

**EFFECT OF HUMAN RESOURCE MANAGEMENT  
PRACTICES ON RETENTION OF MILLENNIAL WORK  
FORCE AT CONSOLIDATED BANK OF KENYA LIMITED**

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## DECLARATION

This research project is my own original work and has not been presented before for any examination for the award of a degree in any other University.

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This research project has been submitted with my approval as a University supervisor.

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## **DEDICATION**

To my husband Muthui and my daughters Crystal and Lisa who have supported me throughout my studies and even with the project completion. This project is dedicated to my family. I love you all and may you be blessed.

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## **ABBREVIATIONS AND ACRONYMS**

<b>CBKL</b>	- Consolidated Bank of Kenya
<b>HRD</b>	- Human Resource Development
<b>HRM</b>	- Human Resource Management
<b>IRHM</b>	- Institute of Human Resource Management
<b>KBA</b>	- Kenya Bankers Association
<b>KNEC</b>	- Kenya National Examination Council
<b>NHIF</b>	- National Hospital Insurance Fund
<b>NSSF</b>	- National Social Security Fund
<b>SME</b>	- Small Medium Enterprises
<b>U.S</b>	- United States

## ABSTRACT

Employee retention practices particularly in the last decade became largely effective because they focused more on older generational cohorts like baby-boomers who preferred to remain in the same job for life. Consequently, most strategies for improving employee productivity during that time also became productive because they operated under low and stable employee turnover rates. In Kenya, many firms particularly in the commercial banking sector are yet to appreciate and act towards elevating the value of millennial employees in production. The result has been high turn-over of millennial employees from the sector to other sectors. Thus, this study aimed at establishing the effect of Human Resource Management practices on retention of millennial work force at Consolidated Bank of Kenya Limited. The study incorporated seven Human Resource Management practices namely; recruitment and selection, learning and development, reward and motivation, job design, succession planning, work-life balance and performance management. The study was based on Becker's human capital theory and Hormans' social exchange theory. The study adopted a descriptive survey design and the study's population comprised of the 97 millennials at Consolidated Bank of Kenya Limited. Thus, the study conducted a census of all the 97 millennial employees. Questionnaires were used to collect the primary data which was summarized through descriptive statistical tools and the regression model to establish the relationship between the variables. The study results revealed that recruitment and selection had a positive and insignificant relationship with retention of millennial employees while learning and development had a negative and significant relationship with retention of millennial employees at Consolidated Bank of Kenya Limited. Further, reward and motivation results indicated a positive and significant relationship with the retention of millennial employees while job design had a positive and significant relationship with retention of millennial employees whilst succession planning had a negative and insignificant relationship with retention of millennial employees at CBKL. Lastly, work-life balance had a negative and a significant relationship with retention of millennial employees while performance management had a positive and significant relationship with retention of millennial employees at CBKL. The study concluded that learning and development, reward and motivation, job design, work-life balance and performance management significantly affected retention of millennial employees at CBKL.

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

Employee retention practices particularly in the last decade became largely effective because they focused more on older generational cohorts like baby-boomers who preferred to remain in the same job for life (Lyons & Schweitzer, 2015). Consequently, most strategies for improving employee productivity during that time also became productive because they operated under low and stable employee turnover rates. However, during the period after the first waves of the global labour market in 1990s, many firms started registering low employee productivities because of the entry of the millennial generation into the workforces (Constanza, 2012). On one hand, the presence of millennial employees in the work place presented firms with new opportunities to increase productivity through the application of modern tools and collaborations, and on the other hand, the millennials tended to change their jobs more frequently than baby-boomers which significantly increased employee turn-over rate within many firms (Yang, Wan & Fu, 2012). The proliferated employee exits further presented even trickier terrains for top management in that many managers were unable to stabilize firm operations. The result was reduced overall firm productivity in many dominant sectors like commercial banking in what marked the beginning of an era of the ‘restless and unproductive millennial employee’ (Harvey, Harris, Gillis & Martinko, 2014).

Within most sectors in the developing markets today, the imperatives of the entry of millennial workforce in many sectors still exists despite modern management skills to reduce the effects of their attributes on productivity. As older generation workers retire and younger ones begin their careers in the country, firms are forced to rethink their

management practices to reduce employee turn-over rates. In Kenya particularly, this re-thinking is still scanty and even scantier in respect to the commercial banking sector. However, some few sectors in the country like the media have already developed retention strategies targeting the millennial workforce. The strategies seek to keep millennial workers happy and motivated through gaining a competitive advantage over other firms within such sectors (Okoye & Hoti, 2015). For example, the introduction of rewards systems for individual outstanding performance outcomes for employees annually at Safaricom Limited seek to satisfy internal desires and offer outside reinforcements that most millennial employees expect (Chambers, 1978).

The proposed study will be guided by human capital and social exchange theories to achieve its main objective. The theories have been recommended because of the consistency of their theoretical principles with the objective of the study. Human capital theory views factors like employee experience, technological know-how, education and individual employee attributes among others as investment that are likely to be used by firms to acquire competitive advantage over other firms in the market (Bruederl, 1992). Thus, the theory will be used to determine skill-set of millennial workforce within commercial banks and the retention practices that suffices them. On the other hand, the social exchange theory provides the rationale of shifting from one relationship to the other based on a cost-benefit analysis. Hence it will help the researcher to rationally determine underlying reasons for millennial employees' exit from commercial banks in Kenya (Hormans, 2003).

Majority of banks within the commercial banking sector have been associated with the enterprise culture that fundamentally promotes organizational goals at the expense of individual benefits. The more banks are inclined to organizational gains, the more millennial employees tend to exit because of conflicting interests (Bowen, Ledford & Nathan, 1991). Subsequently, theories such as human capital and social exchange theory will be used to provide a matrix that computes factors that lead to high employee turn-over in the sector based on individual banks' inability to match organizational goals and those of the employees (Mutt, 1999). The two theories will further contextualize the relationship between the retention of millennial employees and human resource management practices like employee relationship management, job design, employee development, reward and motivation, work-life balance, recruitment and selection and succession planning. The practices will be focused because they fundamentally determine employees' individual benefits at work-place and are largely considered as the competitive edge of human resource management particularly within workplaces that comprise more millennials than older generations (Osvaldo, 2000).

### **1.1.1 Concept of Perception**

Perception is defined as the ability to be conscious of one's setting through physical responsiveness, which signifies a person's ability to comprehend. Perception entails the process of knowing (being cognizant of), organizing (assembling and stowing) and explaining (being knowledgeable) perceived information (Ofori, Sekyere-Abankwa & Borquaye, 2012). Perception is an attitude of how the HR policies are addressed with regard to acknowledgement, remuneration, working life quality and promotion. The perception of employees concerning fairness can easily influence the performance as well

as productivity for a particular organization. Satisfied employees are the ones who feel that they are being treated fairly (Pombo & Gomes, 2019). The perception of employees regarding the value of HR management practices differ from one organization to the other (Cesario, 2015).

The scholars of Human Resource Management generally agree that the perception of employees regarding HR practices plays a crucial role in influencing the success of these practices. The perception of employees at the individual level, has shown that the moderate and mediate relationships between an organization's HR practices, employees' attitudes and behaviours. It has also been noted that the employees' perception at the organizational level, have been recognized as experiences of unit-level performance (Wang et al. 2020). According to Pombo and Gomes (2019) a positive perception of HR policies influences various outcomes of individuals such as engagement, satisfaction and commitment among others. The shared perceptions amongst the employees are also considered to have a considerable influence on the organization's performance.

### **1.1.2 Human Resource Management Practices**

Human Resource Management (HRM) practices comprises of decisions and actions which are used by the human resource department to attract, develop, motivate and retain employees towards achieving an operative implementation and continuation of the firm and its members (Kluvert, 2012). The practices constitute consistent internal actions that are planned to ensure that all employees have the resources to contribute optimally to the success of organizational goals, find satisfaction in their jobs and are motivated to work (Delery & Doty, 1996). The frequently used HRM practices include provisions of opportunities for career development, training, job design, employee relationship,

performance management and appraisal, good work-life balance and succession planning among others (Park & Gursoy, 2012). However, the choice of a particular strategy must be market based and must lead to the attainment of a competitive advantage against other firms particularly in a competitive market structure (Sparrow, Schuler, & Jackson, 1994).

Thus, HRMs are tasked to find a person-organizational fit at the recruitment stage and proceed to identify ways to improve the skill-set of each and every individual through subsequent practices such as on-job training and development among others (Andron, 2002). Further, the art of identifying and responding to employee needs through different management strategies is linked to organizational culture (Durocher, Bujaki & Brouard, 2016). Work aspects such as beliefs, values, rules and policies define the culture of an organization and accrue from the nature and scope of HRM practices and their effects on both internal (employees) and external clients (customers) of a given organization (Schein, 2001).

### **1.1.3 Employee Retention**

The ability to retain employees in an organization is referred as employee retention. It constitutes deliberate and systematic activities that are taken by human resource management to encourage and motivate talented employees to stay in their current employment (Holtom et al. 2013). A simple percentage statistic e.g. 20% can be used to represent employee retention, which can be interpreted to mean that a given organization retained 20% of its workforce in a specified duration. The higher the employee retention rate the more the organization achieves consistence in employee performance and the more the organizational output increases. On the contrary, a higher employee turnover leads to high customer turnover which then reduces firm profitability (Agrusa & Lema, 2007).



Generally, employee retention is considered as a strategy and not an outcome. The retention of an employee depends on the efforts that employers take to motivate employees in various work elements. The most common HRM strategies in retaining employees include changing/refining existing policies on recruitment, selection, orientation, training and rewards among others (Bonnett, 2013). However, the choice of a given strategy depends on the retention gap that a given organization needs to fill. However, each strategy must help in reducing the precise retention challenge and improve overall firm productivity (Mutt, 1999). This is attainable when HRM outlines culture of the company in the job description, and is as transparent as possible about what the company expects from would be employees, emphasis on hard skills and point out soft skills that fit with your business and the precise role and, plan a test for cultural fit (Mwangi, 2005).

In today's behavioral society which is environmentally conscious, companies that are more oriented to a given culture, are clear of what they expect from both their employees and clients, so as to attract and retain employees (Padron, A (2004). In addition, employees are more likely to be retained while working in positions that support their own personal growth. Traditionally, a common misunderstanding is that employee retention starts after someone is hired, however, it is imperative to recruit the right people for the right positions (Bonnett, 2013). A prospective candidate may have the desired skills and experience but their personality and values may be contrary to the work environment and culture.

#### **1.1.4 Millennials in the Workplace**

The Millennial generation is the demographic group that was born between the period of 1980 and 2000 and reached their adulthood during the beginning of the 21st Century (Lyons & Kuron, 2013). Most members of this group have completed their college training recently and are thus beneficiaries of a globalized education system that focuses on the application of technology to solve social and business problems. Hence, they have entered the workforce with the primary skill-set comprising proficiency in modern production tools, high levels of self-confidence and self-reliance and a strong desire to collaborate with others (Ambrose, Schminke & Mayer, 2013).

