9(17%) were from credit department, 10(19%) were from human resource department, 7(13%) were from cards department while the remaining 4(7%) were from other departments. This is an indication that the researcher sought the opinions of the various departments in the organization and as such various opinions were incorporated in the findings of the study.

5.2.6 Ways that the organization adopts to better retain their employees in the organization
It was established that 10(19%) of the respondents indicated that the organization participated in offering competitive salaries and bonuses as a way of employee retention. Recognition for a job well done was another way of employee retention as indicated by 11(20%) of the respondents. It was also established that there was increased benefits as indicated by 13(24%) of the respondents. More vacation time was another mode of employee retention as indicated by 8(15%) of the respondents. Finally giving insurance cover was another welfare practice
employed by the organization to retain employees as indicated by 12(22%) of the respondents. This is a clear indication that the organization employs a host of welfare practices to promote employee retention

5.2.7 Reasons as to why Employees love their work in the Organization

The major reason as to why employees love their work in the organization as indicated by 23(42%) of the respondents is due to plenty of opportunity for growth, learning and advancement that is provided by the organization policies and procedures. An exciting position was also another major reason as indicated by 13(24%) of the respondents. It was also established that employees like the company atmosphere thus making them love their job as indicated by 10(19%) of the respondents. Finally asked as to whether employees loved their work in the organization, 8(15%) indicated that it’s because they like their bosses and their co-workers. An indication that it’s due to numerous reasons that the organization is able to retain employees

5.2.8 Effects of Staff Loans on Staff Retention at Post Bank

The major effects of staff loans on staff retention at postbank included the effect that staff loans are the most influential staff benefit to retention where 32(59%) strongly agreed while 22(41%) agreed on the same. Staff loans have no effect on staff retention according to 26(48%) and 28(52%) of the respondents whom strongly agreed and agreed respectively. It was also established that staff loans with concessions improve staff retention where 21(39%) of the respondents strongly agreed while 33(61%) agreed on the same. Another effect is that staff loans lock employees to Postbank even when they would want to leave for better career where a majority 41(76%) strongly agreed while 13(24%) agreed on the same. If staff loans were eliminated many employees would opt to leave the bank where 38(70%) of the respondents strongly agreed while 16(30%) agreed on the same. It was evident that if the range of staff loans was increased, staff morale will be better according to 43(80%) of the respondents whom strongly agreed while 11(20%) agreed on the same. Finally it was established that if you were to get an employer with better loan terms you would opt to leave as indicated by 16(30%) of the respondents whom strongly agreed while 38(70%) agreed on the same.
5.2.9 Effects of Bonus Salary on Staff Retention in the Organization

Study findings established that the effects of bonus salary on staff retention in the organization indicated that bonus salary are the most influential staff benefit to retention where 19(35%) of the respondents strongly agreed and 35(65%) agreed on the same. Bonus salary have no effect on staff retention according to 28(52%) of the respondents whom strongly agreed while 26(48%) agreed on the same. Bonus salary lock employees to Postbank even when they would want to leave for better career was an effect where 24(44%) of the respondents strongly agreed and 30(56%) agreeing on the same. It was also established that if bonus salary were eliminated many employees would opt to leave the bank where 17(31%) of the respondents strongly agreed, 23(43%) agreed while the remaining 14(26%) disagreed on the same. Finally it was established that if the range of bonuses was increased, staff morale will be better as indicated by 38(70%) of the respondents whom strongly agreed and 16(30%) agreed on the same.

5.2.10 Implications of Long Service Awards on Staff Retention at Postbank

Findings established that long service awards are the most influential staff benefit to retention where 17(31%) strongly agreed as 37(69%) agreed on the same. It was also evident that long service awards lock employees to Postbank even when they would want to leave for better career where 33(61%) of the respondents strongly agreed as 21(39%) agreed. It was also evident that if long service awards were eliminated many employees would opt to leave the bank where 14(26%) of the respondents strongly agreed, 21(39%) agreed as the remaining 19(35%) disagreed on the same. Further if the range of long service awards was increased, staff morale will be better as indicated by 41(76%) of the respondents whom strongly agreed and 13(24%) agreed on the same. Finally it was established that if you were to get an employer with long service awards terms you would opt to leave where 25(46%) of the respondents strongly agreed while 29(54%) of the remaining respondents agreed on the same.

