THE INTERNATIONAL JOURNAL OF
BUSINESS & MANAGEMENT

Human Resource Management Practices and Employee Turnover in Commercial Banks in Kenya

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Abstract:
The banking industry today continues to suffer an onslaught on employee turnover costs denting its profits hence lowering its returns on investment. Depending on the kinds of operation they engage in, banks heavily rely in human capital to deliver services to their client's. It is therefore prudent to look into Human Resource Management practices in this competitive and dynamic banking sector and how they impact on employee's turnover and thus organizational performance. The objectives of this study were; to establish whether Human Resource Management practices such as Training, Compensation, Performance Appraisal and Recruitment, influence Kenyan commercial bank employees' turnover. The study was guided by three theories: Resource based, universalistic and contingency theory. The study adopted a descriptive research design. The population of interest for this study consisted of 2667 management staff of Commercial banks in Kenya. Quantitative data in this study was collected using self-administered questionnaire comprising of 5-point Likert scale distributed to the sampled persons. To establish the nature and magnitude of relationship between variables, the study applied inferential statistics. The data was presented using tables, charts, graphs percentages and frequencies. In the analysis of data, statistical package for the social sciences (SPSS) technique was employed. The study established that training offered by the banks neither motivate the staff nor impacted employees' turnover reduction. The employees were further not involved in decision making on which training to undertake, while the quality of on and off training affected employee turnover. Remuneration was not comparable to other banking organizations and there was no clear explanation of remuneration policy and its implementation, and this knowledge gap may cause insecurity among the employees. The recruitment process was free and fair to all eligible within and outside the bank and sufficient induction and orientation was undertaken by the banks. Performance appraisal was not found to be used as a system of laying off employees in the banks, though the performance evaluation systems were not favourable to the employees, and that there was conflict of interest between the organization targets and individual targets. The study concluded that among the four variables, staff training, compensation and appraisal had a significant influence on employee turnover in commercial banks. The banks had effective recruitment strategies and these did not affect employee turnover. The study recommends that the commercial banks should re-evaluate the training programmes to ensure value addition for the benefit of the employees. The banks should also evaluate the value of rewards provided to the staff as commensurate to industry standards. It is important that the banks engage the staff in formulation of performance appraisal processes so that they may own them and find themselves recognized and useful to the banks. This would motivate them while undertaking tasks to meet accepted targets, and thus ensure they do not leave the organization.

1. Introduction

1.1. Background of the Study

Employee Turnover is termed as the degree at which employees move to and from employment usually articulated as a percentage grounded on the number of employees exiting an organization. Organization views turnover as a serious concern and issue, therefore researchers consider this happening as a prevailing challenge for the business. Many factors contribute to employee turnover including employee stage of development, tenancy with the organization, reward and compensation, overall job satisfaction, job description, dynamic environment, greener pastures (career development) and more security, (Hedwiga, 2011). Bal, Bozkurt, and Ertemsir, (2014) suggest that organizations should deal with employee turnover due to the limitations in the current perceived reasons for employee turnover. For, efficient HR management it is imperative that sound Human Resource Management practices are in place.

Harvest, (2016), defines these HR practices as systems that have great impact on an organisation hence partly conceptual and part of implementation of the human resource strategy in order to gain competitive advantage. Good human resource practices are known to improve the productivity of an organization. Chepkony (2012) contended that Kenya economic growth is on the fast lane with a projected increase in the coming years. In addition, the country is considered as the financial capital of East Africa. Owing to the strong role Kenya is playing in the global context, it is imperative that the HRM in banking institution which form a strong pillar in any economy are addressed.

This study therefore explored the HRM practices role in commercial banks in Kenya and how they affect employees' motivation. According to the Khalumba (2012), theoretical research shows there lacks standardization of HRM practices and firms end up adopting policies in their own volition intended to inspire, educate and support members of staff with regard to its fundamental role in creating employee effectiveness. The successful implementation or failures HR practices depend on the skills of the manager and consequently on bundles of HR practices (Guest, 2011). This study adopted HRM practices as explained by Mathew (2017) who encompasses factors such as recruitment, training, performance appraisal and compensation. According to Şendoğdu, Kocabacak, and Güven, (2013), monitoring and controlling employee turnover is problematic. Numerous control systems only take effect after non-attendance has occurred and are rarely effective in addressing this problem.

One of the costliest outcomes besides absenteeism in the practice of HR is employee turnover costs. Harvest, (2016) point out that managers have strained to prevent the employee's turnover by recognizing those workers who have demonstrated such behaviour in the past and either decline to hire them or put in place approaches to ensure that high performing employees stay within the organization.

1.1.1. Human Resource Management Practices

HRM policies and practises affect the productivity of a firm and it is therefore crucial that it receives complete attention by an institution in regards to ensuring that the employees exhibit their full potential and give their best to the organization (Gifford, 2017). Despite there being other numerous human resource practices, there are key Human Resource Management practices which this study will adopt since they form an effective blend i.e. performance appraisal, training, recruitment and compensation. Performance appraisal encompasses employee's scrutiny on their performance over a given period (Mondy, 2010). Ahmad, Lemba and Ismail (2010), determined that the process is designed to advance the performance of the employees. Saira (2016) adds that the overriding purpose of performance appraisal is basically to increase employee motivations and self-esteem. It serves as many of the performance management tools that are aimed to ensure employee performance contribute to a firm's objective hence should form part and parcel of a holistic approach to managing performance, Gifford (2017).

The staff remuneration involves all kinds of wages and benefits that workers are provided with in return for work done in a firm (Hao, Kumar & Raendra, 2015) This can be in form of direct or indirect compensation. Reward is normally a non-monetary incentive most notably given employees who have been in their position for some time or are comfortable in their positions of which may include: accomplishment awards, group leadership opportunities, individual days, rewards, paid trips, gift cards, new office space upgrade or even paid parking space, (Sudin, 2011).

Martin (2016) defines recruitment as a process through which potential job applicants are attracted from available labour force. He further emphasizes on the importance of attracting enough applicants who possess the required attitude and abilities that can be essential in aiding the organisation achieve its intended goals. The type of recruitment method will depend largely on the type of vacancy and the organization concerned and it can either be internal or external. Management study guide (2013) mention that training methods pertains to the types of training that can be accorded the employees in an organisation to sharpen their existing skills and learn new skills. They entail both soft and technical skills. They can also be experiential learning out of class. All these are essential to equip the employees with relevant skills in order to improve productivity and efficiency at work. Applying good HRM practices ensures that highly skilled employees are retained. At the organizational level of analysis, scholars (Surakka, 2012; Machado, 2013) have recognized that HRM practice is likely to reduce deliberate employee turnover.

1.1.2. Commercial Banks in Kenya

There are forty-three commercial banks in Kenya, which are regulated by the Central Bank of Kenya. Every commercial bank is required to present itself in a distinctive approach so as to have a competitive advantage (Central Bank of Kenya, 2016). For the banks to ensure their survival within the high competitive banking industry distinctive presentation is essential, they need to recognize their target market and find out the mix of factors, which will give them an edge. Commercial banks provide financing to a given in economy by channelling finances for various uses. Commercial banks in Kenya are critical to the Kenyan economic growth and they are growing at a very fast rate to meet the demand for financial services (CBK, 2014).

1.1.3. Employee Turnover

The rate at which employees move out of employment is termed as Employees turnover (Hedwiga, 2011). According to Kazi and Zedah, (2011) employee turnover refers to the movement of employees from one work place to another. In this study, worker turnover can be described as the percentage of an entity's employees missing all through the period under consideration divided by the average population of employees in an entity during the period. It is important to note that worker turnover in an institution can either be voluntary or not voluntary.

According to Kazi and Zedah (2011), involuntary employee turnover could result from external factor. Kusi (2013) names poor performance, death, pregnancy before probation, dismissal for indiscipline as uncontrollable factors. Further, death of the employee, violence in the country, new job openings are also factors resulting to involuntary employee turnover (Kazi & Zedah, 2011). Conversely, voluntary employee turnover is subject to worker him/herself and can be experienced by a worker to attain personal accomplishment equal to the employment. Powell (2012) names these controllable factors and mentions lack of chance for inadequate remuneration, boredom, poor working/life balance, professional growth, job stress and unfair treatment. Further, Rathnaweerage and Thanuja (2010) describes voluntary employee turnover as worker's decision to quit an organization while involuntary worker turnover is a situation where an employee quits an organization due to other reasons as opposed to personal will. Jha (2014) insist on the importance of worker turnover in the wellbeing of both the firm and the employees.

1.2. Statement of the Problem

The banking sector has suffered an onslaught in the recent years on employee turnover effects in spite of the huge profits it has always been reported to have realised as returns on investment. Central bank of Kenya listing indicates there are 43 banks in Kenya. These banks are categorized into small medium and large depending on the kinds of operation they tend to engage in. They heavily rely in human capital to deliver services to their clients. Commercial banks for instance have witnessed considerable high employees' turnover despite its continued growth.

A survey report released on business daily noted increased competition for high-end clients, qualified, trained and experienced staff to implement bank's strategies (Chepkony, 2012). Khalumba (2012) noted that most banks in Kenya have inadequate HRM practices. Banks have had to contend with human resource regulatory requirements which continue to increase with reference to the human resource policies and procedures in the manual for the public service (2016) hence banks are left to spend much of their budgets on compliance and on building processes to keep up with the human resource requirements.

Empirical evidence of studies into ties between HRM practices and employee turnover in the banking sector has been lacking, inconclusive or otherwise suspect. In spite of numerous studies touching on HRM practices and performance of corporations and organisations, no detailed research has been done on linking HRM practices to employee turnover in the same sector. Cha Xin Yi (2012) outlines company policies without a mention of the HRM practices as one of the factors that may lead to employee turnover. The limited research in this field therefore calls for further investigation into the nature of relationship between employee turnover and HRM practices. This study essentially points in that definite direction.