However, while the skill-set of millennial employees allows firms to improve productivity through the application of modern technological tools and collaboration among employees, they have been found to pose bureau pathologies as well. Millennials are emotionally vulnerable to social trends because they have been raised by over-protective parents or guardians who always responded to all their emotional, educational and physical needs (Chudzikowski, 2012). Thus, they have high expectations to their employers and are always looking forward to recognition and approval of their work (Martin, 2005). Further, they are the originators of technological globalization that has geographically dispersed modern work and led to the downsizing of some categories of jobs like typewriters. Hence, they are conscious that their work and employers can be unreliable and as such do not wholly commit to their work and employers and tend to move more frequently (Vasquez, 2014).

### **1.1.5 Consolidated Bank of Kenya Limited**

Commercial banks in Kenya can be traced to the colonial times when much of the commercial banks in the country focused their services to supporting trading between the colonial agencies and their home countries. However, the need for internal commercial banking services sprout after independence in 1963 when most institutions were taken over by local governments and pioneer traders. Subsequently, few commercial banks were set up to satisfy the growing need for banking within the nascent but vibrant enterprise culture in the country. The first local commercial bank to be established in the country was Co-operative bank (1968) to exclusively serve members of various farmers' co-operatives. Later on, local financial opportunities proliferated from the expanding economy giving way for operations of even more local and international banks. The government also gained interest in the banking business and proceeded to own banks such as National Bank of Kenya and Consolidated bank which will be our study area.

Today, the Central bank of Kenya regulates the sector of commercial banks and sets commercial banking policies and implements them. As at 30<sup>th</sup> April 2017, 44 commercial banks were in existence in Kenya serving various sectors of the economy through a wide range of products (Banks Supervision Annual report of 2020). In addition, the sector has employed over 31,000 people and about 65% of these employees are millennial employees according to the report. Further, the number of management staff in the bank has been recorded to reduce as the non-management staff comprising young people under temporary terms increase. This shows increasing efficiency of banks in many ways such as the application of technology to digitize certain products among others. Nevertheless, the sector faces serious contemporary banking challenges such as economic constraints of

Covid-19, millennial workers' retention challenges among others that collectively reduce the ability of many banks to make profits.

According to the Kenya Bankers Association (KBA) report on commercial banks in Kenya 2017, Consolidated Bank of Kenya Limited (CBKL) is a medium-sized financial service provider in Kenya. The bank's main focus is to meet the banking needs of small and medium-sized enterprises (SME's) in the country. It was started in 1989 following the merger of 9 insolvent financial institutions including Jimba Credit Corporation Limited, Union Bank of Kenya Limited, Kenya Savings and Mortgages Limited, Estate Finance Company of Kenya Limited, Estate Building Society, Business Finance Company Limited, Citizen Building Society, Nationwide Finance Company Limited, Home Savings and Mortgages Limited. The Bank is fully owned by the Government with the majority shareholding in the Bank (85.8%) held by the National Treasury. The remaining shares are spread over 25 Parastatals and quasi government institutions that include the National Social Security Fund (NSSF), Kenya National Assurance Company Limited, Kenya Pipeline Company limited, Kenya National Examinations Council (KNEC), Kenya Public Trustees, National Hospital Insurance Fund (NHIF) among others.

The bank currently operates 17 branches speared across the country with prospects of expanding its operations to the Western parts of the Country. The current size of staff is 313 employed in various departments such as clearing, tellers, sales and marketing, procurement among others. The bank aims at meeting the banking needs of all its clients through provision of all services of banks including current accounts, savings accounts, fixed and call deposits, loan and overdraft facilities, local and overseas money transfer services, and local and international trade finance. In 2017, it was ranked 33 out of 40

registered commercial banks in Kenya in terms of asset financing, 27 in client base and 34 in the development of alternative banking channels.

## **1.2 Research Problem**

Existing studies have posited that HR practices and the retention of Millennial employees are intertwined (Goeton, 2009). On one hand, effective HR employee retention practices have been found to ensure that skillful millennial employees remain in their jobs for a long time. On the other hand, lower turn-over of millennial employees has been reported to grant HR personnel with the opportunity to improve overall productivity of employees by relying on primary skill-set of millennials such as their ability to learn new applications faster than older generations (Hamiz & Dad, 2012). The Academy of Human Resource Development in 2012 also recommended that millennial employees, being more vital than members of older generations in performing modern jobs need to be retained by any firm seeking to obtain a competitive advantage over others in any production sector (HRD, 2013).

In the context of Kenya, many firms particularly in the commercial banking sector are yet to appreciate and act towards elevating the value of millennial employees in production. The result has been high turn-over of millennial employees from the sector to other sectors (Ogolla, 2016). Recently, similar trends have been observed at Consolidated Bank of Kenya Limited where between 2017 and 2018, approximately 20 millennial employees left the bank either to join competitors in the sector or other firms (CBKL audit report, 2018). Numerically, the bank's population of shifting Millennial employees translates to an overall 58% turn-over rate which was recoded as one of the highest in the sector by the Institute of Human Resource Management (IHRM) report in 2018 (IHRM, 2018). More critically, the IHRM report associated the bank's dwindling fortunes in the financial market

to its inability to retain its most talented workforce. The IHRM report further observed that, while the bank had one of the youngest work-force in the country's banking sector i.e. 97 employees of age between 20-39 out of a workforce of 313 employees; it still lacked an effective framework to retain its youthful workforce to gain a competitive advantage over other financial service providers.

Globally, studies on employee retention particularly relating to high turn-over rates of millennial workers as has been recently observed at CBKL exist. For example, a study by Seibert, Kraimer, Holtom, and Pierotti in 2013 investigating the causes of high turn-over rate within Ukraine's Textile Industry attributed much of the employee shift to their natural desire to realize their career peaks within a period of less than 5 years. In East African, Consolata (2009) doing a qualitative study to explore the reasons for employee's shift from one department to the other within Uganda's Commercial banking sector found that most of the young employees shifted from their jobs to the other in the hope of triangulating their experience so as to gain technical experience in other jobs. In Tanzania, a study done by Mishra to determine the effects of job appraisals to the retention of millennial employees within 5 agricultural state cooperations revealed that young employees who had been in various firms for more than the third terms of state appraisal requirements developed desire to quite because of they felt that their expectations on job-life balance were being diminished by increasing demands by the state for civil servants to observe job guidelines (Mishra, 2006).

In Kenya, challenges of retaining millennial lecturers within public universities has been said to constitute attractive financial packages that private universities offer and the potential for first career growth within them (Okongwe & Mwangi, 2015). In addition, a

study done by Ogola to explain the tendencies of young females to quit their jobs within the telecommunication sector in Kenya reported that young middle managers were persuaded to quit their jobs with the promise of higher managerial sectors in competitors. Similar findings have been reported in the education sector where young teachers have quitted primary service and opted for university education in the hope of promotion to secondary services upon graduation (Mwangi, 2005)

Essentially, the findings of the studies reviewed reveal a general consensus that attributes the low retention rate of millennial employees within most firms to their high preference of Millennial to self-development and career growth. However, the findings seem to over-emphasize the demand side of employee retention thus mistakenly portraying individual millennial employee attributes as the most critical determinants of their retention. Consequently, there has occurred a dearth in empirical knowledge explaining millennial employee retention through the supply-side variables such as HR employee retention practices among others. This proposed study will hence seek to contribute to filling this gap through conducting a qualitative study that determines the role of HR practices in retaining millennial employees in Kenya's commercial banking sector. The study will be guided by the question; what is the effect of human resource practices in the retention of millennial work-force at Consolidated Bank of Kenya Limited?

### **1.3 Research Objectives**

The objective of the study was to determine the effect of human resource management practices on retention of millennial workforce in Consolidated Bank of Kenya Limited.

#### **1.4 Value of the Study**

This study will be useful in three ways i.e. the development of theories, formulation of policies and best practices for retaining millennial employees at work place. In terms of developing theories, the study will provide empirical findings that will either add to the prevailing body of information on the retention of millennial workers or provide new trajectories of thought relating to the influence of HR practices and millennial retention. The knowledge will be beneficial to students and other researchers who intend to pursue studies similar to the current one.

In line with policies, the pertinent outcomes of the study will facilitate the development of supply-side human resource policies that can guide the entire commercial banking sector in retaining millennial employees. In particular, the findings will suggest plans of action for HR managers in developing modern management blueprints that are competitive and offer a cutting-edge in millennial employee retention both within the entire commercial banking sector and other sectors that comprise a bigger millennial work-force than other generations.

With regards to practice, the relevant results of the study will also be used in recommending HR ‘best practices’ that can facilitate the retention of millennial employees in the sector. The development of these best practices will add to the limited contemporary HR practices that meet the ever-growing demands of younger workers emerging from a globalizing labour market. In addition, the findings may be used to validate existing relationships between various HR practices such as job design on the retention of millennial personnel.



## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter reviews literatures linked to HRM practices and its effect on millennial employee retention. The first part presents the theoretical foundation of the study, human resource retention practices, generational retention needs of millennial employees and, the association between HRM practices and employee retention. The last part reviews existing studies that are related to the study.

### **2.2 Theoretical Foundation of the Study**

This segment deliberates the theories that will guide the study. It specifically reviews Becker's human capital theory and Hormans' social exchange theory.

#### **2.2.1 Human Capital Theory**

The study will be steered by Becker's human capital theory (1962). The theory views employee skill-sets such as education, age, talents, technological knowhow among others as capital for future employee productivity and not just costs that have zero returns to the firms (Bonnett, 2013). It recognizes that workers and firms alike depend on the development of human capital to promote employee productivity and performance based on two underlying principles. Firstly, it views hiring and retaining of employees as different from investment in physical capital because employers do not own property rights over employees (Boardman & Ponomariov, 2014). Thus, investment in human capital is always externally oriented and provides the firm with a competitive edge over others within a competitive market. Secondly, the hiring and retention strategies must be need-based

because it is expensive to retain employees with diminishing returns to training (Chaudhuri & Ghosh, 2012).

Traditionally, the rationale behind diminishing returns to education and training as discussed by this theory is that both parties lose their entire investment in the event of a separation after hiring best fit qualities from the job market or after training the employees to meet the job needs (Bolderston, 2012). While Becker's thoughts conjectured that the firm and the worker would share costs and benefits in that case, Hashimoto (1981) formalized an optimal sharing rule based on the minimization of inefficient post-training separations suggesting that it is always in the interest of the employers to retain their employees.

Thus, the theory is relevant to the current study in that posits that retaining human capital for a long time benefits the firm in all fronts. Skills such as the ability to interact with people of diverse socio-economic backgrounds are beneficial to the company in the formation of teams thus reducing fault-lines within groups (Psacharopoulos & Patrinos 2004). However, it has also been criticized because of the assumption that training and education increases employee productivity and individual wages without providing a logical framework through which education and training translates to greater wages (Dee, 2004). The rationale of this misfit between training and employee wages emerges from the statistical calculations showing that training and education comprise of about 30% of personal wages difference, which implies Human Capital Theory does not explain a major percentage of wage variability (Lawson, 2012).

### **2.2.2 Social Exchange Theory**

The study will also be steered by social exchange theory by G. Hormans (1960). The theory is a set of behavioral frameworks that conceives people as rational beings that are always looking for benefits and reducing costs in their actions. Thus, by providing the theoretical and methodological understanding of the rationale behind peoples' actions, it has been used by researchers to explain the shift of employees from one job or firm to the other (Mendes, & Stander, 2011). It bears three key assumptions that underlie its propositions.

