INFLUENCE OF EMPLOYEE EMPOWERMENT ON EMPLOYEE RETENTION AT DIAMOND TRUST BANK KENYA LIMITED.

BY

GLADWEL KAMBERE

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DECLARATION

I hereby declare that this research project is my original work and has not been submitted to any University or Institution for any award.

Signed ........................................ Date........................................

Kambere Gladwel Wambui

D61/83937/2016

This Project has been submitted with my approval as the university Supervisor

Signed ........................................ Date........................................

Dr. M Munjuri

Department of Business Administration,

School of Business, University of Nairobi.

Signature........................................ Date........................................

Moderator Professor P. K’obonyo

University of Nairobi

School of Business.
DEDICATION

I dedicate this work to my family and all those who gave me support in the completion of this work.
ACKNOWLEDGEMENTS

First i to give thanks to the Almighty God for seeing me through the Completion of this work.

For the development and invention of this document I feel a deep sense of gratitude to my Supervisor Dr. Mercy Munjuri for her guidance and supervision, advice and unlimited Patience in reading through my drafts and proposing practical options, my deep Thankfulness to you.

My further appreciation also goes to my family, friends and colleagues for their support Throughout this demanding journey.
TABLE OF CONTENTS

DECLARATION .................................................................................................................. ii
DEDICATION ................................................................................................................... iii
ACKNOWLEDGEMENTS ................................................................................................. iv
LIST OF TABLES ............................................................................................................... viii
LIST OF FIGURES ........................................................................................................... ix
ABSTRACT ...................................................................................................................... x

CHAPTER ONE: INTRODUCTION ................................................................................. 1
1.1 Background of the study ......................................................................................... 1
  1.1.1 Employee Empowerment .................................................................................. 2
  1.1.2 Employee Retention ....................................................................................... 3
  1.1.3 Kenyan Banking Industry ............................................................................... 4
  1.1.4 Diamond trust bank Kenya limited ............................................................... 5
1.2 Research Problem ................................................................................................... 6
1.3 Research Objectives ............................................................................................... 8
1.4 Value of the Study ................................................................................................. 8

CHAPTER TWO: LITERATURE REVIEW .................................................................. 10
2.1 Introduction ............................................................................................................ 10
  2.2 Theoretical Foundation of the Study .................................................................. 10
    2.2.1 Kanters Theory ........................................................................................... 10
    2.2.2 Social Exchange Theory ............................................................................. 11
2.3 Employee Empowerment Strategies ..................................................................... 12
2.4 Factors Influencing Employee Retention ............................................................. 14
2.5 Empirical Studies and Research Gaps .................................................................. 15

CHAPTER THREE: RESEARCH METHODOLOGY .................................................. 17
3.1 Introduction ............................................................................................................. 17
3.2 Research Design ................................................................................................. 17
3.3 Population of the Study ....................................................................................... 17
3.4 Sample Design ..................................................................................................... 17
3.5 Data Collection .................................................................................................... 18
3.6 Data Analysis ....................................................................................................... 18

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION ............... 19
4.1 Introduction .......................................................................................................... 19
4.2 Response Rate ...................................................................................................... 19
4.3 Demographic Data ............................................................................................... 20
  4.3.1 Respondents’ gender ...................................................................................... 20
  4.3.2 Respondents’ age bracket .............................................................................. 20
  4.3.3 Education level ............................................................................................. 21
  4.3.4 Duration of service ....................................................................................... 22
4.4 Employee Empowerment ..................................................................................... 24
4.5 Employee Retention ............................................................................................. 26
4.6. Model Summary ................................................................................................. 27
  4.6.1 ANOVA .......................................................................................................... 28
  4.6.2 Coefficients of correlation ............................................................................. 29
4.7 Discussion of Research Findings ......................................................................... 29

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS .. 32
5.1 Introduction .......................................................................................................... 32
5.2 Summary of Findings .......................................................................................... 32
5.3 Conclusion ............................................................................................................ 33
5.4 Recommendations ............................................................................................... 33
5.5 Limitations of the Study........................................................................................................34
5.6 Suggestions for Further Research........................................................................................35
REFERENCES ..........................................................................................................................37
APPENDIX: QUESTIONNAIRE ..............................................................................................41
LIST OF TABLES