The study aimed at establishing the HRM practices adopted by organisations and their effects on employee turnover which ultimately translates to organisational performance and reduction of operational costs on costs realised as a result of turnover. Based on this background, questions that arise from this study were: What is the effect of employee turnover, training, compensation, performance appraisal as they are adopted by commercial banks in Kenya on employee turnover? Finally, Does HRM practices have a significant influence on the employee turnover of commercial banks?

1.3. Research Objective

1.3.1. General Objective

The general objective of this study was to determine the effect of human resource management practices on employee turnover in commercial banks in Kenya.

1.3.2. Specific Objectives

The specific objectives include:

i. To determine the effect of training on employee turnover in commercial banks in Kenya.
ii. To determine the effect of compensation on employee turnover in commercial banks in Kenya.
iii. To determine the effect of recruitment on employee turnover in commercial banks in Kenya.
iv. To determine the effect of performance appraisal on employee turnover in commercial banks in Kenya.

1.4. Research Questions

This study sought to answer the following research questions:

i. To what extent does training influence employee turnover in commercial banks in Kenya?
ii. What is the role of compensation in determining employee turnover in commercial banks in Kenya?
iii. How does recruitment influence employee turnover in commercial banks in Kenya?
iv. What is the influence of performance appraisal on employee turnover in commercial banks in Kenya?

1.5. Significance of the Study

The study would provide commercial banks in Kenya with information that would enable them to understand the HR practices that influence employee turnover. Consequently, this information would assist the banks in retaining employees who are the most valued assets in any organization. In addition, the banks would be able to attain an employer's brand which is essential in attracting and keeping highly qualified and good performing employees. Human resource managers would also gain knowledge on how to forecast emerging HR practices which could halt the bank's effectiveness and efficiency. Students and other researchers would borrow from the research in their future studies.

1.6. Scope of the Study

The study was about the HRM practices that influence employee turn-over in commercial banks in Kenya. The 43 commercial banks in Kenya are licensed and regulated by the Central Bank of Kenya, all of which had their headquarters in Nairobi, (CBK, 2011). The research targeted the top, middle and lower managers. The researcher relied on the selected head offices to gather adequate and reliable information concerning the study.

1.7. Limitations of the Study

There was a limitation of the generalization of the study in all banks since it only focused on commercial banks in Kenya and mainly in their head offices but the study ensured its finding were conclusive and thorough to be able to be used by other banks. The respondents selected for the study were managers whom largely gave appointments and since mostly they were busy and unavailable this would cause untimely collection of data. The study ensured it took the least time possible by the researcher ensuring all appointments made were attended to on time. The study also was limited to only four variables i.e. Training, Recruitment, Compensation and Performance appraisal, and it ensured these variables gave better findings which could be generalized to all banks, and used for other studies.

2. Literature Review

2.1. Introduction

The chapter outlined the theoretical framework, empirical review and the conceptual framework of the study. The section was guided by the study objectives.

2.2. Theoretical Review

2.2.1. Resource Based Approach

The resource based approach theory is founded on the work of Penrose (1959), other scholars who have broadened the theory incorporate, Wernerfelt's (1984), Barney, Wright and Ketchen (2001) and Amit, R.; Schoemaker, P.J.H. (1993). The theory observes that associations ought not attempt to accomplish strategic fit with the external conditions, instead, they should strive to optimize resources to make and command future opportunities (Rumelt, 2004). This approach presumes that the key competences in the firm are unique; individuals are perceived as an investment and not expense (Kozlenkova, *et al.*, 2014).

According to Michael (2008), the approach is aimed at meeting the human capital needs of the firms. The resource based approach enhances resource capability by maintaining harmony between resources and jobs. This theory has been criticized on the basis that its efficiency is pegged on the external environment of the organization (Porter, 1991). The theory is more beneficial when the external condition is uncertain and this helps in reducing the employee turnover.

2.2.2. Universalistic Theory

The genesis to a Universalist approach to issues is Derek Bickerton with his language bio program hypothesis. Since then a lot of knowledge along that approach has been brought forth over the centuries to date. This theory is based on the assumption that there are key HRM practices that are essential in any organization and applying them results in top performance (Luthans and Sommer, 2005). It also emphasizes that there is an improvement in employees' behavior and attitudes which translates into high productivity. The theory presumes that good strategies could be more suitable for selecting the choices of strategies as opposed to strategies themselves. Nonetheless, good strategies could function better on business context and not in another.

2.2.3. Contingency Theory

This theory was initiated by research from Ohio state university and extended by Robert Blake and Jane Mouton in 1964. The theory stipulates that there exists no universal solution to HRM policies and strategies.

HR practices need to assess the specific needs of both the firm and its employees. It investigates the connection between strategic management and Human Resource Management by surveying the degree to which there is vertical incorporation between an association's business strategy and its HRM practices and practices (Dyer, 2005). Vertical reconciliation between HRM practices and individual conduct and at last individual, group and firm performance is at the fore of center models of HRM (Barrette and Ouellette, 2000). Inalienable in many aspects of fit is the argument that firms are more proficient as well as viable when they accomplish fit with respect to when an absence of fit exists (Legge, 1995).

An organization to achieve its competitive advantage it has to fully utilize its human capital talents and skills then HR practices would rekindle back job security and reduce employee leaving the organization. Finally, the connection between HR and employees' productivity would not be felt. The contingency theory is often criticized on the basis that the theory has a tendency of over-simplifying firms' reality.

According to Boxall and Purcell (2003), in order to keep up with the volatile environment there is need to match human resource and organization strategies. The study emphasizes the model by Wright *et al.*, (2005) inferring that HRM ought to enhance fit and flexibility so as to be able to handle future uncertainties (Legge, 1995). Models of external fit did not highlight what employees' needs were. Most importantly the needs of the institution and that of employees should be at par.

2.3. Empirical Review

2.3.1. Training and Employee Turnover

Training is said to be essential as a human resource practice. It describes the ability to acquire skills, abilities and knowledge for both new and existing employees in an organization. Welling's (2013) opined that investing in employees is common sense that ought to be embraced by many organisations. Hiring, retaining developing highly effective, productive and motivated staff one needs to invest in the workforce. Muhammad Aslam et al, (2013) unearthed Bangladeshi context states that training and development has a niche on organizational effectiveness.

Bator (2015) observes that some employers worry that building up employee skills on training would give them superior skill which would attract potential employers with better terms and this would increase employee turnover. Highly talented and skilled employees are attractive among industries, lack of their career growth and development has negative consequences to the company. An investment in training therefore provides for organizational efficiency. Training is essential in assisting employees to acquire new knowledge and skill required.

Benton (2014) points that having a trained workforce means to minimize the turnaround time spent in making of both products and services by the skills acquired by the employees. Product cost reduction, mistakes reduction building confidence in the workforce hence creating a good working environment in the long run. An investment in employees is an investment in the company. Frost (2017), notes that training gives an advantage of employees of an individual firm over those of another firm who can't access the same training without the support of the company. The investment in training by an organization normally makes the employees feel they are valued. In addition, it creates a supportive workplace besides making them feel challenged through training opportunities hence probably an enticement leading to lower turnover. The satisfaction with which training brings is an essential element in improving employee performance, inculcating consistency and addressing weaknesses in the labor force in a firm.

Some researchers seem to believe that the more employees are trained and acquire sills through training and development this increases their chances of leaving due to the skills they have acquired and needed in other industries paying well (Haines, *et al*., 2010). Agreeing with this view Henrik's (2011) noted that training employees just like tight fisted entrepreneurs fear actually increase turnover.

Rathnaweerage and Thanuja, (2010) established that commitment is as a result of endless training and impacting of skills by the employer. However, their study focused on a few human resource practices ignoring other crucial dynamics. Contrary on the same from a study by the university of Iowa (2012) which showed that when employees are taken through training classes and career mentoring and similar programmes they had warmer and fuzzier feelings about their employer's support on their development.

2.3.2. Compensation and Employee Turnover

Parvin (2011) states that satisfied employees bring productivity to the organisation. Reward management is how employees are compensated in regards to the value of service they give an organisation, (Curators of Missouri (2017). It is concerned with both monetary and non-monetary rewards. Capobianco (2014) notes that employees who are rewarded for going extra mile for instance or well compensated are more productive and fulfilled, they tend to show greater loyalty to the firm and their work hence eager to contribute to the firm in an impactful and meaningful way.

In line with the above findings, a strong negative relationship has been found to exist between pay and turn over (Rizqi et al, 2015) the mediation relationship suggests that turnover intention can be raised by raising the level of remuneration satisfaction. Studies however suggest that there exists pressure on human resource managers to retain the required number of skilled man power and the situation has led to inflation in the wage industry, many an employee tend to switch their jobs as a result of the salary hike indicating reason for low organisation commitment and dissatisfaction with their present remuneration packages.

A study by Curators of Missouri (2017) however state that compensation does not play a significant role in worker turnover; it lists area economic conditions and labour markets as key contributors to turnover, poor working environment, inadequate supervision, distress, and monotony as other reasons. Hence with these kinds of findings it's important to note that compensation on its own cannot result to employee retention in an organization or industry. The inconclusiveness of the study findings, thus present a need for further study in order to have a better comprehension of the relationship between employee compensation and turnover.

A study conducted by Harvest (2016) found employees turnover and their commitment to the organization is tag on rewards and compensation. Ensuring retention of the most valuable employees is a balancing act that may require spinning multiple plates. It may however be challenging to establish albeit of necessity to prevent turnover. In Africa the outcome might be different.