Firstly, people always conduct a cost-benefit analysis in all relationships in which case a given partaker of any relationship economically establishes a 'give and take' metric design which is subsequently used to determine the viability of that particular relationship (Aruna & Anitha, 2015). The word 'costs' here means relational aspects that a given actor views as negative to initial expectations while 'benefits' are traits that are positive to those expectations. Secondly, people' expectations play a dynamic role in their decisions and actions. As individuals compare the costs and benefits of a given relationship, they do so by determining a comparison level that is often influenced by their expectations built from past experiences (Dinger et al. 2012). Lastly, people always seek to gain profit with minimal costs i.e. if the negative attributes of any engagement are rationally determined to outweigh the benefits, an individual doing the analyses will decide to shift to another context that offers more rewards than losses (Hormans, 1990).

Accordingly, the theory suffices this study in so far as its assumptions provide a metric design that calculates the various inputs or expectations of an employee into one job or firm vis-a-vis the gains. This metric design produces data that can be used to understand the exit from that job or firm to the other. The researcher will hence have the opportunity

to measure rational persuasions of millennial employees to leave CBKL for other competitors and some of the decisions that are available for HRM units to curb the exits through provision of the rationally calculable needs of the millennial employees through a rational means (Adams, & Ford, 2018).

However, the theory has been criticized in many fronts. The most significant concerns around it is that it leverages people to view it as a mathematical model that is both heartless and generalized in interpreting human interaction (Lammers & Borbour, 2006). Implicitly, the theory generally assumes that individuals are inherently selfish and ready to terminate relationships that do not appear to confer more gains than losses; however Miller (2005) emphasized that such as a multifaceted mixture of benefits and drawbacks can never be reduced to a single statistic or be represented as a linear relationships when some interactions are staggered or go backwards in terms of intimacy (Miller, 2005).

### **2.3 Human Resource Management Practices**

Existing literature has identified several HRM practices that suffice specific organizational issues. Armstrong (1990) specifically identified employee relationship management and job design as critical practices in improving the overall performance of employees. On the other hand, Devour (2002) noted that practices such as employee development, reward and motivation and, work-life balance are more practical in solving various organizational problems more so in the advent of perverse formal organizations because they both concern employees' prerogatives. In addition to the four HRM practices highlighted, this research will further focus on recruitment and selection and, performance management and succession planning as possible determinants of the retention of millennial employees.

Recruitment and selection is said to be one of the HRP which can have an impact on retention. In firms where employee exit is caused by poor mismatch of skills and talent, HR managers have the option of improving existing policies on recruitment and selection so that job-talent fit is achieved (Daniels et al. 2013). Job-talent fit facilitates the selection and hiring of a group of employees that is motivated about its jobs and is unlikely to quit for other jobs. Further, as the battle for highest talent turn out to be more competitive, this practice of hiring the best fit for a given job becomes more important than ever because the cost of re-hiring in cases of employee mis-fit are very high (Froese, 2013). Essentially, firms that learn faster and adapt well to changing recruitment and selection models perform the best over time because they are able to reduce high employee turn-over.

Learning and development programs entail practices like on-job trainings, seminars, workshops among others that act to re-fill lost employee knowledge, provide employees with a sense of competence and intellectual security to perform. In addition, the activities also prevent employee exit caused by desire for career progression and subsequently mitigates the high cost of replacements (Deegan & Shelly, 2014). For example, losing a highly talented worker in most organizations has been stated to averagely cost up to five times of his salary hence smart establishments always comprehend the significance of retaining the best talent (Lawson, 2012). In India for example, the retention of top talented employee through additional on-job trainings has gained more prominence in recent years. Similarly in prominent Indian metros, retaining of vital personnel is important to the lasting health and progress of any institution (Becton, Walker & Jones, 2014).

Reward and motivation structures are programs that have been set up by an organization to reward performance and encourage employees as individuals and also on group levels. The programs are envisioned to deliver both psychological rewards and financial benefit where employees feel comfortable staying in their jobs while also aware that the job has more financial gains (Reisenwitz & Iyer, 2009). HR managers also use rewards and enticements to help reduce employee exit especially in a competitive business climate where more owners of businesses are eyeing improvements in quality (St-Onge, 1993). In such markets, employees strive to reduce costs through getting more from their workers and this triggers workers to also want to get more from their employers. Thus, employee reward and recognition programs become the most common methods of motivating employees to stay within the same job or firm (Aruna & Anitha, 2015).

Job design is an essential role of the human resource department that serves to meet the retention needs of millennial employees. It is linked to specific contents, procedures and job relationships which can fulfil high-tech and structural necessities together with personal and social necessities of the employee (Dubie, 2000). Its ideologies are steered towards determining how someone's job impacts on their behavior and attitudes at work, especially with regard to their skills and autonomy (Flippo, 2009). The objective of a job design is to enhance job satisfaction so that bureau-pathologies such as grievances, absenteeism among others are limited.

Succession planning is defined as the methodical method of grooming and identifying upcoming leaders who are capable of taking the position of the employee who leaves the company due to retirement, resignation, termination, transfer, promotion or death (Morgan, 1997). It is a current method used by many firms in recognizing the prospects, out of many

personnel in the organization, who might be potential successors, for the crucial positions. The practice is informed by the knowledge that the employees might or might not work with the organization in the future (Leighn, 2002). Thus, it analyses openings which might occur when an employee leaves the organization, the organizational areas which might be affected, job requirements and the skills of the existing incumbent. However, poor succession plans may also encourage exit even before they are practiced. For example, millennial employees tend to quit in situation that they perceive that the organization does not have long-term plans for them (Kunda, 1992).

Work-life balance is also a critical exercise that is at the disposal of HR department to solve employee exit resulting from extra-organizational or family pressures. The practices entails providing flexible work schedules that allow for employees to accomplish their family duties like child-rearing and vocations (Guest, 2002). The activities are meant to offer employees with a superior sense of control and ownership above their own lives and provide better relationships with management in many ways (Kaunda, 1992). For example, flexible work make employees to feel more inspired and less strained out of work, which thereby reduces tendency to quit by reduction of the number of conflicts among coworkers and management (Tausig & Fenwick, 2001). Further, firms that have gained a reputation for enhancing work-life balance like Google have also been known to be very attractive to workers and will attract a pool of candidates that is valuable for new job openings (Westerman et al. 2012). Such companies have also produced higher retention of employees because of employee loyalty and a higher degree of in-house expertise.

Finally, Performance Management is an important HRM practice that is also used in retaining employees. The practice entails the process of making sure that organizational duties and products meets organizational goals in an effective manner (Gent, 2007). It is mostly used within workplace such as the banking sector where people relate with their environments in order to give desired output (Dubie, 2000). HR managers apply Performance Management which aligns to company goals, the teams' objectives and employees in order to increase competence, productivity, and profits. Efficiency in performance ensues employee motivation and this leads to their willingness to stay longer in their jobs due to the instant link between performance management programs and organizational results (Gerrish, 2015). In turn, employees are often persuaded to look for other jobs that they can perform efficiently and where they feel motivated. In essence, the results of performance management systems contrast from negative to positive, which suggests that variances in the features of performance management systems and the settings by which they are executed play an vital part in ensuring failure or success of employee retention (Zaffron et. al.2009)..

#### **2.4 Factors Affecting Millennial Employee Retention**

The retention of millennial employees depends on four main generational factors. Firstly, their behaviors and attitudes about life affect their retention to a significant level. Generally, members of the millennial generation have entitlement issues that create retention problems for their employers (Harvey et al. 2014). Majority of millennial workers prefer and value work derivatives that are visible and accrue higher social status like money and job titles. Thus, they tend to exit current jobs that do not offer such status symbols for



better ones that both are attractive and enable them to present higher statuses within their families and communities (Twenge, Campbell & Gentile, 2012).

Secondly, millennials tend to focus more on self-development than the older generations which impact on their retention in many ways. For example, a majority of them are always identifying new opportunities and have the ability and have the desire to learn more skills which collectively make their movement from one firm to another in search of better opportunities very frequent than older employees (Lyons et al. 2015). However, the direction and frequency of such job transfers do not occur from the absolute desire to train and learn more but rather from the willingness and ability of the organizations where they work to invest in such self-development programmes (Durocher, Bujaki & Brouard, 2016). The higher the number of trainings and workshops an organization presents for millennial employees, the less frequent they will develop desires to exit for other organizations.

Thirdly, millennials' career expectations also determine their lifespan in a given job or firm. Millennials have high and sometimes unrealistic expectations regarding work. For example, they sometimes expect encouraging feedbacks from their leaders even when they are at fault (Thompson & Gregory, 2012). Further, they expect that their work environments remain very comfortable, provide good work-life balance, room for interaction with others and quick career progression among others (Gilbert, 2011). Accordingly, Park and Gursoy (2012) added that expectations of Millennials regarding work values consist of high relaxation and little work significance that causes them not to adjust to demanding jobs leading to their shifting to other firms.

Fourthly, perceptions that millennials have about work also present retention challenges to HR managers. Generally, millennials have high narcissistic tendencies, are self-centered and have low work ethics thus simply can't stay in a given job for a long time while receiving criticism at the same time (Gallicano, 2012). The narcissistic behavior in millennials in fact has been reported to lead them into expecting to be treated with favour while also expecting other people to act the way they want (Westerman , 2012). Further, they strongly believe that they will have more success in their careers long before they start-off, find jobs easily that pay well and receive promotion opportunities. A lot of these perceptions sometimes fail to be realized which makes them restless within their work stations (Twenge, 2013).

## **2.5 Empirical Studies on HRM Practices and Employee Retention**

Several studies on the link between HRM practices and employee retention exist. Most results of these studies depict a general consensus where employees quit their jobs when HRM practices such as training, job appraisals, remuneration, work-life balance and performance management among others become unfavorable to the employees. Internationally, a study by Li-Qun, (2013) on the effect of HRM practices on marketing executive turn-over of leasing companies in China evaluated job components such as job information, compensation, job analysis, career development, work-life balance, support from the supervisor and their influence on Marketing Executive Intention to Leave (MEIL) in China's leasing companies. Based on these variables, the study found out that job analysis, employee compensation, job information and career development were negatively interrelated with MEIL. However, the researcher established that work-life balance was positively linked with MEIL though regressed data indicated that MEIL

practices strongly influence compensation and job analysis of the firm. Better compensation terms were seen to convince marketing employees not to leave the organization.

Additionally, a quantitative study done by Ahmid (2011) to determine the interceding effects of outcomes of the correlation between Human Resource Management practices and organizational performance concluded that employee retention often influence relationships between HRM practices and organizational performance especially within competitive markets where firms are concerned with creating a competitive edge over others. Similarly, Hussain and Rehman (2013) while doing a study to determine whether HRM practices such as learning and development, performance appraisals, employee relationships, employment terms, internal communication system, employee empowerment, person-organization fit, reward and compensation systems collectively inspire retention. More specifically, the results of this study indicated that person to organization fit, communication system, employment security, learning and development strongly contribute to employee intentions to stay with organization.