Table 3.1: Sample and Sampling Technique .................................................................18
Table 4.1 Gender ..............................................................................................................20
Table 4.2 Age bracket .....................................................................................................21
Table 4.3 Respondents education level ..........................................................................22
Table 4.4 Duration of service ........................................................................................22
Table 4.5 Employee empowerment analysis One-Sample Statistics ............................24
Table 4.6 Employee retention analysis One-Sample Statistics ....................................26
Table 4.7 Model Summary (Employee Empowerment and Employee Retention) ........27
Table 4.8 ANOVA (Employee Empowerment and Employee Retention) ......................28
Table 4.9: Coefficients of Correlation ..............................................................................29
LIST OF FIGURES

Figure 4.1 Response Rate ..............................................................................................................19
Figure 4.2: Respondents Gender .................................................................................................20
Figure 4.3: Age bracket ................................................................................................................21
Figure 4.4.: Education level .........................................................................................................23
ABSTRACT

Employee empowerment is crucial to the growth and achievement of organizational goals and more importantly in retaining employees. Changes in the world economy today is affecting employee empowerment and retention hence leading to high turnover. Retention is one of the biggest issue affecting the banking industry as manpower is the main asset of the organization that generates profits. The study adopted a descriptive survey research design. The target population was 1089 Employees of Diamond trust bank Kenya limited. Stratified sampling technique was used to identify the sample size of the study. Semi Structured questionnaire was used for data collection. Quantitative data was summarized by use of frequencies, percentages, mean scores and standard deviation. Influence of employee empowerment on employee retention was established using linear regression. The study found that granting sufficient authority, giving employees opportunities to choose the manner in which to give quality feedback on their responsibilities and provision of adequate resources influence employee retention. This study recommends strategies on employee empowerment since they will greatly help retain employees. Research findings should help other commercial banks in coming up with employee empowerment strategies to help manage retention. The findings of the study should also help other researchers who would want to carry out research on the influence of employee empowerment and employee retention in other commercial banks in Kenya.
CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Empowerment practice of enhancing feelings of confidence amid institutional associates through determination of situations that encourage subjection (Conger & Kanungo, 1988). According to Jacqueline (2004) empowering employees is important because it helps workers feel motivated and increase their authority, manage as well as relate the important information and abilities when they are dealing with clients desires. Wadhwa and Veghese (2015) noted that managers share their responsibility with the employees when they intend to give power and authority to them. This is virtual as it empowers employees in enhancing their recognition and status. Ripley and Ripley (1992) states “empowerment enhances motivation of workers in their day to day work, this increases their professional fulfillment, increases their devotion and reduce turnover. Meyerson and Dewettinck (2012) noted that empowering employees is recognized widely to be an important factor to institutional achievement, researchers have noted its effect on workers output, institutional achievement and professional pride.

Structural empowerment by Kanters theory argues that leader’s power will grow by empowering others. The result is that there will be increase in organizational performance. The theory states that people will Make informed selections and attain extra output therefore Reaping benefits to the employer. This is possible with equipment, information and help, personnel skill will increase. According to Kanter empowerment requires the following six conditions: opportunity for development, access to resources and information, official and casual authority. When these are availed employees are committed, have confidence, they are satisfied with their jobs and there is lessened job exhaustion. Fox (1998) Social exchange theory has laid its foundation on a vital principle that the exchange of social and material resources is important type of human interaction. Mayer et al 1995 argues that For instance belief which is readiness of someone to be helpful to the deeds of another person. Mowday steers and porter (1992) Workers grow lasting and worldwide values about the extent to which their input and wellbeing are appreciated by their institutions.
Both the banking sector and financial sector plays important role in the economy, this is evident by increased expansions of financial institutions into new market sectors, careful risk management and increased economic projection. This growth procession in the financial sector is expected by the CBK. Financial industry in Kenya is presently growing fast in Africa and the continent as a whole. Implementation of sound policies is government commitment towards financial deepening and general economic expansion of Kenya as captured in vision 2030. There is decreased fee of doing business in the rolling of subdivision to reach cost efficiently. Introduction of mobile monetary services platform and lessens prices on the goods have made sure there is growth in quantity. Currency centre’s has helped decongest services at the branch and headquarters of central bank of Kenya and physical distances lowering costs for banks. The banking industry is increasingly becoming competitive. In Kenya every bank has to be on top of what they are doing to maximize their share in the industry.