2.3.3. Recruitment and Employee Turnover

Recruitment is a process of obtaining highly skilled, talented and right quantity human capital of an organisation at minimum cost. According to Martin (2016) recruitment is done for various reasons for instance to ensure compliance with policies and laws. It also helps ensure effective and efficient recruiting, ensures proper alignment of skills to set organisational goals and picking the best to deliver in the organisation. Selection on the other hand is a process of interviewing and evaluating the best of select candidates for a specific job.

Sullivan (2011) attributes proper selection to a firm's productivity. Procedures, Policies and programs governing people management is the work of HR professionals to increase employee output per production process. According to HR Pulse (2012) argues that induction should not be perceived as time wastage, instead it should be considered a serious procedure that one as an employer ought to take.

Bal, Bozkurt, and Ertemsir, (2014) in their study conclude that effective recruitment process relying on advanced and need-based assessments is important and it touches on needed selection. For a selection test to be effective a handful of resources is required. If institutions are able to acquire and retain qualified staff that consistently fulfill their roles and are capable, the organization is well set to counter threats and deal with opportunities emitting from the dynamic competitive environment than competitors who are equally struggling to build and maintain their workforce. Carrie (2015) concurs that it's a challenge for finding best of candidates in a recruitment process due to unreasonable demands and broken ineffective systems, therefore a HR manager one ought to adopt a successful strategy in acquiring, retaining and developing resources of at least threshold standards which in turn is applied to people as a resource.

2.3.4. Performance Appraisal and Employee Turnover

From the researcher Abdullah (2011), performance appraisal touches on employees' motivation on an individual level and lack of it may lead to employees' turnover. Oh, and Lewis's (2009) found that federal employees do not think that for their productivity to be high performance appraisal system was a good motivator. Eighteen percent of the informants agreed the appraisal system motivated them to work hard while fifty eight percent disagreed that with the idea that appraisal systems motivated them to be more productive. Bal, Bozkurt and Ertemsir, (2014) investigated the relationship between employer perception of employees, dimensions and HR practices, however they focus only on HR bundles failing to note the essence of the other practices. HRM practices and employee commitment levels of employees has a medium strong level of relationship.

Measuring and controlling can be used as a tool of performance appraisal. However, some studies have found that in cases whereby the respondent and the appraiser are not giving the importance and negating the outcomes in the appraisal process then the appraisal system would become a headache (Webster, Beehr and Love, 2011). Apart from that to develop strong links between the organization and the worker in order to attain worker satisfaction appraisal process should be fair (Sudin, 2011). This creates a bond between performance appraisal and employee turnover.

According to Spence and Keeping (2011), in order to create and maintain a good relationship with subordinate management tend to adjust the actual measurement. There are other studies done by Management Study Guide (2017) and Spence and Keeping (2011) that state that managers sometimes tend to commit mistakes in their bias which may spoil the performance appraisal process which may seem punitive hence creating dissatisfaction and may lead an employee to quit his job.

2.4. Summary of Empirical Review and Research Gap

Previous researches have investigated the impact of HR strategies on staff turnover. Some of these studies include that of March and Simon's (2010) who identified several determinants of employees' turnover in a firm. When skilled, talented and knowledgeable employees leave the organization its viewed as a bad omen since turnover is highly costly in terms of hiring and recruiting new staff, the economic impact, resources, money and time used so acquiring, motivating and retaining employee is an important issue. The study suggested that to mitigate the challenge of employee turnover, firms should establish favorable working environment using the various human resource strategies.

The theoretical and empirical investigation of several studies on best human resource management practices was inconclusive and researchers have not yet realized the powerful mix of practices that could enhance firm's responsibility and lessen to a bigger degree worker's turnover. A large portion of the investigations along this line have been done in the western world thus there is a restricted exact examination on representative turnover in Africa and especially in Kenya (Tettey, 2009). Other than a particular research inspecting the effect of HRM hones on representative's turnover in the saving money industry in Kenya couldn't be found.

This proposed that, there is constrained exact proof of successful mix of practices that could enhance hierarchical duty and diminish workers turnover thusly there is a research gap. The economy of Kenya is greatly supported and relies heavily on the financial institutions and this institution have partnered highly in the process of developing the economy of Kenya. So, this study was used as a tool to fill in the research gap by examining the impacts of HRM practices on employee turnover in commercial banks in Kenya.

Thematic area	Author(s)	Study(focus/purpose)	Key findings	Knowledge gap identified	Focus of the current Study
HRM Practices	Rathnaweerage and Thanuja, (2010)	Effects of HRM practices on commitment as a HR outcome	Groups of HRM strategies were decidedly identified with better worker dedication	Focus was only on few HRM practices	This study focused on effective blend of HRM practices effects on employee commitment
	Bal, Bozkurt, and Ertemsir, (2014)	Investigated the relationship between employee commitment/perception of employees, dimensions and HR practices	Dimension of employee commitment, and no relationship with retention and value commitment. A connection between HRM practices and employee commitment levels of employees.	Focused only on bundles HRM practices	This study focused on four HRM practices
	Harvest (2016)	Research work on degree of compensation and turnover costs	Discovered compensation or pay emphatically anticipated hierarchical responsibility and goal to remain	The study Focused more on wages and compensation in Human resource retention	This study focused more on HRM practices.
	Curators (2017)	A study on compensation in a number of organizations.	Significant changes introduced in their reward systems after some years but still there was realization of turnover.	Inconsistent relationship between compensation and staff turnover.	This study focused on four Human resource practices.
	Carrie (2015)	Key HRM and firm performance examination of the connection amongst enrollment and firm execution.	Focused on systems used in recruitment and strategies employed by employers whilst acquiring, retaining and developing human resource.	This study focused on Strategies in Human resource	This study focused more on HRM practices.
Employee Turnover	Webster, Beerh, Love (2011).	A study of challenges and hindrance appraisal as an influence of employee intention to quit.	They suggested that measuring cognitive appraisals directly influences turnover.	The study only focused on one satisfier	This study focused on both direct and indirect influences of appraisal on staff turn over
	University of Iowa (2012)	A large-scale study of select firms in the state of Iowa	One factor emerged as the most significant reasons for employees leaving the industry. When employees are taken through training classes and career mentoring and similar programme they	Focused only the feelings of the employees towards their bosses.	This study focused holistically on factors influencing employee turnover

Thematic area	Author(s)	Study(focus/purpose)	Key findings	Knowledge gap identified	Focus of the current Study
			had warmer and fuzzier feelings about their employer's support on their development.		
	Maria Isabel *et. al* (2015)	Relationship between turnover and profitability of an organization	Studies empirically the relationship between turnover and performance (effectiveness and profitability).	Focused only on organization profitability	This study focused on overall impact of turnover to the firm.
Commercial Bank	Mildred khalumba (2012)	Impact of human asset administration hones on budgetary execution of business banks in Kenya	Explained that a high turnover in commercial bank employees can lead to both heightened financial costs to the banks and that the reputation of the institution may suffer as key areas in performance cannot be maintained.	Focused on financial stability of organization	This study focused on overall effects of turnover
	Cha Xin Yi (2012	An investigation on factors impacting expectation to stop among bank representatives in Malaysia	Outlines company policies without a mention of the HRM practices as some of the factors that may lead to employee turnover	The study did not focus on all key HRM practices	This study focused on the best blend of HRM practices

Table 1: Summary of literature and research gap
Source: Researcher (2017)

2.5. Conceptual Framework

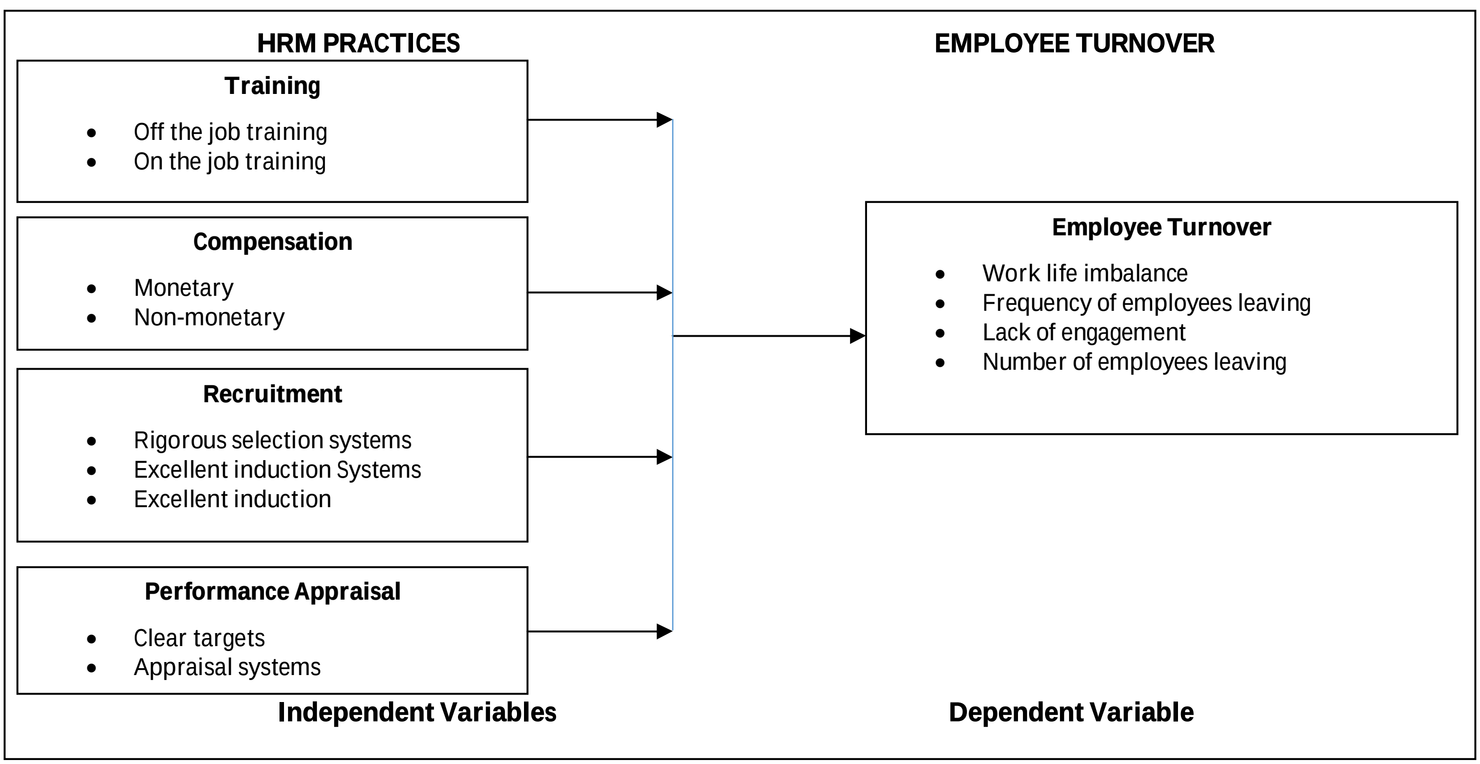

Figure 1: Conceptual Framework
Source: Researcher (2017)

3. Research Methodology

3.1. Introduction

The chapter is based on the research methodology used in the study. In specific, the chapter outlines the research design, target population, sample design, data collection instrument, validity and reliability of data, data analysis and presentation and ethical considerations.