In Kenya as well, existing studies have affirmed that the development and adoption of favorable HRM practices enhances employee's retention. For example, a study done by Gachunga (2010) on the influence of HRM practices of core employees on retention in the media sector in Kenya showed that Standard Group employees were unwilling to shift to other media firms because they value the qualities of leadership that go hand in hand with the process of recruitment and retention policies such as work-life balance. Similar results were also recorded by Mutua, Karanja and Namusonge (2012) during a study that investigated role of HRM practices on performance of Financial Cooperatives based in

Nairobi. The study however noted a further tendency to quit in millennial employees whose performances were recorded by the firm as below average. Further, Leplesai (2009) explored the connection between voluntary labour turnover and employee retention management practices in Five Star Hotels in Nairobi and discovered that such hotels value compensation practices as strategies that help retain employees. Similarly, a study conducted by Wambui (2014) to examine the effects of human resource management practices on the retention of employees in institutions of higher learning in Kenya recorded a positive association amongst the workers training, employee recruitment and employee's retention at Kenyatta University. The researcher further observed that Kenyatta University offers training before conducting a needs analysis of its employees thus leading to their dissatisfaction which eventually triggers their tendency to quit to other job.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This section discusses the methodology that was used by the study in terms of its target population, research design, data collection and data analysis.

### **3.2 Research Design**

This study used a descriptive survey design. The design entails describing characteristics of the population or case that is being studied. The researcher proposed this design because it primarily focuses on describing the nature of a demographic segment of a given population. Thus, the study of determining the effect of human resource practices in the retention of millennial employees at Consolidated Bank.

### **3.3 Population of the Study**

A population is an entire group of objects, events or individuals with mutual features that fit in a given description (Mugenda & Mugenda, 2003). The population of this study was all the millennial employees of Consolidated Bank of Kenya Limited. The bank has a total of 313 employees out of which 97 of them are millennial (25-35 years) according to the latest Kenya Bankers Association Bank employees' demographics report released in 2019. The study conducted a census of all the 97 millennial employees.

### **3.4 Data Collection**

To collect the primary data the researcher used questionnaires. The questionnaire consisted of a total of 10 structured questions organized into 3 sections (See Appendix A). Each section of the questionnaire shall contain specific research questions touching on the effect of recruitment and selection, learning and development, reward and motivation, employee relationships, job design, succession planning, work-life balance, job design and

performance management on the retention of millennial workforce at the bank. The respondents comprised the millennial employees in the bank. The questionnaires were given to the respondents and were collected upon filling.

### 3.5 Data Analysis

The researcher used descriptive statistics to analyze the data collected. Data emerging from section I of the questionnaire (See Appendix A) was analyzed using simple descriptive statistics such as mean, standard deviation and frequencies to facilitate better understanding of the demographic background of the respondents. Data emerging from section II to III of the questionnaire was analyzed using simple regression analyses to establish the effect of the seven HRM practices (being recruitment and selection strategies, learning and development programs, reward and motivation, job-design, succession planning, work-life balance and performance management) on retention of the millennial workforce in the bank. Data gathered was represented using tables to enable easy understanding. The simple regression model that was used in this study is as follows:

$$Y = A_0 + b_1X_1 + b_2X_2 + b_3X_3 + \dots + b_7X_7 + e$$

Where; Y=Millennial employee retention

$A_0$  = Constant variable that affects millennial employee retention

$b_1, b_2, b_3, \dots, b_6$  = Coefficients of the independent variables

$X_1, X_2, X_3, \dots, X_6$  = Independent variables affecting millennial employee retention based on literature reviewed,  $X_1$  being recruitment and selection strategies,  $X_2$  learning and development programs,  $X_3$  reward and motivation systems,  $X_4$  job design,  $X_5$  succession planning,  $X_6$  work-life balance and  $X_7$  performance management.

e=error term

## **CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS**

### **4.1 Introduction**

This chapter highlights results of the study obtained from questionnaires. It elaborates the simple descriptive statistics which describes the nature of a demographic segment shall be presented first. Then the simple regression analysis was presented. The focus of the study is to determine effect of Human Resource Management practices on the retention of millennial work-force in Consolidated Bank of Kenya Limited.

### **4.2 Response Rate**

The study targeted 97 millennial employees and the same number of questionnaires was distributed. Out of 97 questionnaires distributed, 77 were filled and returned. The response rate was 79.38% which is considered sufficient for data analysis and interpretation. The non-response rate comprised of 20 respondents who were a total of 20.62% of the total sample size.

**Table 4.1: Response Rate**

<b>Response Rate</b>	<b>Frequency</b>	<b>Percentage</b>
Response	77	79.4%
Non Response	20	20.6%
Total	97	100%

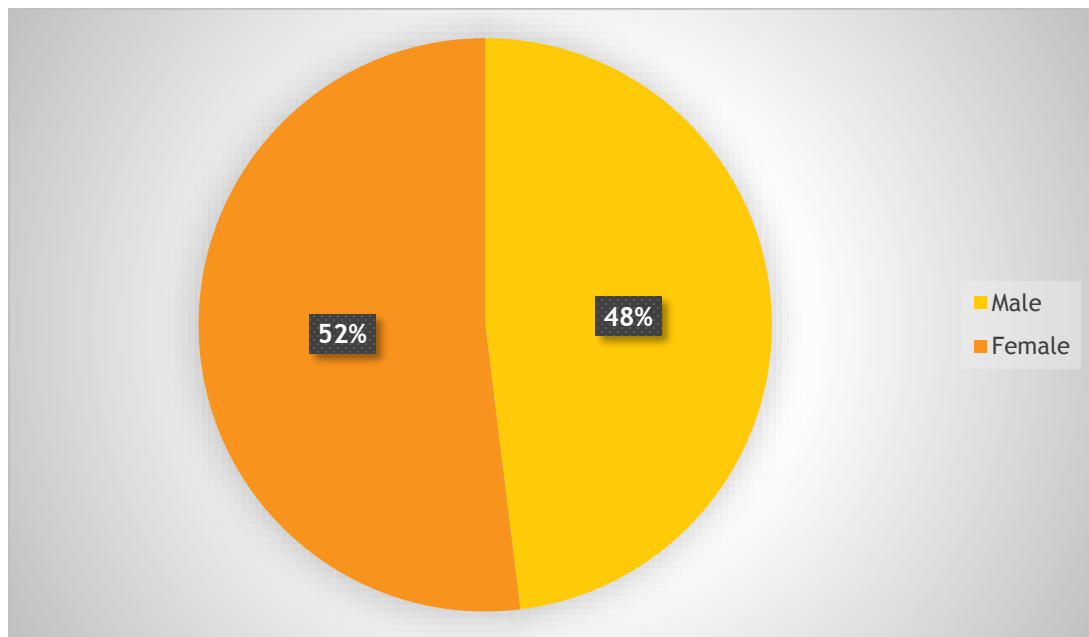
**Source: Study Data (2020)**

### 4.3 Demographic Characteristics of the Respondents

The first part of the questionnaire focused on the background information of the target population which included their gender, age, level of education, level of experience in the banking sector, marital status and the position held in the bank.

#### 4.3.1 Gender of Respondents

The respondents were required to assess their gender. This is illustrated in the Pie Chart in figure 4.2.



**Source: Study Data (2020)**

**Figure 4.2: Gender of Respondents**

The results on figure 4.2 shows the male respondents were 37 which is equivalent to 48.05% of the respondents. The female respondents on the other hand were 40 which is 51.95% of the respondents. According to the results there was no significant difference in



the gender distribution of the respondents hence the study cannot be biased against any gender.

#### **4.3.2 Age Composition of the Respondents**

The questionnaire provided different age groups ranges for the respondents to select. The frequency and percentage for each age group is presented in Table 4.3.

**Table 4.3: Age Composition of the Respondents**

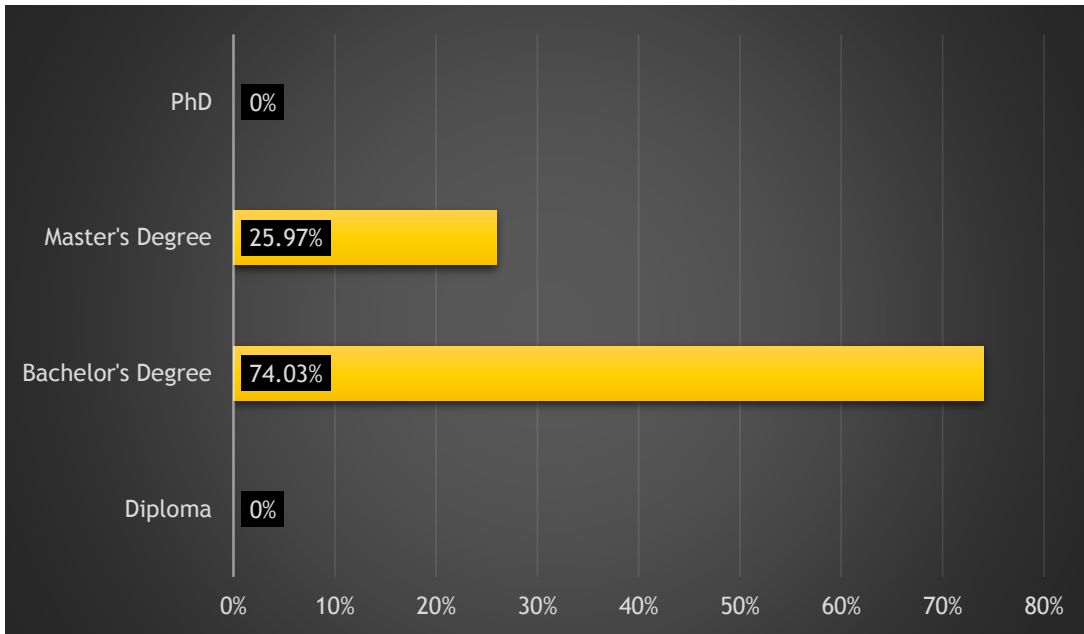
<b>Range</b>	<b>Frequency</b>	<b>Percentage</b>
20 - 25	3	3.9
26 – 30	24	31.3
31 – 35	30	38.9
36 – 40	20	25.9
Total	77	100.0

**Source: Study Data (2020)**

The results indicate that 3.9% are millennials between the ages of 20 to 25 years, 26 to 30 years have a percentage of 31.3%, 31 to 35 years have a percentage of 38.9% and 36 to 40 years are at 25.9%. The finding thus indicates that all of the respondents were millennials and were above 25 years.

#### **4.3.3 Respondents Highest Level of Education**

The millennials were required to give information on the highest level of education they have achieved. Figure 4.4 indicates these findings in a bar chart.



**Source: Study Data (2020)**

**Figure 4.4: Respondents Highest Level of Education**

The results in figure 4.4 indicate none of the respondents had a Diploma whereas 57 had attained a Bachelor's Degree which was 74.03%, those whose highest level of education was a Master's Degree were 20 which is 25.97% and none had attained a PhD. The results indicate the respondents had attained a first degree which was important as the nature and task of banking work requires a degree.

#### **4.3.4 Level of Experience at Consolidated Bank of Kenya Limited**

The respondents were required to indicate their experience levels. Table 4.5 shows that the obtained results.