1.1.1 Employee Empowerment

Empowering employees is a practice to gratify the inside and outside clients who increase the authority of workers in their job, skills, knowledge, self-assurance, opportunity and aspiration related to the authority. Elmuti (1997), states that empowering employees is an idea of making it possible for employees to have control and aptitude to make choices and act for the institution in order to develop both personal Motivation and productiveness of the organization. When workers own their jobs and are able to assess and influence their personal success and also that of their department and companies this is an indication that they are empowered (Caudron, 1995). When power and authority is released to employees together with relevant tasks and expertise this is empowerment (Klagge, 1998). Many authors concur that the foundation basics of empowerment include giving workers discretion over some related tasks. (Meyerson &Dewettinak, 2012) urges that, empowering employees is a motivational process whose goal is to increase output by rising. The opportunities of participation and involvement of employees in decision making. It is generally worried about confidence. Inspiration, participation in making decision and getting rid of any boundaries between the workers and their managers at the top rank.
Empowering employees is shift of power and responsibility to the employee from the employer (Randolph, 1995). Conger and Kanungo (1988), states that most researchers have defined empowerment in two ways: situational and psychological approach.

Relational approach that is situational approach or management practice, on one hand includes transferring authority from superior to workers by including them in decision making. While Psychological strategies places little weight on assigning decision making. These strategies see empowering employees as diverse psychological cognitions to bring about motivation intrinsically. Lashley (2000), empowering employees is a practice and a philosophy that helps employees to decide about their work and enable them own their job and be responsible for the end result, in addition to supply clients hierarchy boundaries exists. Bogler and Somech (2004), argues that for the success of empowerment in an organization, management has to locate a structure in the organization for maintenance of the entire process.

1.1.2 Employee Retention

Chibowa et al (2010), retaining employees is an intentional move by an institution to build situations which keep workers for long term. The main reason for retaining employees is for the benefit of the organization (Samuel and Chipunza, 2009). Humphreys et el (2009) had the same observation, in recounting the idea he places much attention on retaining in terms of the adequate time of service. Retention is a responsibility to carry on production for the organization on a constant basis (Zineldin, 2002). Staff that are happy and satisfied with their work will be dedicated to their job and always puts effort to develop their client’s gratification (Denton, 2000). The vital requirement management today in a company is maintaining the most important and vibrant human resource who are dedicated and motivated (Cutler, 2001). When a company hiring, it is vital to know who it hires but most importantly who is kept in the organization matters the most.

When appropriate retention methods are adopted and implemented by the company workers will stay and work for the attainment of organizational objectives (Gberevble, 2008). Human resource makes guidelines for workers betterment so that employees can be gratified with the company and remain with the organization for longer period. Therefore,
it is retention of valued skills not just mere retention of employees. Retention of employees is mainly done to emphasize a variety of causes which influence retention in a company and to discover the relationship between a range of factors and work retention.

Robert (2017) argues that every effective area of employer employee relationship requires attention. He stresses on embracing a strategy to improve organizations employee retention and boost employee satisfaction. In an organization there should be mentorship programs whereby new employees are paired with mentors from whom they learn about the organization and work processes as this contributes to employee satisfaction and eventually retention. It is also essential for companies to offer attractive compensation packages to their employees like salaries, bonuses, paid time offs, and recruitment packages which are outstanding from other organizations to enhance employee retention and general organizational growth. There should also be a work life balance in an organization where staff work for long hours regularly and are constantly being called from their day offs as this will raise issues with employee retention. Organization should offer bendable schedule to develop a balanced work life for employees so as to maintain them for long for example encouraging them to take time off work and go for vacations, team building activities.

1.1.3 Kenyan Banking Industry

Banking industry in Kenya is composed of investment banks, money-making banks, microfinance firms and foreign exchange bureaus. Banking industry of Kenya main regulators and governors are: act of the organizations, the act of central bank of Kenya in addition to banking acts. The role of CBK is to create and implement the financial and economic policies. It also ensures appropriate performance of the Kenyan monetary system, liquidity of county and solvency of the Kenyan shilling. In the last five years, Banks in Kenya have gotten incredible development which has made them spread out to the east African regions for example the Diamond trust bank in Uganda, Burundi and Tanzania. Kenyan banking industry has concerned itself in computerization, changing from olden banking to enhance the developing complex requirements of their customers and worldwide challenges. The main drive of economic growth for global financial system is the bank industry which offers services that facilitate money transfer between states and enables those investors and borrowers to come together in well-ordered systems. Banking
industry is one of the determinants of countries’ economic growth and lengthy sustainability. Muriithi and Louw (2017) states, that banking industry in Kenya is measured as the most established, fast-developing and prevalent in east Africa therefore making it the area economic leader.