3.2. Research Design

The study adopted a quantitative descriptive design, according to Arvind and Vijay (2013), a descriptive design is associated with the description of facts of a study. It was used to illustrate the attributes of the study parameters and to show the link between the various variables. In this study, the explanatory variables were HRM practices while the explained variable was employee turnover.

3.3. Target Population

Burns and Grove (2003) describe a target population as the entire aggregation of respondents that meet the designated set of criteria. The study targeted all the 43 licensed commercial banks in Kenya. Specifically, this study targeted all the management team members who deal with the bank staff. The total population of management employees in these banks was estimated to be about 8000 (KBA, 2016). The study targeted a population sample size of 2667 employee working in the banks' management level. The Table 2 shows the summary of the study population.
The sample is found by the Slovin's formula for calculating the sample size;
$n=\frac{N}{1+Ne^2}$ where N is the total population size and e is the margin of error taken as 0.05.
The calculation gives 8000/(1+8000(0.05*0.05)) = 2667

	Frequency	Percentage
Top level management	313	11.7
Middle level management	736	27.5
Bottom line management	1618	60.7
Total	**2667**	**100.0**

Table 2: Target Population
Source: Bankers Insurance and Finance Union (2015)

3.4. Sample Design

According to Upagade and Shende (2012), sampling design is a definite plan for obtaining a sample from a given population upon which data is collected from. In this study, the sampling frame entailed the managers in the senior, middle and bottom level in the commercial banks sourced from the register of members of the Bankers Insurance and Finance Union (BIFU). The study employed the systematic sampling method to come up with the sample size. Through this sampling method, the sample evenly spread over entire reference population. For this study, sampling with a skip of 24 (the 24th manager) was applied in each stratum and the overall sample size was 111 respondents. The selection was as follows.

	Frequency	Sample size (24th skip)
Senior management	313	13
Middle level management	736	31
Low level management	1618	67
Total	**2667**	**111**

Table 3: Sample Size
Source: Researcher (2017)

3.5. Data Collection Instrument

The researched used questionnaires to collect primary data. The questionnaire comprised of structured (closed-ended) questions that eased data collection process. The use of questionnaires was justifiable since they are easy to understand and to check for credibility.

3.6. Data Collection Procedure

Burns and Grove (2003) define data collection as the precise, systematic gathering of information relevant to the research problems, using methods such as interviews, participant observations, focus group discussion, narratives and case histories. The researcher first contacted the specific commercial banks with an introduction letter from the university requesting for permission to collect data and to drop questionnaires. The researcher outlined to the HR heads the purpose for carrying out this study. The researcher recruited and trained two research assistants in an effort to ensure timely data collection.

3.7. Validity and Reliability of Data Collection Instrument

3.7.1. Validity of Data Collection Instrument

Validity is the degree to which an instrument measures what it is supposed to measure (Kothari, 2004). To test for validity, the questionnaire was presented to five specialists, who examined the relevance of the questionnaire in regard to the study themes. The specialists were from Research Analysis (KIPPRA) employees and Kenya institute for Public Policy, a body contracted currently by some of the banks under study to advise on public policy besides their experience in research, they certainly were a good bet to be privy on how best to get knowledge on the sector under study. The results revealed a CVI of 0.825, which denoted that the data collection tool for this study was valid. The findings were in line with that of Mugenda and Mugenda (2003) who notes that a 0.70 validity value meets the validity threshold.

3.7.2. Reliability of Data Collection Instrument

Reliability is an extent to which results have been consistent over time. According to Orodho (2004), reliability is concerned with the extent to which a measuring procedure produces similar results when repeated several times. For reliability investigation Cronbach's alpha was computed by utilization of SPSS. As demonstrated by Cooper and Schindler (2003), the estimation of the alpha coefficient ranges from 0 to 1 and may be used to delineate the immovable nature of factors removed from dichotomous (that is, request with two possible answers) and furthermore multi-point outlined reviews or scales (that is, assessing scale: 1 = poor, 5 = awesome). It is reliable if the Cronbach's alpha esteem is >5 and questionable on the off chance that it is < 0.5. A higher value demonstrates a more reliable scale. Since the alpha coefficients were all more than 0.7 in the pilot test, a conclusion was drawn that the instruments had a satisfactory unwavering quality coefficient and were appropriate for the study.

Variables	**Alpha value**	**Items**
Training	0.812	4
Compensation	0.800	3
Recruitment	0.820	3
Performance Appraisal	0.807	4

Table 4: Reliability Result
Source: Researcher (2017)

3.8. Data Analysis and Presentation

According to Mugenda &Mugenda (2003), data analysis is the process of bringing order, structure and meaning to the mass of information collected. The collected data was first edited for completeness. Descriptive statistics including means, Standard deviations, percentages, and frequencies were then generated, to describe the characteristics of the variables under study. To establish the nature and magnitude of the relationships between the variables and to test the hypothesis relationships, this study applied inferential statistics, which included correlation and regression analysis. In the analysis of data, statistical package for the social sciences (SPSS) technique was employed. The study findings were presented using tables and figures.

3.9. Ethical Consideration

The study followed several processes aimed at ensuring that the research was in line with the required ethical standards. The researcher obtained consent from the commercial banks management to administer the questionnaires to their employees. The informants were requested to confirm their acceptance to take part in the survey, with an assurance of discretion. Further, the respondents were guaranteed of confidentiality and that information obtained would not in any way harm their reputation or jeopardize their jobs.

4. Data Analysis and Presentation

4.1. Introduction

The section outlines the study results in relation to the study objectives. The findings are presented using tables and figures.

4.2. Response Rate

One hundred and eleven questionnaires were administered to the selected respondents out of which one hundred and five were properly filled and returned. This represented a response rate of 95% which was commendable for the study as emphasized by Mugenda and Mugenda (2003) that a response rate above the 70% threshold was sufficient for reliable data in social studies. The results are shown in Table 5.

Response	Frequency	Percent
Returned	105	95%
Unreturned	6	5%
Total	**111**	**100%**

Table 5: Response Rate

4.3. Demographic Characteristics

Results on the demographic characteristics of the respondents in regard to gender, academic qualifications, working experience and age is as stipulated below.

4.3.1. Gender Distribution

The respondents were asked to indicate their gender. Results in Figure 2 show that majority of 52.5% of the respondents were male while 47.6% were female. This implies that there is male dominance in the management level of the commercial banks in Kenya. However, the minimum gender threshold of 1/3 has been met. The legal implications, therefore, is that the commercial banks have complied with the constitution which requires that at least a third of the employees in the public sector be female, 2/3 gender rule.

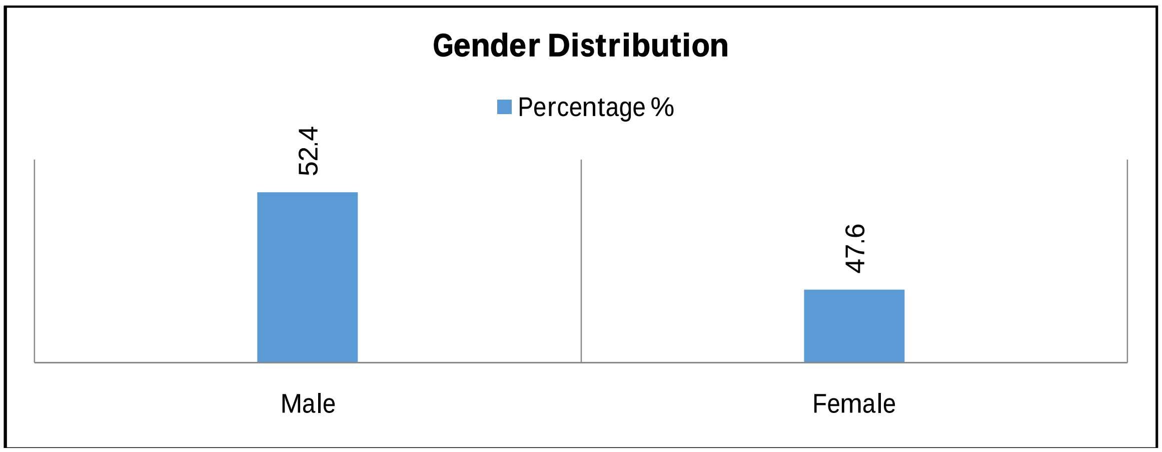

Figure 2: Gender Distribution

4.3.2. Age Distribution

The participants were requested to give their age bracket. Results in Figure 3 show that 48.6% of the participants were aged between 40-49 years, 33.3% were aged between 30-39 years, 11.4% were aged between 20-29 years while 6.7% were aged between 50-59 years. The results imply that over 80% of the respondents are in the age bracket of between 30-49 years. This implies that the commercial banks have invested heavily on relatively young, energetic and enthusiastic employees. This is consistent with the commercial banks progression practices which lay emphasis on experience and the number of years of service. The age structure of employees also creates an opportunity for organization to plan for succession so that younger employees can take over from their older colleagues.