**Table 4.5: Level of Experience at Consolidated Bank of Kenya Limited**

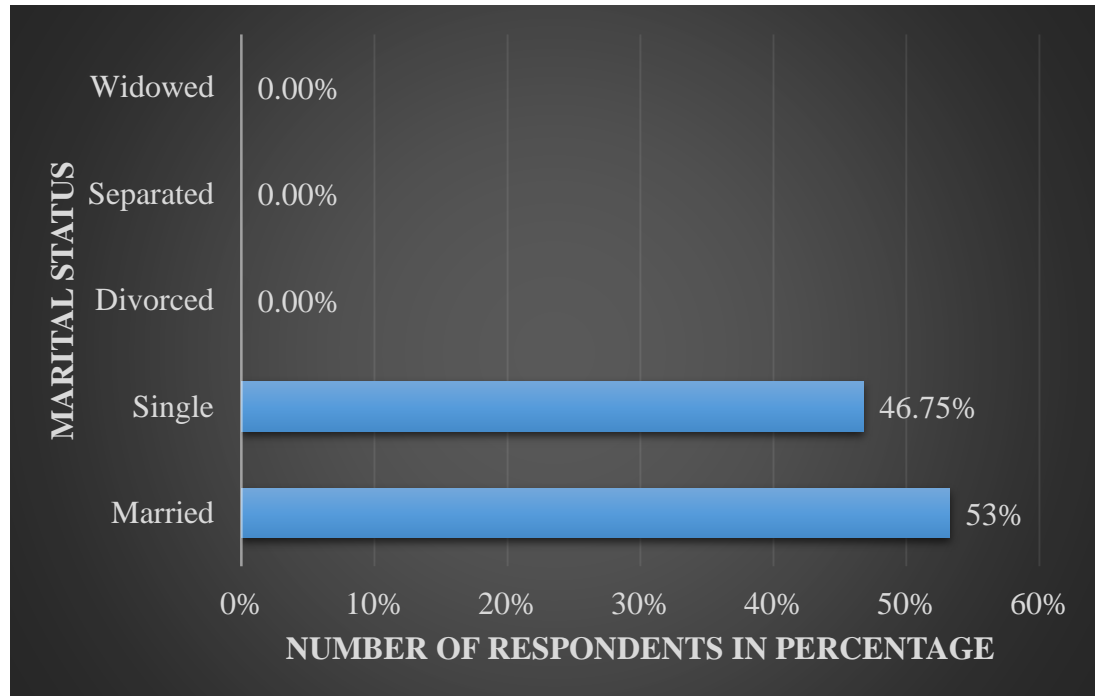
<b>Range</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 1 year	3	3.9
1 – 5 years	29	37.7
6 – 10 years	26	33.8
11 – 15 years	18	23.3
16 – 20 years	1	1.3
Total	77	100.0

**Source: Study Data (2020)**

Table 4.5 indicates that 3.90% have been working in the bank for less than one year whereas the majority is at 37.66% who are in the category of those who have worked between 1 to 5 years. Additionally, the results show that 33.77% had worked between 6 to 10 years, 23.38% have been working between 11 to 15 years and 16 to 20 years are at 1.30%. The results show that majority of the respondents had worked with the bank for more than five years hence they were well acquainted with the operations of the bank and its human resource practices.

#### **4.3.5 Marital Status**

The study wanted to ascertain the marital status of the millennial work-force working in Consolidated Bank of Kenya Limited. Figure 4.6 illustrates this is a bar chart.



**Source: Study Data (2020)**

**Figure 4.6 Marital Status**

The results on figure 4.6 indicates that 41 respondents were married, that is 53%, the single respondents were 36 which is 46.75%, and the rest of the respondents who are divorced, separated and widowed recorded nil figures. The finding thus indicates that a good number of the respondents were married though the difference between the single and married respondents was not significant thus the findings could not be biased against any marital status.

#### **4.3.6 Position in the Bank**

The study wanted to ascertain the position held by each millennial employees in the bank.

Table 4.7 shows the results.

**Table 4.7: Position held in the Bank**

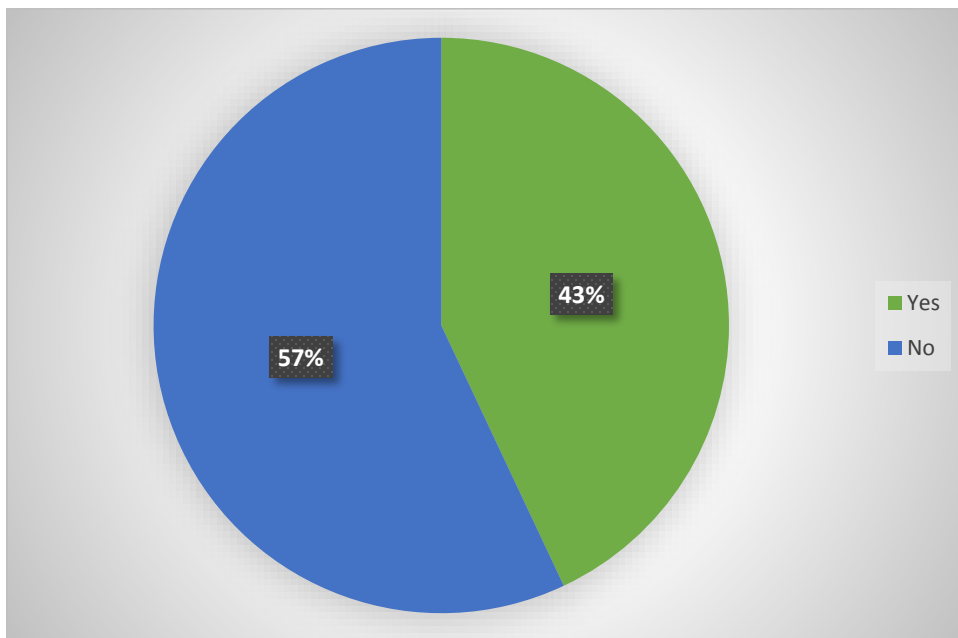
Range	Frequency	Percentage
Entry Level	25	32.5
Mid-Level	49	63.6
Senior Level	3	3.9
Total	77	100.0

**Source: Study Data (2020)**

Table 4.7 shows that 32.47% of the respondents were at the Entry level whereas the majority is at 63.64% were in middle level while 3.9% were in senior level. The analysis implies that most of the millennial employees at CBKL are in the middle level.

#### **4.3.7: Millennial First Job**

The study needed to determine whether the job at Consolidated Bank of Kenya Limited was the respondents' first job or not. Figure 4.8 shows the results



**Source: Study Data (2020)**

**Figure 4.8: Millennial First Job**

The results on figure 4.4 show that 33 respondents which is equivalent to 43% had CBKL as their first job whereas 44 respondents which is 57% had worked somewhere else prior to their current job at CBKL. The finding implies that most of millennials at CBKL had worked elsewhere before joining the bank which indicates they had prior job experiences.

#### **4.4 Human Resource Management Practices**

The analysis sought to determine whether the respondents were aware of the Human Resource Management practices that the bank uses. The results indicated that all the respondents were aware and this is equivalent to 100%.

This section highlights the employees' views on Human Resource Management Practices that were analyzed and presented in subsequent tables using the Likert scale of (1) – Strongly Disagree, (2) – Disagree, (3) – Neutral/Neither Agree nor Disagree, (4) – Agree and (5) – Strongly Agree. The HRM practices that were analyzed in five key areas namely; recruitment and selection, learning and development, reward and motivation, succession planning, working life-balance and performance management. Table 4.5 shows how the organization was rated by the respondents in regard to Human Resource Management Practices. The results were shown as follows;

#### 4.4.1 Recruitment and Selection

**Table 4.9: Recruitment and Selection**

Statement	Mean	Std. Deviation
I am content with the way interviews were conducted	4.01	1.006
I am confident that the recruitment and selection process was free and fair for all participants	3.78	1.210
The job description for the position applied for highlighted all the requirements of the job responsibilities	3.66	1.046
The induction process at Consolidated Bank was satisfactory	3.60	1.091
The bank recruits from within before getting candidates externally	3.79	1.139
Composite mean and standard deviation	3.77	1.098

**Source: Study Data (2020)**

Table 4.9 shows that overall the respondents are satisfied with the way recruitment and selection was done (Mean=3.77 SD=1.098). The respondents were also content with the conduct of the interviews (Mean=4.01 SD=1.006). Employees agree that the bank first recruits from within before searching externally (Mean=3.79 SD=1.139). The analysis indicates that the respondents agreed with the process of recruitment and selection being free and fair (Mean=3.78 SD=1.210). All the responsibilities were highlighted in the job description (Mean=3.66 SD=1.046). The respondents are satisfied with the induction process at CBKL (Mean=3.60 SD=1.091).

The analysis above implies that millennial employees at Consolidated Bank of Kenya Limited have no problem with the way recruitment and selection is done. The millennials are content with their experiences with the interview process and they feel it was free and fair. The bank provided adequate job descriptions and proper induction after recruitment.

#### 4.4.2 Learning and Development

**Table 4.10: Learning and Development**

<b>Statement</b>	<b>Mean</b>	<b>Std. Deviation</b>
I am satisfied with the number of trainings conducted in a year	2.43	1.152
The trainings are conducted in line with the position being held by an employee	2.88	1.147
It is through learning that the bank is able to develop the employees	3.61	1.160
Learning and development at CBKL has helped build the value based culture in the organization	3.18	1.211
As an employee, I am responsible for my personal and professional growth	3.97	.986
Composite mean and standard deviation	3.21	1.13

**Source: Study Data (2020)**

The respondents were requested to portray how they agreed with different statements relating to Learning and Development.

The study findings indicate that overall the respondents agree with the measures that have been put in place with regard to learning and development at CBKL (Mean=3.21 SD=1.13). The analysis indicates that the employees are aware that they are responsible for their own personal and professional growth (Mean=3.97 SD=.986). The respondents agree that it that bank can only develop its employees through learning (Mean=3.61 SD=1.160). It is through learning and development that the culture of CBKL has been built (Mean=3.18 SD=1.211). Respondents were neutral concerning trainings being done in connection to position being held (mean=2.88 SD=1.147). The respondents were also neutral on the number of trainings conducted in a year (Mean=2.43 SD=1.152).



The analysis above shows that millennial employees at CBKL are generally not satisfied with training and development function. Though the millennials agree that training and development can be used to develop them and they are responsible for their own personal development, there is a view that CBKL's learning and development has not really build the value based culture in the organization. There is also a feeling that CBKL does not always conduct training aligned to position. According to millennials at CBKL, the number of trainings per year is inadequate.

#### 4.4.3 Reward and Motivation

**Table 4.11: Reward and Motivation**

Statement	Mean	Std. Deviation
I understand the tools and methods used to reward employees at CBKL	2.74	1.056
The positive rewards inspire me to meet my goals at work	2.97	1.214
I am satisfied with the method and tools used to reward employees	2.58	1.162
Positive rewards help me to be more productive and work harder	3.32	1.251
I am always excited about going to work	3.56	1.057
Composite mean and standard deviation	3.03	1.148

**Source: Study Data (2020)**

Table 4.11 indicates the level of agreement by the respondents with regard to reward and motivation.

The overall average (Mean=3.03 SD=1.148) shows that the respondents were agreeable with the way reward and motivation is carried out at the bank. The employees are always excited to go to work (Mean=3.56 SD=1.057). The respondents are more productive and

work harder because of positive rewards (Mean=3.32 SD=1.251). It is because of positive rewards that employees are inspired to meet their goals at work (Mean=2.97 SD=1.1214). The employees were neutral on the tools and methods used to reward them at CBKL (Mean=2.74 SD=1.056). The methods and tools used to reward employees are satisfactory (Mean=2.58 SD=1.162).

From the results above, it is evident that the millennials at CBKL are not content with how reward and motivation is conducted. The millennials are always happy to go to work and this is because they are aware that the positive rewards ensure employees are productive and are able to meet their goals at work. It seems the employees are not conversant with the tools and methods used in rewarding them and the findings indicate that they are also dissatisfied with the methods and tools used to reward them.