According to cytonn report, the growth in the CBI (commercial banking industry) in Kenya has mainly been underpinned by supplementary banking networks like the cellular phone, internet, agent banking and subdivision networking expansion plan. Cytonn report further states that the new regulations in the industry may affect commercial bank performance and survival. Loans which are not performing, interference by politics, unsure world economic trends and bad leadership are the main causes of financial crisis in the banking industry. There has been some instability since 2000 due to harsh measures put in place by the government to revive banking industry. There has been optimistic and encouraging development which has made Kenya the fiscal hub of the region that is the East Africa. Nevertheless the sector has been experiencing problems such as corruption and incapability of getting to the majority of those who live in rural areas, fragmentation as well as ineffective leadership. The following are the five main banks dominant in Kenya: KCB that is the Kenya commercial bank, equity, co-operative standard chartered and Barclays bank. The industry has had a turbulent two years in a row where business growth has been curtailed significantly and the local economy is still reeling from the effects. The industry continues to suffer decreased profits and the layoff rate has increased significantly due to unsustainable overhead cost of human resource (Kenya economy 2016/2017 highlights of the banking industry).

1.1.4 Diamond trust bank Kenya limited

Diamond Trust Bank Kenya Limited is an accepted true financial institution in Kenya restricted in a leading nearby financial institution indexed on the Nairobi securities trade (NSE). DTB is an affiliate of the Aga khan development community (AKDN), DTB has operated in east Africa for over 70 years. Dtb concentrates on the small microeconomic business enterprise sector and commitment to enhancing comfort for customers through branch network expansion and has pushed the banks boom in current years. Dtb engages in the provision of banking services. Dtb has placed itself as a diverse monetary group
serving all consumers, small and center sized companies and massive companies with a full range of banking, investing, asset management and different monetary and danger control services and products.

With over one hundred and thirty branches in Kenya, Tanzania, Uganda and Burundi some of which can be 24/7 virtual branches, dtb is committed to permitting humans to enhance with confidence and success. The banks heritage and values are articulated in its logo promise, achieve more and taken to life through an engaged diverse staff. Dtb enables human beings boost self-belief and success, the mission; to make clients prosper, our group of workers excel and create price for our stakeholders. Dtb values consist of; excellency, that is the middle of the whole lot we do. Products and premises. Integrity; we steadfastly adhere to excessive moral concepts and professional requirements, knowing that our success relies upon on our clients trust. Customer attention; we fully recognize the needs of our clients and we adapt our products and services to fulfill them. We continually try to place pride of our client first. Meritocracy; we believe in giving opportunities and blessings to our personnel on the idea of their ability. We believe in rewarding achievements and in supplying first elegance profession opportunities for all. Progressiveness; we agree with within the development of society thru the adoption of enlightened running practices, progressive new merchandise and techniques (www.Dtbk.Dtbafrica.Com).

1.2 Research Problem
Employee’s empowerment has taken more vital as firms face the challenges of inspiring and maintenance of younger age group of workers. Empowering employees makes them feel that they are important to the accomplishment of the firm objectives. It also serves enhances confidence in the workers aptitude to extensively add to the companies goals. Empowering employee’s places public at the Centre and not on the periphery. Then at the end employees would be dedicated towards attaining the organizational goals which in turn leads to retention. Psinos and Smithson (2002) argues that every transformation that is obtained in the firm is effected by workers. Empowering employees comprises reduction of high managing workload and making better decision, which enhance competitive environment and make possible changes in a firm and quick response to climatic revolution. Ongori (2008) states that employees empowerment have elevated feeling of personal efficacy go together with major responsibility and ability over their works and this enhances retention.

Kenyan banking sector, detailed employees wait for the bequeath of empowerment mostly unearned with the concept of empowerment (Kwamboka, 2009). Kwamboka noted that organizations are responsible for making an employment environment which enable foster aptitude and aspiration of workers to behave in an empowered manner to enhance retention as well as reduce staff turnover. It is the responsibility of the bank to get rid of obstacle. Employee empowerment in commercial banks needs organization leadership to trust and wish that empowering employees make excellent business sense and company managers ought to do something (kwamboka, 2009). The study remarks that a number of managers along with those in leadership spots feel threatened sometimes mostly because empowerment practices are as a result of delegating tasks.