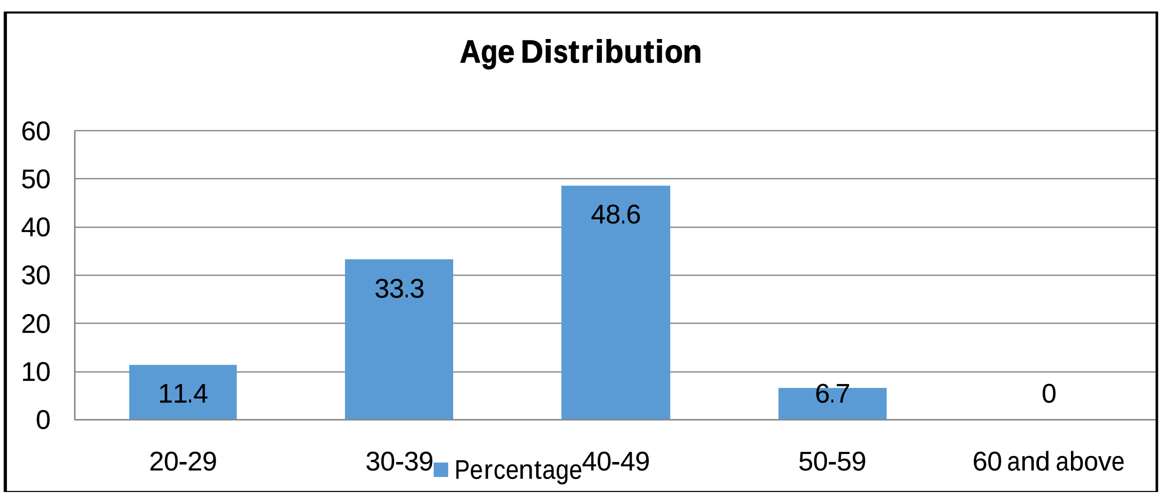

Figure 3: Age Distribution

4.3.3. Academic Qualifications

The participants were required to show their highest level of academic qualification. Results in Figure 4 reveal that majority of 55.2% of the respondents had attained bachelor degree, 28.6% had attained master degree, 11.4% had attained diploma/certificate while 4.8% of the respondents had attained PhD. This implies that majority of the participants had attained high level education and could well undertake the organization's tasks of staff management and this also enabled them comprehend and respond to the study's questions. Further, the results imply that the management staffs in the banking industry had adequate qualifications.

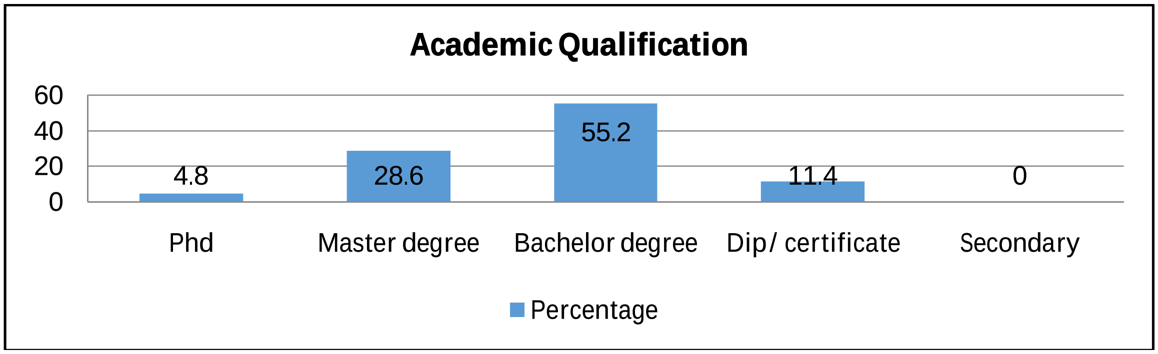

Figure 4: Academic Qualification

4.3.4. Working Experience in Commercial Bank

The study requested the respondents to reveal the duration of time they had been employees of the bank. Results in Figure 5 revealed that 43.75% of the respondents had worked in the institution for over ten years, 37.5% had worked for 6-10 years, 12.5% had worked for 2-5 years while 6.2% of the respondents had worked for less than 1 year. This implies that most of the respondents had adequate experience in staffing and operations of commercial banks, and could provide objective and reliable information for the study.

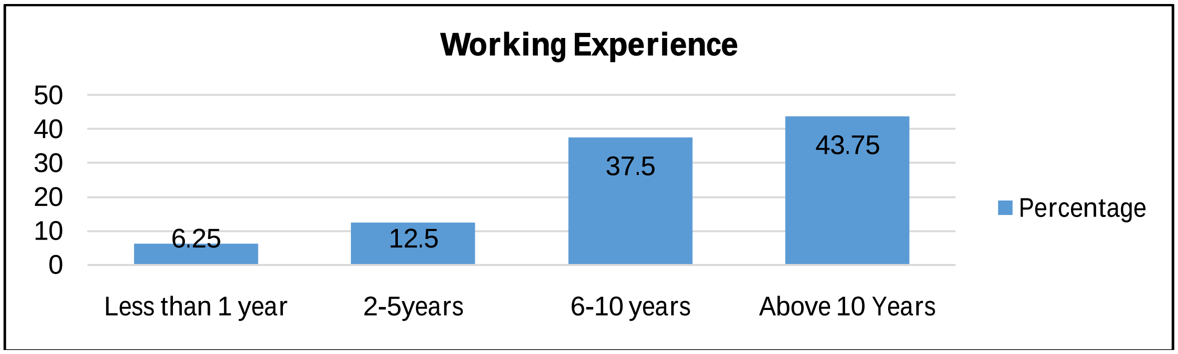

Figure 5: Working Experience

4.3.5. Management Level in Commercial Bank

The respondents were asked to indicate their rank in the bank. Results in Figure 6 show that majority of 61.9% of the respondents were in the bottom level management, 23.8% were in the middle level management while 14.3% were in the senior level management. This implies that majority of the participants were in the middle level management and therefore, were most likely to directly engage with the staff.

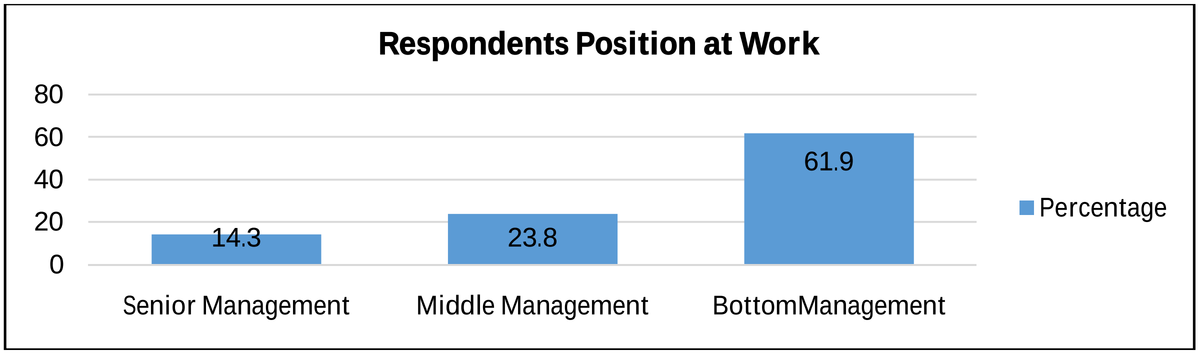

Figure 6: Current Position in Commercial Bank

4.4. Descriptive Statistics

4.4.1. Training and Employee Turnover in Commercial Banks

The study sought to determine the effect of training on employee turnover in commercial banks in Kenya. The respondents were asked to give their responses to the questions on training. The responses were rated on a five Likert scale. Results are presented in Table 6.

Majority (64.8%) of the respondents disagreed with the statement that off and on job training programmes are offered in all the banks and relevant to employees' jobs, 35.2% of the respondents agreed with the statement while none of the respondents was neutral to the statement. Further, majority of 63.9% (57.1%+4.8%) of the respondents agreed with the statement that Off and on job training programmes are offered timely to all employees, 38.1% disagreed with the statement while none of the respondents were neutral to the statement. 55.2% of the respondents disagreed that the training institutions engaged by the organization provide quality training, 44.8% agreed with the statement while none of the respondents was neutral to the statement.

Over half of the respondents (52.3 %) disagreed that the off and on job trainings motivated the staff and reduce turnover rate, 47.7% agreed with the statement while none of the respondents was neutral to the statement. 68.5% of the respondents disagreed with the statement that On and off job training have a great impact in reducing employee turnover, 31.5% agreed with the statement while none of the respondents was neutral to the statement. 66.7% of the respondents agreed that employees are involved in decision making on which training to undertake, 33.3% disagreed with the statement while none of the respondents was neutral to the statement. 90% of the respondents agreed that the quality of on and off training affect employee turnover while 10% were neutral to the question.

Lastly, majority of 61.9% of the respondents agreed that the staff leave the organization due to poor training programmes, 38.1% disagreed with the statement while none of the respondents was neutral to the statement. The results herein imply that training influences employee turnover in Commercial Banks in Kenya.