#### 4.4.4 Job Design

**Table 4.12: Job Design**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
I am aware of the tasks, duties and responsibilities which entail my current job	4.25	.905
I am confident that I have the skills required in order to meet the requirements of my job	4.35	.870
I am aware of the job specifications that are needed to perform certain tasks	4.17	.818
I am always completely focused with my duties at work	4.17	.965
The bank is focused on job rotation, job enlargement and job enrichment so as to enhance productivity	2.58	1.291
Composite mean and standard deviation	3.904	.969

**Source: Study Data (2020)**

Table 4.12 presents the analysis of the respondents' opinion of job design at Consolidated Bank of Kenya Limited.

The overall study findings indicate that the employees are satisfied with the way CBKL handles job design (Mean=3.904 SD .969). They are also assured that they have the required skills for the job (Mean=4.35 SD=.870). The analysis indicates that the duties, tasks and responsibilities are well known to the employees (Mean=4.25 SD=0.905). The job specifications are well outlined for all employees (Mean=4.17 SD=0.818). The millennials are always focused on their work (Mean=4.17 SD=0.965). According to the analysis, it seems the bank is not focused on job rotation, job enlargement and job enrichment (Mean=2.58 SD=1.291).

The findings reveal CBKL's job design is well structured and favored by the employees. The employees have the right skills which are needed to carry out their work. They are also knowledgeable about their duties, tasks and responsibilities. The bank has made sure the job specifications are well known to the employees. The study has also revealed that the millennials are attentive to their work. It has however, been revealed that the bank has not put any emphasis on job enlargement, job rotation and job enrichment.

#### 4.4.5 Succession Planning

**Table 4.13: Succession Planning**

<b>Statement</b>	<b>Mean</b>	<b>Std. Deviation</b>
I do understand what succession planning is	3.84	1.052
I am aware of the strategies put in place by the bank in order to identify and develop future leaders	2.96	1.186
I am aware of the organization's plans for my next potential career opportunity	2.65	1.133
I am aware of the skills, experience and development opportunities that I need in order to progress to the next job opportunity when the time comes.	3.61	1.090
I am always motivated and engaged when am aware about a career path for my continued growth and development	3.79	1.128
Composite mean and standard deviation	3.37	1.112

**Source: Study Data (2020)**

Research findings on table 4.13 show that overall the respondents are agreeable with the succession planning at CBKL (Mean=3.37 SD=1.112). Majority of the respondents understand the meaning of succession planning Mean=3.84 SD 1.052). The millennials become motivated and engaged once they figure out their career path (Mean=3.79 SD=1.128). They are also aware of the skills, experience and development opportunities needed for career growth (Mean=3.61 SD=1.090). The employees disagree with the strategies that the bank has put in place so as to grow future leaders (Mean=2.96 SD 1.186). A career path that depicts growth and development motivates and engages the employees at CBKL (Mean=2.65 SD 1.133).

The analysis above implies that the employees at CBKL appreciate the measures that have been put in place concerning succession planning. They are aware what succession planning is and they get motivated when they know their career path. The millennials also know that skills, experience and development opportunities are what will enhance their career growth. According to the analysis, the millennials don't seem to be aware about the strategies put in place by the bank in order to grow future leaders. CBKL does not seem to have clear cut career path for its employees.

#### 4.4.6 Work-life Balance

**Table 4.14: Work-life Balance**

<b>Statement</b>	<b>Mean</b>	<b>Std. Deviation</b>
I am aware of what work-life balance entails	4.10	.912
Work-life balance is an important aspect of a healthy work environment	4.36	.902
The Consolidated Bank has created a work environment that prioritizes work-life balance	3.39	1.126
Consolidated Bank does not encourage working after hours	3.31	1.127
I understand that attitudes on work-life balance will continue to evolve with cultural, generational and economic changes	3.92	.943
Composite mean and standard deviation	3.82	1.001

**Source: Study Data (2020)**

Table 4.14 shows that CBKL supports the work-life balance of its employees (Mean 3.82 SD=1.001). The employees believe that work-life balance is important in order to ensure healthy work environment (Mean=4.36 SD=.902). The millennials understand what work-life balance entails (Mean=4.10 SD=.912). They also believe that the attitudes towards work-life balance will continue to change over time (Mean=3.92 SD=.943). CBKL has ensured work-life balance is a priority (Mean=3.39 SD=1.126). The bank does not encourage working after hours (Mean=3.31 SD=1.127).

From the analysis above, the employees of CBKL appreciate the measures put in place in order to enhance work-life balance. They feel very passionate about the importance of work-life balance for a healthy work environment. The millennials are very conversant with what entails work-life balance. They also know that work-life balance will continue to change as other aspects in the organization under-go change. The findings indicate that

work-life balance is a priority at CBKL and as much as they do not encourage working after hours, it seems they have not yet achieved that goal.

#### 4.4.7 Performance Management

**Table 4.15: Performance Management**

Statement	Mean	Std. Deviation
Are you aware about performance management at CBKL?	3.74	1.031
The performance expectations are clearly outlined at the beginning of the year.	4.03	1.038
I am involved when the goals are being set	2.95	1.404
I get constant feedback about my performance and I am encouraged on my progress.	3.23	1.297
We have regular meetings held to discuss outcome and results	3.29	1.346
Composite mean and standard deviation	3.45	1.223

**Source: Study Data (2020)**

Table 4.15 shows that the respondents were content with the way performance management was done (Mean=3.45 SD=1.223). The analysis indicates that the employees have their performance expectations outlined at the start of the year (Mean=4.03 SD=1.038). The employees are aware about performance management at CBKL (Mean=3.74 SD=1.031). They are also involved when their goals are being set (Mean=2.95 SD=1.404). There are regular meetings held to discuss results (Mean=3.29 SD=1.346). The employees get constant feedback about their performance (Mean=3.23 SD=1.297).

The study findings reveal that the millennials are not generally satisfied with the way the performance management is carried out at CBKL. They are also very satisfied when they have their performance expectations outlined at the beginning of the year and they are also

aware about what performance management is. The findings imply that the millennials are not involved when their goals are being set. The analysis indicates that the employees are not content with the meetings held to discuss results and they also seem not to get constant feedback about their performance

#### 4.5 Employee Retention

**Table 4.16: Employee Retention**

<b>Statement</b>	<b>Mean</b>	<b>Std. Deviation</b>
CBKL offers excellent compensation and benefits to all employees	3.32	1.069
I experience Job Satisfaction at CBKL	3.32	.979
I am appreciated and recognized in my place of work	3.26	1.044
My line manager is easy to relate with and is very understanding	3.82	1.073
CBKL offers excellent working conditions	3.65	1.085
Composite mean and standard deviation	3.47	1.050

**Source: Study Data (2020)**

As shown in table 4.16, the findings indicate that the millennials are neutral about CBKL's intent to retain its employees (Mean=3.47 SD=1.050). Most of them however agree that they have line managers who are understanding and easy to relate with (Mean=3.82 SD=1.073). The findings indicated that the bank offers excellent working conditions (Mean=3.65 SD=1.085). The millennials also experience job satisfaction at CBKL (Mean=3.32 SD=.979). The employees also agreed that the bank offers excellent benefits and compensation (Mean=3.32 SD=1.069). The study implied that the employees do not feel appreciated and recognized at their place of work (Mean=3.26 SD=1.044).

The analysis above implies that Consolidated Bank of Kenya Limited need to put more effort if they want to retain the millennial employees. The bank’s line managers seem to be understanding and cope well with the millennials. The bank offers excellent working conditions however this does not guarantee job satisfaction by the employees. The employees are not satisfied with the benefits and compensation at CBKL. They also do not feel appreciated and recognized at their place of work.

The above analysis has revealed that the standard deviation for all apart from Job design is greater than 1. This implies there was no consensus amongst the respondents with extreme cases where some rated 1 and some rated 5. The standard deviation for Job design was less than one which means there was consensus amongst the respondents.

## 4.6 Regression Analysis

### 4.6.1 Model Summary

**Table 4.17 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891 <sup>a</sup>	.794	.773	.28674

a. Predictors: (Constant), Performance management, Learning and development, Recruitment and selection, Job design, Succession planning, Reward and motivation and Work-life balance.

#### **Source: Study Data (2020)**

The model summary results show that the coefficient of determination value (R square) was 0.794, which indicates that the independent variables (performance management, learning and development, recruitment and selection, job design, succession planning, reward and motivation, work-life balance) accounted for 79.4% of the variation in the dependent variable (employee retention). The other percentage (20.6%) was explained by



other factors not considered by the research and the error term. The correlation coefficient of 0.981 indicates that a strong overall correlation between the dependent and independent variables.

#### 4.6.2 ANOVA

**Table 4.18: ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	21.823	7	3.118	37.919	.000 <sup>b</sup>
Residual	5.673	69	.082		
Total	27.496	76			

a. Dependent Variable: Retention

b. Predictors: (Constant), Performance management, Learning and development, Recruitment and selection, Job design, Succession planning, Reward and motivation, Work-life balance.

**Source: Study Data (2020)**

The analysis of variance (ANOVA) results shows that the regression model is significant as shown by the F value (37.919) which is significant as indicated by the p value ( $0.000 < 0.05$ ). This indicates that the model is fit and a good predictor of the relationship between the dependent and independent variables.

### 4.6.3 Regression Coefficients

**Table 4.19: Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.131	.495		-.265	.792
Recruitment and selection	.031	.044	.046	.694	.490
Learning and development	-.112	.033	-.074	-3.393	.001
Reward and motivation	.165	.076	.191	2.173	.033
Job design	.227	.070	.244	3.243	.002
Succession planning	-.018	.078	-.017	-.233	.816
Work-life balance	-.314	.093	-.389	-3.392	.001
Performance management	1.516	.135	1.302	11.215	.000

a. Dependent Variable: Retention

**Source: Study Data (2020)**

The coefficients results show that recruitment and selection had a positive (B=0.031) and insignificant (P value = 0.490>0.05) relationship with retention of millennial employees at Consolidated Bank of Kenya Limited. Learning and development had a negative (B=-0.112) and significant relationship (P value = 0.001<0.05) relationship with retention of millennial employees at Consolidated Bank of Kenya Limited. Further, Reward and Motivation's coefficients results show a positive (B=0.165) and significant (P value = 0.033<0.05) relationship with the retention of millennial employees at CBKL. Job Design had a positive (B=0.227) and significant (P value=0.002<0.05) relationship with retention of millennial employees at CBKL. The coefficients results show that Succession Planning had a negative (B=-0.018) and insignificant relationship (P value = 0.816>0.05) with retention of millennial employees at CBKL. Work-life Balance's coefficients results show

a negative ( $B=-0.314$ ) and a significant relationship ( $P \text{ value} = 0.001 < 0.05$ ) with retention of millennial employees at CBKL. The coefficients results of Performance Management show a positive ( $B=1.516$ ) and significant ( $P \text{ value} = 0.000 < 0.05$ ) relationship with retention of millennial employees at CBKL.

The regression analysis above implies that recruitment and selection, succession plan practices do not significantly influence retention of millennials at CBKL. Learning and development and work life balance practices on the other hand negatively impacted the retention of millennials at CBKL. Performance management, reward and motivation as well as job design positively impact retention of millennials at CBKL.