5.2.11 Reasons why Employees Leave the Organization for another

The major reasons as to why employees leave one organization for the other include hiring practices 6(11%), management style 9(17%), lack of recognition 13(24%), lack of competitive compensation system 18(33%), toxic workplace environment 3(6%) and finally lack of job
An indication that a host of reasons are the major causes as to why employees leave the organization.

5.2.12 Most Popular Staff Welfare Facilities Available for Postbank Employees

The study findings established that car loans are the most popular welfare facility employed by the organization where 15(28%) of the respondents strongly agreed as the remaining 39(72%) agreed on the same. Bonus salary is the most popular welfare facility according to 23(43%) of the respondents whom strongly agreed as the remaining 31(57%) agreed on the same. It was also established that long service awards are the most popular welfare facility where 32(59%) of the respondents strongly agreed and 22(41%) agreed on the same. Mortgage loans are the most popular welfare facility as indicated by 37(69%) of the respondents whom strongly agreed while 17(31%) agreed on the same. It was also established that salary advances are the most popular welfare facility according to 31(57%) of the respondents whom strongly agreed while 23(43%) of the respondents agreed on the same. Finally it was established that medical services are the most popular welfare facility as indicated by a majority 43(80%) of the respondents whom strongly agreed while the remaining 11(20%) disagreed on the same.

5.2.13 Challenges of staff welfare practices on staff retention at Kenya post office savings bank

i. Inadequate resources at the disposal of the organization to support the staff welfare practices employed. This is a major problem that hinders the awarding of employee welfare which is a major source of employee motivation as well as employee retention.

ii. Lack of a sound implementation framework that acts as a guideline. When an organization has a sound implementation framework clear outline of events is outlined so as to facilitate smooth flow of operations.
5.3 Conclusions
Based on the findings of this study of determining the effects of welfare practices on employee retention at Kenya Post Office Savings Bank, the researcher made the following conclusions. The effects of staff loans on staff retention at Postbank include staff loans are the most influential staff benefit to retention, staff loans have effect on staff retention, staff loans with concessions improve staff retention, staff loans lock employees to Postbank even when they would want to leave for better career, and that if staff loans were eliminated many employees would opt to leave the bank. The effects of bonus salary on staff retention in the organization include bonus salary are the most influential staff benefit to retention, bonus salary have effect on staff retention, bonus salary lock employees to Postbank even when they would want to leave for better career, if bonus salary were eliminated many employees would opt to leave the bank, and that if the range of bonuses was increased, staff morale will be better. The reasons why employees leave the organization for another include hiring practices, management style, lack of competitive compensation system, lack of recognition, toxic workplace environment, and lack of job security. The most popular staff welfare facilities available for Postbank employees include car loans, bonus salary, long service awards, mortgage loans, and salary advances

5.4 Recommendations
Based on the findings and conclusions of the study, the researcher felt that the following recommendations are necessary to improve employee retention at Postbank

i. Adequate allocation of resources that ensure that success of organizational practices is attained by the available resources

ii. The organization should exercise a healthy hiring practice so as to ensure cooperation between employees of the various departments in the organization

iii. Establish an implementation team that is responsible with overseeing that organizational procedures are observed to the latter

5.5 Suggestions for Further Study
Based on the findings, conclusions and recommendations of this study, the researcher felt that further research should be carried out on the effects of employee reward systems on organizational performance
REFERENCES


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APPENDIX I: QUESTIONNAIRE

Introduction
I am a student at Kenyatta University undertaking Master in Business Administration (Human Resource Management) Option. This questionnaire seeks to establish the **EFFECT OF WELFARE PRACTICES ON EMPLOYEES’ RETENTION**. You are therefore kindly required to help me fill the questionnaires with the required information. Any information provided will be treated with utmost confidential since the research is purely for academic purpose only. It is also in partial fulfillment of the requirement for the award of my Masters. Please assist by filling this questionnaire as truthfully as possible.

Thank you in advance.