This study findings mirror those of Bator (2015) who observed that some employers worry that building up employee skills on training would give them superior skill which would attract potential employers with better terms and this would increase employee turnover. Further, Bator noted that highly talented and skilled employees are attractive among industries, lack of their career growth and development has negative consequences to the company.

Training Factors	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Off and on job training programmes are offered and relevant to employee's jobs	0%	64.8%	0%	35.2%	0%
Off and on job training programmes are offered timely to all employees	0%	38.1%	0%	57.1%	4.8%
The training institutions engaged by the organization provide quality training.	0%	55.2%	0%	44.8%	0%
The off and on job trainings motivate the staff and reduce turnover rate	0%	52.3%	0%	47.7%	0%
On and off job training have a great impact in reducing employee turnover	16.2%	52.3 %	0%	31.5%	0%
Employees are involved in decision making on which training to undertake	9.5%	23.8%	0%	66.7%	0%
Does the quality of on and off training affect employee turnover	0%	0%	10%	78.1%	11.9%
The staff leave the organization due to poor training programmes	14.3%	23.8%	0%	61.9%	0%

Table 6: Training Aspects Influence on Employee Turnover in Commercial Banks

4.4.2. Compensation and Employee Turnover in Commercial Banks

The study sought to know how much compensation influences employee turnover in commercial banks. The respondents were asked to give their responses to the questions on compensation. The responses were rated on a five Likert scale. Results are presented in Table 7. Results show that none of the respondents agreed with the statement that all employees are entitled to base pay and commission compensation. 71.4% of the respondents disagreed that the compensation option offered by the firm to its employees is flexible but not standardized, 28.6% agreed with the statement while none of the respondents was neutral to the statement. 66.1% of the respondents disagreed that Salaries are reviewed frequently, 33.9% agreed with the statement while none of the respondents was neutral to the statement.

Further, 62.5% of the respondents disagreed that there is timely compensation, 37.5% agreed with the statement while none of the respondents was neutral to the statement. 76.2% of the respondents agreed that the organization harmonizes the employees' salaries against what is offered in the sector, 23.8% disagreed with the statement while none of the respondents was neutral to the statement. In addition, 54.8% of the respondents agreed with the statement that there is a clear explanation of remuneration policy and its Implementation, 45.2% disagreed with the statement while none of the respondents was neutral to the statement. Lastly, 53.2% of the respondents agreed that there are individual incentives, 47.8% disagreed with the statement while none of the respondents was neutral to the statement. The results herein imply that compensation influences employee turnover in commercial banks.

This study finding agree with that of Rizqi and Suptoto (2015), who concluded that there exists a strong negative relationship between pay and turn over. The relationship suggests that turnover intention can be raised by raising the level of remuneration satisfaction. However, this study finding disagree with that of Curators of Missouri (2017) who concluded that compensation does not play a significant role in worker turnover; it lists area economic conditions and labour markets as key contributors to turnover, poor working environment, inadequate supervision, distress, and monotony as other reasons.

Compensation Factors	**Strongly disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**
All employees are entitled to base pay and commission compensation	0%	100%	0%	0%	0%
The compensation option offered by the firm to its employees is flexible but not standardized.	0%	71.4%	0%	28.6%	0%
Salaries are reviewed frequently	0%	66.1%	0%	33.9%	0%
There is timely compensation	7.3%	55.2%	0%	37.5%	0%
The organization harmonizes the employees' salaries against what is offered in the sector	0%	23.8%	0%	76.2%	0%
The firm's remuneration policy on implementation is clear	0%	45.2%	0%	42.9%	11.9%
The organization provides incentives to individuals employees	0%	47.8%	0%	53.2%	0%

Table 7: Compensation aspects influence on employee turnover in commercial banks

4.4.3. Recruitment and Employee Turnover in Commercial Banks

The study sought to know the influence of recruitment on employee turnover in commercial banks. The respondents were asked to give their responses to the questions on recruitment. The responses were rated on a five Likert scale. Results are presented in Table 8. Majority (97.2%) of the respondents agreed that the organization is able to assess whether to recruit internally or externally, 2.8% disagreed with the statement while none of the respondents was neutral to the statement. 61.9% of the respondents agreed that the recruitment process is free and fair to all eligible within and outside the bank, 38.1% disagreed while none of the respondents was neutral to the statement. 100% of the respondents agreed with the statement that recruitment is done on permanent basis.

Further, 58.2% of the respondents agreed that newly employed employees get sufficient induction to help them settle down in my organization, 41.8% disagreed while none of the respondents was neutral to the statement. 83.8% of the respondents agreed that new staff receive adequate on the job training in my organization, 16.2% disagreed while none of the respondents was neutral to the statement. 100% of the respondents agreed that Effective induction is undertaken upon engagement. Finally, 100% of the respondents agreed that recruitment strategies ensure the right persons are engaged for a job. The results herein imply that recruitment influences employee turnover in commercial banks.

This study finding agrees with those of Sullivan (2011) who attributes proper selection to a firm's productivity. Procedures, Policies and programs governing people management is the work of HR professionals to increase employee output per production process.

Recruitment Factors	**Strongly disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**
The organization is able to assess whether to recruit internally or externally	0%	2.8%	0%	68.6%	28.6%
The recruitment process is free and fair to all eligible within and outside the bank	0%	38.1%	0%	61.9%	0%
Recruitment is done on permanent basis	0%	0%	0%	100%	10%
New staff receive adequate orientation to help them settle down	0%	41.8%	0%	58.2%	0%
In the organization, new employees get sufficient on the job training.	0%	16.2%	0%	81%	2.8%
Effective induction is undertaken upon engagement	0%	0%	0%	100%	0%
Recruitment strategies ensure the right persons are engaged for a job	0%	0%	0%	100%	0%

Table 8: Recruitment aspects influence on employee turnover in commercial banks

4.4.4. Performance Standards and Employee Turnover in Commercial Banks

The study sought to know how much performance standards influence employee turnover in commercial banks. The respondents were asked to give their responses to the questions on performance standards. The responses were rated on a five Likert scale. Results are presented in Table 9. Results show that none of the respondents disagreed with the statement that there is emphasis on performance based appraisal. 85.7% of the respondents agreed that organization has clear targets, 14.3% disagreed while none of the respondents was neutral to the statement. 66.7% of the respondents disagreed that employees are involved in individual performance appraisal, 33.3% agreed while none of the respondents was neutral to the statement.

Further, 57.1% of the respondents agreed that the performance evaluation systems are not favorable to the employees, 42.9% disagreed while none of the respondents was neutral to the statement. 78.2% of the respondents agreed that there is conflict of interest between the organization targets and individual targets, 21.8% disagreed while none of the respondents was neutral to the statement. Lastly, 62.5% of the respondents disagreed that performance appraisal is used as a system of laying off employees, 37.5% agreed while none of the respondents was neutral to the statement. The results herein imply that much performance standards influence employee turnover in commercial banks.

This study findings support those of Abdullah, Bilau, Enegbuma, Ajagbe and Ali (2011), who concluded that performance appraisal touches on employees' motivation on an individual level and lack of it may lead to employees' turnover. However, these study findings disagree with those of Oh and Lewis's (2009) who found out that federal employee do not think that for their productivity to be high performance appraisal system was a good motivator.

Performance Standards Factors	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
There is emphasis on performance based appraisal	0%	0%	0%	100%	0%
Organization has clear targets	0%	14.3%	0%	85.7%	0%
Employees are involved in individual performance appraisal	0%	66.7%	0%	33.3%	0%
The performance evaluation systems are not favorable to the employees	0%	42.9%	0%	57.1%	0%
There is conflict of interest between the organization targets and individual targets	0%	21.8%	0%	78.2%	0%
Performance appraisal is used as a system of laying off employees	0%	62.5%	0%	37.5%	0%

Table 9: Performance Appraisal aspects influence on employee turnover in commercial banks

4.4.5. Employee Turnover

The study sought to evaluate the effect of human resource management practices on employee turnover. Results in Table 10 show that majority of 52.4% of the respondents disagreed with the statement that there is constant improvement on work life balance, 47.6% agreed with the statement while none of the respondents was neutral to the statement. Further, 85.7% of the respondents disagreed that employees are frequently engaged in decision making in the organization, 14.3% agreed while none of the respondents was neutral to the statement. 58.2% of the respondents agreed that frequency of employees leaving the organization is high, 41.8% disagreed while none of the respondents was neutral to the statement. Lastly, 57.1% of the respondents agreed that number of employees leaving the organization is high, 42.9% disagreed while none of the respondents was neutral to the statement.

Factors	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
There is constant improvement on work life balance	0%	52.4%	0%	47.6%	0%
Employees are frequently engaged in decision making in the organization	0%	85.7%	0%	14.3%	0%
Frequency of employees leaving the organization is high	0%	41.8%	0%	58.2%	0%
Number of employees leaving the organization is high	0%	42.9%	0%	57.1%	0%

Table 10: Employee Turnover

4.5. Inferential Statistics

4.5.1. Regression Analysis

In order to obtain the regression implications of the independent variables, the percentage data was regressed and the following results obtained as shown in Table 11. The model shows three different results for the R square. In the selection of R^2 value the researcher is required to use his/her judgment based on the correlation to select R^2 value for the model.

Model Fitting Information				
Model	-2 Log Likelihood	Chi-Square	f	Sig.
Intercept Only	133.355			
Final	87.360	44.334	11	0.0377

Table 11: Model Fit Results

Due to three independent values being significant the researcher selected 0.507 as the R^2 value for the model (Table 12). The model shows R square of 0.507 meaning 50.7% of the outcome was predicted by the independent variables. This means that 49.3% of the remainder cannot be explained by the model. This results further means that the model applied to link the relationship of the variables was satisfactory.