#### **4.7 Discussion of the Findings**

The analysis sought to find out the effect of Human Resource Management Practices on millennial work-force at Consolidated Bank of Kenya Limited. The cost of retaining employees varies from one organization to another, but one thing that is universal is that lack of retaining employees is expensive for any organization. This is the reason why most organizations employ Human Resource Management Practices which will ensure the employees are motivated so that they work in the organization for a long period of time while at the same time contributing effectively.

The research findings revealed that the millennial employees at Consolidated Bank of Kenya Limited appreciate the way recruitment and selection is done. They are content with the way the interviews are conducted at CBKL and they are of the opinion that they are free and fair. The analysis also revealed that job descriptions were provided to the millennial employees by the bank and proper transition into the bank was made possible

by ensuring proper induction was carried out. According to Roberts (1997) the importance of selection is to ensure people are assigned to the right job. He further said it is the most significant component in any organization on how people are managed simply because it is not possible to fully utilize the efficiency of Human Resources by whatsoever technique if there is inadequate match. Additionally, Aswathappa (2005) states that recruitment and selection procedures should ensure that the job specifications are accurately specified and ensure that the candidates who are selected for the positions fit the specifications. The candidates should be given a true picture of what the job entails, pay and working conditions which will lead to a better induction and training programs.

Secondly, the study found that learning and development was not satisfactory to the millennial employees of Consolidated Bank of Kenya Limited. It is agreeable to the millennials that they are responsible for their own personal growth even though training and development is a means of developing them. Learning and development is one of the tools that can be used by an organization to build a value based culture, this has however not been the case at CBKL. The employees feel that the trainings carried out at CBKL are not aligned to their position and also the number of trainings carried out in a year are insufficient. According to Rao (2008) learning and development is another human resource management practice that is used by different organizations to impact knowledge on their employees in line with the different roles and positions, held. Thus, employees who are constantly trained and developed are able to increase their effectiveness and efficiency in their different capacities at the work-place. Krishnaveni (2008) states that in a competitive world, organizations resolve to develop employees with emphasis on not only on how best

they can be utilized but also for their individual growth and potential development which can be used as a strategy for retaining employees.

Third, the study found that the millennials at CBKL feel that reward and motivation are not conducted in a favourable manner for the employees. As much as the millennials are always happy to go to work and be productive while at the same time be able to meet their goals, they are not aware of the tools and methods used in rewarding them. This has led to them being unhappy with the methods and tools used to reward them. As such, Podmoroff (2005) states that motivation involves the entire scope of workplace activities, from the actual work being done to the person that is doing the work and how the work is managed. She further says that all these aspects contribute to the well-being of the workplace and this is termed as employee motivation. Employees who are motivated have a tendency to work harder, high productivity, decreased absenteeism, improved customer care and service delivery, enhanced retention through recognition and decreased turnover. Armstrong (2002) indicates that reward management supports the accomplishments of the organization's goals, encourages appropriate behavior, support the organization's core values and helps attract and retain high quality employees.

Fourth, the job design at Consolidated Bank of Kenya Limited is well organized and ideal for the employees. In order to carry out their work, the employees need the right skills which they have. They are also conversant about their duties, tasks and responsibilities which is attributed to the bank ensuring job specifications are well known to each employee. The study has also revealed that the millennials are focused on their work although the bank has not put any emphasis on job rotation, job enlargement and job enrichment. In support of the finding, Armstrong (2006) indicates that a good job design

will help reduce employee turnover as well as decrease absenteeism which will mean lower costs for the organization. This is because job design can determine how an individual executes some jobs since motivated employees can ensure there is a big transformation on how well or poorly they perform their duties.

Fifth, the results revealed that the employees at CBKL are content with the measures that have been put in place concerning succession planning. They know what succession planning is and they get inspired when they know their career path. For the millennials to grow their career they are aware of their skills, experience and development opportunities which will help them grow. The analysis has revealed that the millennials are not aware about the strategies that have been put in place by the bank to grow future leaders. It was also revealed that CBKL does not seem to have clear career path for its employees. However, Rothwell et al (2005) states that succession planning is better for an organization to retain employees rather than replacing them. High performers and high potential talent decreases replacement costs and minimizes employee turnover. It is through succession planning that an organization analyses attrition patterns, retirement projections and the projected effects of attrition and retirement.

Further, the study established that work-life balance measures put in place by CBKL are satisfactory to the employees. The employees appreciate the importance of work-life balance for a healthy work environment considering they know what work-life balance entails. They are also aware that work-life balance will continue evolving in line with other changes in the organization. CBKL considers work-life balance to be a priority and seem to discourage working after hours. This has however not been achieved by the bank. According to Clutterbuck (2003), work-life balance happens when a person is able to

manage actual or would-be conflict amid diverse challenges on his or her vitality and time in a way that fulfils his or her desires for self-actualization and prosperity. The balance entails something much deeper than comparing work and non-work of an individual. Thus, quality work life dictates that there should be a well-adjusted liaison between work and off-work whereby family life should not be compromised by the hours' one is working including transfers, business travel, vacations and many other work related activities. It is essential to bear in mind that work-life balance means so much to the millennials than it did to their predecessors. Some of them value work-life balance more than they value compensation.

Lastly, the study established that performance management at Consolidated Bank of Kenya Limited is not carried out satisfactorily. At the beginning of the year, the performance expectations are outlined so as to ensure the employees know what is expected of them. This ensures the millennials are involved in setting up of their goals. The analysis however indicates that the meetings held to discuss the results are not adequate and there is also lack of constant feedback with regard to employees' performance. Armstrong and Baron (2005) stated that performance management's aim is to make something that is good to be better, to agree on the achievements to be made, develop the capability of what is to be achieved and provides backing to employees who have potential for high performance in order to attain their full potential for their sake and the organization's benefit.

The analysis of the study has also revealed that CBKL needs to put more effort in the HRM practices so as to retain the millennial employees. As much as the bank offers excellent working conditions for the employees, this does not guarantee job satisfaction. The findings revealed that the millennials are not content with the benefits and compensation

at CBKL. They are also of the opinion that appreciation and recognition is lacking at the bank. Smith (2019) states that millennials need to have a complete and accurate concept of what life is really like in an organization and this should be brought to light during induction and onboarding. Job satisfaction and employee turnover are interrelated and it is therefore important to ensure the millennial employees experience job satisfaction failure to which they seek new employment. Research has shown that when employees are content in their place of work it has positive implications in their job performance, overall output and employee retention.



## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

The chapter comprises of the findings summary, study conclusions and the research recommendations as per the study findings. The chapter also comprises of the study limitations and suggestions for further research.

### **5.2 Summary of Findings**

The background analysis results revealed that female were the majority respondents whereas the majority of the millennials were aged above 25 years. The results also revealed that most of the millennials had a bachelor's degree with a few having a master's degree and majority of them had worked with the bank for five years or more. Further, the results established that majority of the millennials were married and most of them were holding middle level job positions.

The research findings have revealed that the Human Resource Management Practices play a major role in the retention of millennial work-force at Consolidated Bank of Kenya Limited. The study revealed that the employees appreciate the way CBKL handles recruitment and selection as this is one of the practices that can either have a negative or positive impact on retention. The descriptive analysis results revealed that the millennials were content with the way CBKL conducted interviews and felt that the recruitment and selection process was free and fair. In addition, CBKL provided adequate job description and proper induction after recruitment and gave first priority to internal staff members.

Learning and development also has a major effect on employee retention, however, the study also established that millennials at CBKL were not generally satisfied with the learning and development function. Though the millennials agreed that Learning and Development can be used to develop them and that they were responsible for their own personal development. There is a view that CBKL learning and development has not really build the value based culture in the organization. There was a feeling also that CBKL does not always conduct training aligned to position. According to millennial at CBKL, the number of trainings per year were inadequate.

Reward and motivation can help determine whether employees will work for an organization or they will search for another job. The descriptive analysis results established that millennials at CBKL were not generally satisfied with the bank's reward and motivation strategies though the millennials indicated that going to work always excited them and positive rewards did not increase their productivity of hard work. However, the millennials did not have knowledge on the tools and methods employed by CBKL to reward employees hence they were not satisfied with the used tools. The millennials also indicated that positive rewards had no major role towards meeting their work goals.

The study also revealed that Job Design at Consolidated Bank of Kenya Limited is well structured and this is appreciated by the employees. The findings revealed that job design is a big determinant of employee retention. The findings also indicated that millennials at CBKL were cognizant of their tasks, duties and responsibilities and they were confident that their skills were in line with their job requirement. Addition, the millennials at CBKL were aware of job requirements needed to perform various tasks and always focused on

their duties at work. However, the millennials indicated that CBKL did not focus on job rotation, enlargement and enrichment which are key in productivity enhancement.

Succession planning is one of the HRM practices but it does not influence the retention of employees in an institution. The findings established that millennial employees were satisfied with the CBKL's succession planning strategies and that knowledge about continued growth and development path motivated millennials. In addition, millennials at CBKL had adequate knowledge regarding succession planning and understood the skills, experience and development opportunities required to progress to the next job level. However, they were not aware of CBKL's strategies for identifying and developing prospective leaders as well as the bank's plans for identifying prospective career opportunities.

Work-life balance is a significant part of a work environment that is healthy and ensures employee retention. The study results established that millennial employees were contented with the CBKL's work life balance strategies and they clearly understood the concept of work life balance as well as its importance in the work environment. The millennials were also aware that cultural, generational and economic changes lead to the evolution of work life balance. However, the millennials were unsure whether CBKL's work environment enhanced work-life balance and encourage working after the normal hours.

The study established that Performance Management directly impacts on the retention of employees. It further found that millennial employees were not generally satisfied with the bank's performance management strategies though they agreed that the bank performance

expectations are clearly outlined at the start of the year and they were aware about the bank performance management practices. However, according to the millennials the bank did not give constant feedback on performance management and few meetings were held to discuss results and outcomes. As such, the millennials indicated that CBKL did not involve the setting goals.

The findings demonstrate a positive link between compensation and benefits, and employee retention. The research findings also established that the millennials were not satisfied with CBKL's compensation and benefits to the employees, they did not experience job satisfaction at CBKL and they felt that they were not appreciated and recognized at the work place. However, the millennials agreed that their line manager were easy to relate with, they were understanding and the bank offered excellent working conditions.

The regression summary results indicated that the independent variables comprising of performance management, learning and development, recruitment and selection, job design, succession planning, reward and motivation, work-life balance comprises of 79.4% of the variation in the dependent variable (employee retention). The coefficients results revealed that recruitment and selection had a positive and insignificant relationship with retention of millennial employees while learning and development had a negative and significant relationship with retention of millennial employees at Consolidated Bank of Kenya Limited. Further, reward and motivation results indicated a positive and significant relationship with the retention of millennial employees while job design had a positive and significant relationship with retention of millennial employees whilst succession planning had a negative and insignificant relationship with retention of millennial employees at

CBKL. Lastly, work-life balance had a negative and a significant relationship with retention of millennial employees while performance management had a positive and significant relationship with retention of millennial employees at CBKL.