SECTION A: GENERAL INFORMATION

1: RESPONDENT PARTICULARS

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
</table>

Age Bracket (tick as appropriate)

<table>
<thead>
<tr>
<th>20-30 years</th>
<th>31-40 years</th>
<th>41-40 years</th>
<th>51-60 years</th>
<th>Over 60 years</th>
</tr>
</thead>
</table>

Level of education (tick as appropriate)

<table>
<thead>
<tr>
<th>O’level</th>
<th>Diploma</th>
<th>Degree</th>
<th>Masters’</th>
<th>Professional course</th>
</tr>
</thead>
</table>

How long have you worked in the Banking Sector (tick as appropriate)

<table>
<thead>
<tr>
<th>Less than 4 Yr</th>
<th>Btwn 5-8Yrs</th>
<th>Btwn 9-12 Yrs</th>
<th>Btwn 13-16 Yrs</th>
<th>Over 17 Yrs</th>
</tr>
</thead>
</table>
SECTION B: SPECIFIC OBJECTIVES

What are the ways that the organization adopts to better retain their employees in the organization

i. Offering competitive salaries and bonuses
ii. Recognition for a job well done
iii. Increased benefits
iv. More vacation time
v. Giving insurance cover
vi. Any other specify

Do the employees love their work? If yes what are the reasons as to why people love their work in the organization?

i. They like the company atmosphere
ii. They like their bosses and their co-workers
iii. An exciting position
iv. Plenty of opportunity for growth, learning and advancement
v. Any other specify
What are the effects of staff loans on staff retention at Post bank? Kindly respond with the response that matches your opinion. Please tick as appropriate in the boxes using a tick (✓) or cross mark (x).

<table>
<thead>
<tr>
<th>No</th>
<th>Effects</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree not disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Staff loans are the most influential staff benefit to retention</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Staff loans have no effect on staff retention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Staff loans with concessions improve staff retention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Staff loans lock employees to Postbank even when they would want to leave for better career</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>If staff loans were eliminated many employees would opt to leave the bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>If the range of staff loans was increased, staff morale will be better</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>If you were to get an employer with better loan terms you would opt to leave</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3
What are the effects of bonus salary on staff retention in the organization? Kindly respond with the response that matches your opinion. Please tick as appropriate in the boxes using a tick (✓) or cross mark (x).

<table>
<thead>
<tr>
<th>No</th>
<th>Role</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree not disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Bonus salary are the most influential staff benefit to retention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Bonus salary have no effect on staff retention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Bonus salary lock employees to Postbank even when they would want to leave for better career</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>If bonus salary were eliminated many employees would opt to leave the bank</td>
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<td>5.</td>
<td>If the range of bonuses was increased, staff morale will be better</td>
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<tr>
<td>6.</td>
<td>If you were to get an employer with better bonus terms you would opt to leave</td>
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</tbody>
</table>
What are the implications of long service awards on staff retention at post bank? Kindly respond with the response that matches your opinion. Please tick as appropriate in the boxes using a tick (✓) or cross mark (✗).

<table>
<thead>
<tr>
<th>No</th>
<th>Implications</th>
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<th>Disagree</th>
<th>Neither agree not disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
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<tbody>
<tr>
<td>1</td>
<td>Long service awards are the most influential staff benefit to retention</td>
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<tr>
<td>2</td>
<td>Long service awards have no effect on staff retention</td>
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<td>3</td>
<td>Long service awards lock employees to Postbank even when they would want to leave for better career</td>
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<td>4</td>
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<td>6</td>
<td>If you were to get an employer with long service awards terms you would opt to leave</td>
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</tbody>
</table>

What factors explain the reasons why employees leave the organization for another?

i. Hiring practices

ii. Management style

iii. Lack of recognition

iv. Lack of competitive compensation system

v. Toxic workplace environment

vi. Lack of job security
What are the most popular staff welfare facilities available for Postbank employees? Kindly respond with the response that matches your opinion. Please tick as appropriate in the boxes using a tick (✓) or cross mark (x).

<table>
<thead>
<tr>
<th>No</th>
<th>Statement</th>
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<th>Disagree</th>
<th>Neither agree not disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
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<tbody>
<tr>
<td>1.</td>
<td>Car loans are the most popular welfare facility</td>
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<td>2.</td>
<td>Bonus salary is the most popular welfare facility</td>
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<td>3.</td>
<td>Long service awards are the most popular welfare facility</td>
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<td>4.</td>
<td>Mortgage loans are the most popular welfare facility</td>
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<td>5.</td>
<td>Salary advances are the most popular welfare facility</td>
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<td>6.</td>
<td>Medical services are the most popular welfare facility</td>
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</table>

What are the challenges of staff welfare practices on staff retention at Kenya post office savings bank?

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What are the ways of overcoming the challenges of staff welfare practices on staff retention at Kenya post office savings bank?

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