Pseudo R-Square	
Cox and Snell	0.507
Nagelkerke	0.578
McFadden	0.226

Table 12: Results of the R2

Table 13 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of employee turnover in commercial banks. This was supported by an F statistic of 7.67 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	66.381	11	5.595	7.67	.000[b]
	Residual	244.739	255	.825		
	Total	333.121	57			

Table 13: Anova Test Results

a. Dependent Variable: Employees turnover in Commercial banks

The coefficients analysis gives $\beta 0$ (Beta) at 2.425, β_1 at 1.996, β_2 at 2.072, β_3 at 2.264 and β_4 at 2.108 (Table 14). Where $\beta 0$ is the constant, β_1, β_2 β_3 and β_4 are parameter for estimation of the independent variables; training, compensation, recruitment and performance appraisal.

It is evident from the above regression model that if all factors were to be held constant including training, compensation, recruitment and performance appraisal, then changes in employee turnover would be at 2.425 of a unit. From the fitted model it can be explained that one-unit increase in staff training results in change of employee turnover by 1.996, one-unit increase in staff compensation results in improved employee turnover by 2.072, one-unit increase in staff recruitment process results in changes in employee turnover by 2.264 and one-unit increase in staff performance appraisal results in changes in employee turnover by 2.108.

Further, it can also be established from the coefficient of the regression that three of the independent variable were significant (with p-values of 0.020, 0.035 and 0.014). Recruitment of staff had a p-value of 0.062, higher than the critical value of 0.05 and therefore not a significant factor influencing employee turnover in commercial banks. Thus, all the other three variables of training, compensation and performance appraisal influenced employee turnover in commercial banks.

Parameter Estimates	Estimate (β)	Std. Error	Wald	df	Sig.
Constant	2.425	0.776	9.778	1	0.002
Staff Training	1.996	0.593	4.105	1	0.035
Staff Compensation	2.072	0.663	4.063	1	0.020
Staff Recruitment	2.264	1.111	4.154	1	0.062
Performance Appraisal	2.108	.8445	4.331	1	0.014

Table 14: Coefficients of the regression model

From the regression equation; $Y= \beta 0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$. Where employee turnover in commercial banks (Y) influencing factors measured include training, compensation, recruitment and performance appraisal, and are denoted by X_1, X_2 X_3 and X_4, the optimal regression model becomes:

$Y = 2.425+1.996 X_1+2.072 X_2+2.264 X_3+ 2.108 X_4$

4.5.2. Summary of Research Findings

The study established the effect of staff training, compensation, recruitment and performance appraisal on employees' turnover in commercial banks. The data collection tool was valid and reliable as per the cronbach tests results being over eighty percent. Results of data analysis based on the variables are stipulated below;

4.5.2.1. Staff training Influence on Employee Turnover

The research analysed the influence of training on employees' turnover in commercial banks. Muhammad Aslam *et al.* (2013) in a previous study uncovered that preparation and improvement had positive effect on a firm's viability in Bangladeshi setting. The parameters sought were founded on the training program structure, capacity of trainers and the quality of training provided. Results showed that off and on job training programmes were offered in all the banks and relevant to employees' jobs according to over sixty percent of the respondents. Over half of the respondents cited that off and on job training programmes were not offered timely to all employees, and that the training institutions engaged by the organization did not provide quality training.

Majority of the respondents cited that the employees did not participate in deciding which training to undertake, leaving management to make those decisions, which might not add value to staff requisite capacity. All the respondents concurred that the quality of on and off training affected employee turnover and 61.9% affirmed that the staff leave the organization due to poor training programmes.

Thus, the training programmes structure and providers had a significant influence on staff motivation and turnover in commercial banks. This was strengthened by the regression results p-values of 0.020. In concurrence, Maria Isabel *et al*. (2014) concluded that there is slight influence of training on turnover, meaning that where training was poor, there was likelihood of staff leaving the organization due to poor skills development.

4.5.2.2. Staff Compensation Influence on Employee Turnover

The study also evaluated the influence of staff compensation on employee turnover in the commercial banks. Parameters were based on basic pay and rewards, compensation structure, frequency of compensation and company policies on compensation. Results showed that all employees are entitled to base pay and commission compensation. Over seventy percent concurred that the commercial banks provided staff a flexible compensation structure, showing consideration for commensurate output rewards. Further, majority of the respondents agreed that salaries were reviewed frequently and that there was timely compensation, both factors motivating staff. However, majority disapproved that employee remunerations compared with the acceptable salaries in the sector, a likely cause for labour turnover in the commercial banks.

Over half of the respondents disagreed that there was a clear explanation of remuneration policy and its implementation, and this knowledge gap may precipitate suspicion by staff on the bank's remuneration structure, and a trigger to labour turnover. The regression results show that staff compensation had a significant influence on employee turnover in commercial banks with p-values of 0.035. Hong, *et al.* (2012) equally found that, compensation is significant to employee turnover. The findings however did not concur with the findings of Curators of Missouri (2017) who concluded that compensation does not determine to a larger extent the tendency of workers to move from one job to another.

4.5.2.3. Staff Recruitment Influence on Employee Turnover

Influence of staff recruitment on employee turnover was further sought and evaluated through aspects of recruitment strategies, equity in recruitment process, capacity to adjudge recruitment from within or outside the banks and induction effectiveness. Results were that over ninety percent of the respondents cited that the bank in which they work was able to assess whether to recruit internally or externally, and the recruitment process was free and fair to all eligible within and outside the bank. All respondents concurred that the recruitment was done on permanent basis which provides assurance of the new recruits on job security. Further, majority of the participants agreed that newly absorbed employees get sufficient induction to facilitate their settling down in the firm.

All the respondents agreed that effective induction was undertaken upon engagement, showing strong implementation of HR practice for recruitment and staff motivation. Pulse (2012) argued that induction should not be seen as a waste of valuable time but a critical process that one as an employer ought to take. This seems to have been seriously considered by the banks. All the respondents agreed that recruitment strategies ensure the right persons were engaged for a job. Thus, recruitment process was a significant factor in getting the right staff, motivation and enhanced retention rates in the banking sector, but for the banks under study, recruitment strategies showed strong adherence to HR best practices and lowly contribute to staff turnover.

4.5.2.4. Staff Performance Appraisal Influence on Employee Turnover

The study examined the influence of performance standards on employee turnover in commercial banks. Parameters examined revolves on aspects of clarity of targets, employee's engagement in standards setting decisions, conformity to industry standards and focus for standards on employee tenure. Results showed that that there was emphasis on performance based appraisal and the banks had clear targets. This showed strong performance standards adopted by the banks. Over sixty percent disapproved that employees were involved in individual performance appraisal. As such the process was not all inclusive and this affects staff perceptions of targeting standards for appraisal.

Actually, over half of the respondents affirmed that the performance evaluation systems were not favourable to the employees, and over seventy agreed that there was conflict of interest between the organization targets and individual targets. In concurrence, Sudin (2011) found that seeing of the reasonableness on the evaluation procedure could impact the worker fulfilment and brought about the positive connection between the associations. However though, a higher percentage of the informants cited that evaluation procedure was not used as a system of laying off employees in the banks. Thus, though the banks had clear performance appraisal standards, there were not found favourable since the staffs were not engaged and conflict of interest on targets was prevalent. Regression results strengthened this finding with p-value 0.014. This was a likely cause for HR capital flight in the banking institutions.

4.5.2.5. Employee Turnover

The study assessed the effect of HRM practices on staff turnover. Results show that there was no constant improvement on work life balance in the banks sector under study. This showed that there was likelihood of stress related behaviours among the staff that could enhance turnover rates. The employees were not frequently engaged in decision making in the organization, and thus may feel irrelevant. This was actually established in the case of the study variables. This might lead to labour turnover for especially those with talent. The frequency of employees leaving the banks was moderate since less than sixty percent concurred to the fact, as well as to fact that the number of employees leaving the organization is high.

5. Summary of Findings, Conclusions and Recommendations

5.1. Introduction

The section summarizes the findings, conclusions and recommendations of the study. This is based on the study themes. In addition, the study gives suggestions for further studies.

5.2. Summary of Findings

The main results from data analysed on the evaluation of the influence of staff training, compensation, recruitment and performance appraisal on employee turnover is summarized below.

5.2.1. Staff training Influence on Employee Turnover

The research examined the influence of training on employees' turnover in commercial banks. Results revealed that training significantly influences staff turnover. It was established that off and on job training programmes were offered in all the banks and relevant to employees' jobs according to over sixty percent of the respondents. The training programmes were not offered timely to all employees and that the training institutions engaged by the organization did not provide quality training. The trainings did not motivate the staff and did not also impact on employees' turnover reduction. Thus, the training programmes were not effective and the staff in the commercial banks were not satisfied with the training program structure and quality of capacity building.

Employees were not involved in deciding on which training to undertake, leaving management to make those decisions, which might not add value to staff requisite capacity. However, all the respondents concurred that the quality of on and off training affected employee turnover and majority affirmed that the staff leave the organization due to poor training programmes. Thus, the training programmes structure and providers had a significant influence on staff motivation and turnover in commercial banks.

5.2.2. Staff Compensation Influence on Employee Turnover

Analysed data results show a significant influence of staff compensation on employee turnover in commercial banks. Findings reveals that all employees are entitled to base pay and commission compensation and the commercial banks provided staff a flexible compensation structure, showing consideration for commensurate output rewards. Further, majority of the respondents agreed that salaries were reviewed frequently and that there was timely compensation, both factors motivating staff motivation. However, employee's salaries did not compare with what is acceptable in the sector, a likely cause for labour turnover in the commercial banks. Findings also show that there was no clear explanation of remuneration policy and its implementation, and this knowledge gap may cause insecurity among the employees, leading to possible search for other opportunities.