### **5.3 Conclusions**

Based on the documented findings, the study concludes that learning and development can influence millennials retention through building the value based culture, conducting training aligned to position and increasing the number of trainings. In addition, work life balance can influence millennials retention through having a favourable work environment, prioritizing work-life balance and change of attitudes on work-life balance. Further, reward and motivation can enhance millennials retention by ensuring millennials possess the job required skills, are aware of job specifications and focuses on work when on duty. Job design can enhance millennials retention through understanding of reward and motivation tools as well as having positive rewards. Lastly, performance management can enhance millennials retention by having clear performance expectations, getting constant feedback and involving millennials in performance evaluation.

### **5.4 Recommendations**

#### **5.4.1 Recommendations for Practice**

The study results indicated that recruitment and selection does not significantly affect millennial employees' retention at CBKL. However, it is recommended from the study that the management of Consolidated Bank of Kenya Limited should regularly review and revise their existing recruitment and selection strategies to make sure they do not suffer from poor talent and skills mismatch and ensure that the job-talent fit is achieved.

Secondly, the finding documented that learning and development significantly affected millennial employees' retention at CBKL. Therefore, it is recommended that the management of Consolidated Bank of Kenya Limited should ensure continuous and regular training of the millennial employees to re-fill lost employee knowledge, provide employees with a sense of competence, intellectual security to perform and to retain the top talented employees.

Thirdly, the study results indicated that reward and motivation significantly affected millennial employees' retention at CBKL. Thus, the study recommends that the management of CBKL should effectively structure their reward and motivation programs as having competitive and good reward and motivation structure so as to reduce employees exit, deliver both psychological rewards and financial benefit which will make millennial employees feel comfortable staying in their jobs.

Fourthly, the research findings indicated that job design significantly affected millennial employees' retention at CBKL. The study thus recommends that CBKL's management should effectively design all jobs at the bank to ensure the human resource department is able meet the retention needs of millennial employees, to fulfil organizational and technological necessities along with the personal and social necessities of the employee.

Fifthly, the study documented that succession planning does not significantly affect millennial employees' retention at CBKL. Hence, the study recommends that CBKL's management should have an effective and up to date succession strategy as poor succession strategies may encourage exit and may make millennial employees to quit when they perceive that the bank does not have long-term plans for them.

Sixthly, the study indicated that work-life balance significantly affected the retention of millennial employees at Consolidated Bank of Kenya Limited. The study therefore recommends that the management of CBKL should provide flexible work schedules that allow employees to accomplish their family duties like child rearing and vocations as this would offer employees with a superior sense of control and ownership above their own lives and provide better relationships with the banks management.

Lastly, the study established that performance management significantly affected retention of millennial employees at Consolidated Bank of Kenya Limited. Therefore, it is recommended by the study that CBKL's management should put in place as well as review their performance management indicators to align company goals with those of employees and teams so as to increase efficiency, productivity and profitability.

#### **5.4.2 Recommendation for Policy and Theory**

In relation to policy the study recommends that policy making institutions like the Kenya Bankers Association, Institute of Human Resource Management and other relevant policy bodies should work with bank managers to develop policy mechanisms on HRM practices to aid the retention of millennials employees in the banking sector since a large number of its work force comprises of millennial employees.

In relation to theory, the study focused on the Becker's human capital theory and Hormans' social exchange theory to explain the interrelationship between human resource practices and retention of millennials at CBKL. The study thus recommends incorporation of other Human resource theories to explore the interlinkages between the two concepts.

## **5.5 Limitations of the Study**

This study sampled the 97 millennial employees aged between 25-40 years at Consolidated Bank of Kenya Limited upon which only 77 employees responded to the study's questionnaire. Therefore 100% response rate was not achieved by the study. Thus, the study results were based on the 77 millennials employees' at CBKL who responded to the study questionnaire.

Additionally, the study was carried out at Consolidated Bank of Kenya Limited thus the study was restricted to the targeted bank. Therefore, the study may not be widespread to other commercial banks in Kenya as different banks have different human resource management strategies making it difficult to replicate the findings to other banks. In addition, the study's context was in Kenya thus the findings may not be replicated to other banks in other countries.

The study focused on millennial employees working at Consolidated Bank of Kenya Limited. Thus, the study did not incorporate the views of other employees aged above 40 years who work together with the sampled employees. Therefore, the views of other Consolidated Bank employees was not in the millennials group was not incorporated in the study.

Finally, primary data was utilized for the study and these was collected through questionnaires that were structured in nature and had close ended questions. Thus, the study did not capture the qualitative views of the respondents through open-ended questions which gives respondents a space to express their views and opinions. In addition, the views



of the management and respondents from the human resources department were not incorporated.

## **5.6 Suggestions for Further Research**

The study's focus was on recruitment and selection, learning and development, reward and motivation, job design, succession planning, work-life balance and performance management as the main Human Resource Management Practices to determine their effect on the retention of millennial employees at Consolidated Bank of Kenya Limited. The model of the study's summary specified that the variables accounted for 79.4% of the variation in millennial employees' retention. This implies that there are other several factors that affect the millennial employees' retention at CBKL. The study suggests a similar study to be done to other factors that might influence the retention of millennial employees at Consolidated Bank of Kenya Limited.

The study was also a case study of the Consolidated Bank of Kenya Limited hence the study did not incorporate all commercial banks in Kenya. Statistics from the Kenyan banking sector indicate that most of the Kenyan banks' employees are millennials and aged between 25 to 40 years. This is also evidenced by most of the bank CEOs a majority of whom are aged below 50 years. The study thus recommends a cross sectional survey of all the 43 commercial banks in Kenya to determine how HRM practices affect the retention of millennial employees in the Kenyan banking sector.

Finally, millennial employees also work with other older employees and they interact with various individuals in their everyday operations. This means they may be challenges associated with interacting and working with millennial employees.

This study thus recommends an additional research which will incorporate the views of other bank employees to determine the various challenges they face when working with millennial employees.

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## APPENDIX

### Appendix I: Research Questionnaire

My name is Elizabeth Muthui, a student at the University of Nairobi pursuing a Master of Science in Human Resource Management. I am collecting data as part of a research seeking to determine “**Effect of Human Resource Management Practices in the retention of millennial workforce in Consolidated Bank of Kenya Limited**”. I would be very grateful if you would take some time to answer the questions about millennial employee retention at Consolidated Bank of Kenya Limited. Your participation will be beneficial since it will enable policy makers both at CBKL and within the sector at large to know your concerns and opinions regarding the retention of millennial work-force. All the responses will be treated anonymously and confidentially and will only be used for purposes of research. The results of this study will be presented at the department of Business Studies at the University of Nairobi and will be availed to you upon request. Welcome.

#### Section I: Demographic Questions

(Please tick appropriately)

1. Gender
    - a. Male [ ]
    - b. Female [ ]
  2. Age
    - a. 20-25 [ ]
    - b. 26-30 [ ]
    - c. 31-35 [ ]
    - d. 36-40 [ ]
  3. State the level of your education
    - a. Diploma [ ]
    - b. Bachelor’s degree [ ]
    - c. Master’s degree [ ]
    - d. PhD [ ]
- Any other, specify.....

4. What is your level of experience in the banking sector?
  - a. Less than 1 year [ ]
  - b. 1-5 years [ ]
  - c. 6-10 years [ ]
  - d. 11-15 years [ ]
  - e. 16-20 years [ ]
5. What is your marital status?
  - a. Married [ ]
  - b. Single [ ]
  - c. Divorced [ ]
  - d. Separated [ ]
  - e. Widowed [ ]
6. What is your position in the bank?
  - a. Entry level [ ]
  - b. Mid-level [ ]
  - c. Senior level [ ]

The Millennial generation is the demographic group that was born between the period of 1980 and 2000 and reached their adulthood during the beginning of the 21st Century.

7. Is this your first job as a millennial worker?
  - a. Yes [ ]
  - b. No [ ]

If no, why did you quit your first job to join CBKL?

.....

**Part II: Human Resource Management Practices**

**(Tick appropriately)**

Human Resource Management practices is a system that attracts, develops, motivates, and retains employees to ensure the effective implementation and the survival of the organization and its employees. The Human Resource Management practices can also be defined as a set of internally consistent policies and practices designed and implemented to ensure that a firm’s employees contribute to the achievement of its business objectives.

8. Are you aware of any Human Resource Management practices that are used by the bank?
- a. Yes [ ]
- b. No [ ]
9. Please indicate the level of which you agree or disagree with the Human Resource Management Practices employed at Consolidated Bank of Kenya Limited.

<b>Ratings on the level of Agreement or Disagreement</b>				
1	2	3	4	5
Strongly Disagree	Disagree	Neutral/Neither Agree nor Disagree	Agree	Strongly Agree

<b>STATEMENTS</b>	<b>RATINGS</b>				
<b>Recruitment and Selection</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
I am content with the way interviews were conducted					
I am confident that the recruitment and selection process was free and fair for all participants					
The job description for the position applied for highlighted all the requirements of the job responsibilities					
The induction process at Consolidated Bank was satisfactory					
The bank recruits from within before getting candidates externally					
<b>Learning and Development</b>					
I am satisfied with the number of trainings conducted in a year					
The trainings are conducted in line with the position being held by an employee					
It is through learning that the bank is able to develop the employees					

Learning and development at CBKL has helped build the value based culture in the organization					
As an employee, I am responsible for my personal and professional growth					
<b>Reward and Motivation</b>					
I understand the tools and methods used to reward employees at CBKL					
The positive rewards inspire me to meet my goals at work					
I am satisfied with the method and tools used to reward employees					
Positive rewards help me to be more productive and work harder					
I am always excited about going to work					
<b>Job Design</b>					
I am aware of the tasks, duties and responsibilities which entail my current job					
I am confident that I have the skills required in order to meet the requirements of my job					
I am aware of the job specifications that are needed to perform certain tasks					
I am always completely focused with my duties at work					
The bank is focused on job rotation, job enlargement and job enrichment so as to enhance productivity					
<b>Succession Planning</b>					
I do understand what succession planning is					
I am aware of the strategies put in place by the bank in order to identify and develop future leaders					
I am aware of the organization's plans for my next potential career opportunity					
I am aware of the skills, experience and development opportunities that I need in order to progress to the next job opportunity when the time comes.					
I am always motivated and engaged when am aware about a career path for my continued growth and development					
<b>Work-life Balance</b>					
I am aware of what work-life balance entails					
Work-life balance is an important aspect of a healthy work environment					
The Consolidated Bank has created a work environment that prioritizes work-life balance					
Consolidated Bank does not encourage working after hours					
I understand that attitudes on work-life balance will continue to evolve with cultural, generational and economic changes					

<b>Performance Management</b>					
This is communication between a supervisor and an employee regarding individual expectations in line with strategic objectives of the organization done throughout the year. Are you aware about performance management at CBKL?					
The performance expectations are clearly outlined at the beginning of the year.					
I am involved when the goals are being set					
I get constant feedback about my performance and I am encouraged on my progress.					
We have regular meetings held to discuss outcome and results					

### **Section III: Retention of Millennial Employees**

10. Indicate the level in which you agree or disagree with the statements below concerning the reason why millennial employees are able to be retained in Consolidated Bank of Kenya Limited.

Rating: 1- Never, 2 – Rarely, 3 – Often, 4 – Very Often, 5 – Always

<b>Practice/Rating</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
CBKL offers excellent compensation and benefits to all employees					
I experience Job Satisfaction at CBKL					
I am appreciated and recognized in my place of work					
My line manager is easy to relate with and is very understanding					
CBKL offers excellent working conditions					

**Thank you so much for taking time to answer the questions**