5.2.3. Staff Recruitment Influence on Employee Turnover

Results from analysed data show that staff recruitment did not have a significant influence on employee turnover. Results indicate that the bank in which they work was able to assess whether to recruit internally or externally, and the recruitment process was free and fair to all eligible within and outside the bank. Recruitment was done on permanent basis and majority of the respondents agreed that newly employed individuals get sufficient induction to facilitate their settling down in the firm.

All the respondents agreed that effective induction was undertaken upon engagement, and that recruitment strategies ensured the right persons were engaged for a job. Thus, the banks had effective practices for staff recruitment and these ensured staff retentions according to the study results.

5.2.4. Staff Performance Appraisal Influence on Employee Turnover

Results on the examination of performance appraisal influence on employee turnover in commercial banks indicate a significant relationship. Results indicate that there was emphasis on performance based appraisal and the banks had clear targets though majority of the informants disagreed that workers were involved in individual performance appraisal.

Majority of the respondents affirmed that the performance evaluation systems were not favourable to the employees, and that there was conflict of interest between the organization targets and individual targets. Further, performance appraisal was not found to be used as a system of laying off employees in the banks. Thus, though the banks had clear performance appraisal standards, there were found not to be favourable since the staff were not engaged and conflict of interest on targets was prevalent. This was a likely cause for HR capital flight in the banking institutions.

5.3. Conclusions

Employee turnover is a critical challenge that organizations must seek to minimize at all costs. It may lead to disruption of operations, as well as costly in terms of reworks and recruitment of new staff. The study findings indicated that the trainings did not motivate the staff and did not impact on employees' turnover reduction. As such, the training programmes were not effective and the staff in the commercial banks was not satisfied with the training program structure and quality of capacity building. The employees were not involved in decision making on which training to undertake, while the quality of on and off training affected employee turnover. Majority affirmed that the staff left the organization due to poor training programmes.

The employees' remunerations did not compare with what is acceptable in the sector. Also, the implementation of the remuneration guideline wasn't clear, and this knowledge gap may cause insecurity among the employees. The recruitment process was free and fair to all eligible within and outside the bank and sufficient induction and orientation was undertaken by the banks. The recruitment strategies were found to be effective in the commercial banks and did not contribute to employee turnover.

Performance appraisal was not found to be used as a system of laying off employees in the banks, though the performance evaluation systems were not favourable to the employees, and that there was conflict of interest between the organization targets and individual targets. The study concludes that among the four variables, staff training, compensation and appraisal had a significant influence on employee turnover in commercial banks. The banks had effective recruitment strategies and these did not affect employee turnover.

5.4. Recommendations

Commercial banks need to re-evaluate the training programmes to ensure value addition for the benefit of the employees. The trainings should also be structured in a way to be more frequent and focused on individual capacity development for overall goal achievement. Thus, the banks should regularly undertake performance research within the organization for strategic capacity building planning. The banks should evaluate the value of rewards provided to the staff as commensurate to industry standards. This would enable re-alignment of compensation systems that motivate the staff and mitigate employee turnover. It is important that the banks engage the staff in formulation of performance appraisal processes so that they may own them and find themselves recognized and useful to the banks. This would motivate them while undertaking tasks to meet accepted targets, and thus ensure they do not leave the organization

5.5. Areas for Further Studies

Future studies should consider the evaluating the influence of work life balance on the productivity of employees in organizations; identify the factors influencing staff demotivation in organizations; and assess the effect of international HR standards on the productivity of staff in the banking industry.

6. Acknowledgement

I thank all those who have supported me in the successful completion of this project by giving moral support, financial assistance and advice. My sincere thanks go to my Supervisor Dr David Kiiru, all members of staff in commercial banks and my class mates and above all, all glory and honour to our heavenly father for he begun a good work in me and he completed in me and my project.

7. Abbreviations and Acronyms

- CBK – Central Bank of Kenya
- SHRM – Strategic Human Resource Management
- HRM - Human Resource Management
- KEU - Kenya Economic Update
- P A – Performance appraisal

8. Operational Definition of Terms

Employee Turnover	It refers to the end of a contract or relationship between an entity and one who receives monetary reward from it.
Recruitment	A process of acquiring quantity and competent employees needed to meet the rising HR requirements in a firm at reduced cost.
Commercial bank	An entity which is involved with financial transactions and the sector refers to both small to medium sized locally owned banks.
Training	The acquiring of competencies, skill and knowledge form resulting from training on practical knowledge and skills that are unique to particular needed qualifications.
Human Resource Management Practices	Initiatives that organization adheres to in order to achieve its goals and objectives i.e. motivation and retention

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APPENDICES
Appendix I: Research Permit

Appendix II: Letter of Introduction

To whom it may concern,

RE: REQUEST FOR DATA COLLECTION

I would like to this opportunity to appreciate you for taking time to respond to the questions in the questionnaire. I am a master degree student from Kenyatta University undertaking a study on the effect of HRM practices on employee turnover in commercial banks in Kenya.

Kindly complete the questions as stipulated in the attached instrument. I assure you that all the information received shall be handled with utmost discretion and that the study findings shall only serve academic purposes.

Yours Faithfully,
Editah Njeri Karuri

Appendix III: Research Questionnaire

Kindly answer the following questions to the best of your knowledge. The questions are arranged into different sections.

(Tick whichever option is appropriate/ applicable)
Section A: Demographic Data/Personal Characteristics

1) What is your sex?
   Male ( ) Female ( )

2) What is your highest Academic Qualification?
   Secondary level ( )
   Diploma level ( )
   Undergraduate level ( )
   Masters level ( )
   Doctorate level ( )
3) For what period have worked in the bank?
   a) Below 1 year ( ) b) 2-3 years ( )
   c) 4-5 years ( ) d) Over 5 years ( )
4). What is your rank in the bank?
   Top manager ( ) Middle level manager ( ) Bottom line manager ( )

Section B: HRM Practices and Employee Turnover

B.1 Training and Employee Turnover

Kindly respond to the following statement on training.

No	**TRAINING**	1	2	3	4	5
a.	Off and on job training programmes are offered and relevant to employees jobs					
b.	Off and on job training programmes are offered timely to all employees					
c.	The training institutions engaged by the organization provide quality training.					
d.	The off and on job trainings motivate the staff and reduce turnover rate					
e.	On and off training have a great impact in reducing employee turnover					
f.	Employees are involved in decision making on which training to undertake					
g.	Does the quality of on and off training affect employee turnover					
i.	The staff leave the organization due to poor training programmes					

B.2 Compensation and Employee Turnover

Kindly respond to the following statement on compensation.

NO	COMPENSATION	1	2	3	4	5
a.	All employees are entitled to base pay and commission compensation					
b.	The compensation option offered by the firm to its employees is flexible but not standardized.					
c.	Salaries are reviewed frequently					
d.	There is timely compensation					
e.	The organization harmonizes the employees' salaries against what is offered in the sector					
f.	The firms remuneration policy on implementation is clear					
g.	The organization provides incentives to individuals employees					

B.3 Recruitment and Employee Turnover

Kindly respond to the following statement on recruitment.

No	RECRUITMENT	1	2	3	4	5
a.	The firm is able to assess whether to recruit internally or externally					
b.	The recruitment process is free and fair to all eligible within and outside the bank					
c.	Recruitment is done on permanent basis					
d.	New staff receive adequate orientation to help them settle down in my organization					
e.	In the organization, new employees get sufficient on the job training.					
f.	Effective induction is undertaken upon engagement					
g.	Recruitment strategies ensure the right persons are engaged for a job					

B.4 Performance Appraisal and Employee Turnover

Kindly respond to the following statement on performance appraisal.

NO	PERFORMANCE APPRAISAL	1	2	3	4	5
a.	The organization puts emphasis on performance appraisal.					
b.	Organization has clear targets					
c.	Employees are involved in individual performance appraisal					
d.	The performance evaluation systems are not favorable to the employees					
e.	There is conflict of interest between the organization targets and individual targets					
f.	Performance appraisal is used as a system of laying off employees					

C. EMPLOYEE TURNOVER

Kindly respond to the following statement on employee turnover.

	FACTORS	1	2	3	4	5
a	There is constant improvement on work life balance					
b	Workers are frequently engaged in decision making in the organization					
c	Frequency of employees leaving the organization is high					
d	Number of employees leaving the organization is high					

Thank you for your cooperation.

Appendix IV: List of Commercial Banks in Kenya

NO	COMMERCIAL BANKS IN KENYA
1	NIC Bank
2	Victoria Commercial Bank
3	ABC Bank (Kenya)
4	Bank of Africa
5	Bank of Baroda
6	Bank of India
7	Barclays Bank Kenya
8	CfC Stanbic Holdings
9	Chase Bank Kenya
10	Citibank
11	Commercial Bank of Africa
12	Consolidated Bank of Kenya
13	Cooperative Bank of Kenya
14	Credit Bank
15	Development Bank of Kenya
16	Diamond Trust Bank
17	Dubai Bank Kenya
18	Ecobank Kenya
19	Equatorial Commercial Bank
20	Equity Bank
21	Family Bank
22	Fidelity Commercial Bank Limited
23	First Community Bank
24	Giro Commercial Bank
25	Guaranty Trust Bank Kenya
26	Guardian Bank
27	Gulf African Bank
28	Habib Bank
29	Habib Bank AG Zurich
30	Housing Finance Company of Kenya
31	I&M Bank
32	Imperial Bank Kenya
33	Jamii Bora Bank
34	Kenya Commercial Bank
35	K-Rep Bank
36	Middle East Bank Kenya
37	National Bank of Kenya
38	Oriental Commercial Bank
39	Paramount Universal Bank
40	Prime Bank (Kenya)
41	Standard Chartered Kenya
42	Trans National Bank Kenya
43	United Bank for Africa

Source: CBK (2015)