Empowering employees and retention methods in varied business culture (Punia, 2004). The study points out that latest period has revealed an elevated amount of diversity and insecurity in the industry surroundings. The varied business culture has additionally affected the workers maintenance, by getting rid of employment relations limited to traditional matters. In the business culture concerns like empowerment, change management, effectiveness, and retention taken in as contemporary problems resulting to new changes. Punia also made it known that Indian firms are experiencing difficulties to
keep the gifted and are ending up using new methods of empowering to retain the finest abilities. Hanaysha (2016), aimed to check the effects of empowering employees, cooperation and workers training on firms’ dedication in Malaysian higher education institution. The result showed that empowering employees has a huge effect on institutional dedication.

Local studies related to the topic includes Ndegwa (2015) who did a study about the connection between empowering employee and the firm’s performance among Kenyan commercial banks. The findings were that There is a courting between empowering worker and the company’s overall performance in Kenyan commercial banks.’ A research done by Njue (2014) on efficiency of empowering employee’s methods adopted by Chinese who have building and construction organizations in Kenya. Finding of this study revealed that empowering employees’ methods adopted influenced employee empowerment in the Chinese firms. Angwenyi (2009) studied employee empowerment practices in commercial banks in Kenya. Her findings indicated that employee empowerment practices influenced operations in the bank.

Both international and local research has not focused on influence of employee empowerment on retention at diamond trust bank Kenya limited. For example, Punias research focuses on empowering employees and retention approaches in varied business culture but the researcher did not research on influence of employee empowerment on retention at diamond trust bank Kenya limited. Ndegwas study concentrates on the relationship between corporate performance and empowering employees among Kenyan commercial bank. She did not investigate on influence of employee empowerment on retention at diamond trust bank Kenya limited. This research aimed at filled the gap by answering the question, does employee empowerment influence retention at diamond trust bank Kenya limited.

1.3 Research Objectives

The goal of the study was to determine the influence of employee empowerment on retention at diamond trust bank Kenya limited.

1.4 Value of the Study
The study was going to be of great significance as it added to the existing theories in empowering employees and retention and offer a base for further investigation on the subject matter. The recommendations that was offered by the study helped Diamond trust bank Kenya limited and other banks by providing them with sufficient tools and information. The findings were going to form part of articles that were useful to researchers who were aiming at carrying the study further. It also provided new evidence on how human resource practices could best influence employee retention in the banking industry.

Research findings was to be beneficial to human resource managers of Diamond trust bank Kenya limited and the management as well. This was because it was expected to provide solutions on how to handle the issue of employee turnover. This helped policy makers in these organizations formulate best retention policies, adopt strategies that boosted retention and make informative decisions when formulating and implementing policies.

The research was vital to policy makers in Diamond trust bank Kenya limited as it helped in making policies that will govern work operations and the working environment.

On the conclusion, the study assisted human resource managers at Diamond trust bank Kenya limited and banking industry all together, to advance their understanding on the significance of empowering employees. It also showed the connection between employee empowerment and retention and their importance to human resource practice. The study ensured the right information is captured regarding employee details at the entry level. This empowered managers and human resource to be able to control actions throughout the workflow process. It also enabled HR practitioners obtain a practical strategy to develop employee retention program and reduce the anxiety of high turnover. The study also helped in managing the diverse and ever changing climate in the business world since as businesses grow it becomes necessary to attract and retain good employees (Carrell, 1995).
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The part outlines vital literature relevant to research variables. Literature review analyses in details the theoretical foundations of the study, conceptual literature on employee empowerment and employee retention as well as an empirical review.

2.2 Theoretical Foundation of the Study

The research was founded on Kanters theory and social exchange theory which are discussed as follows;

2.2.1 Kanters Theory

Features of a corporation determines empowerment (Kanter, 1993). Kanter is among the old proponents of empowerment, Kanter states that official job features and casual groupings influence the aptitude of staff to achieve their work. Job achievement is affected by companies mobility and the opportunity for individual development. Laschinger et al (2001, 2004) and Wagner et al (2010) argues that employees who are empowered are normally more contented with their occupation. Kanter (1993) noted that features of circumstances can also restrain or give confidence for ideal occupation performance despite the individual predispositions or biases. The researcher noted that authority is the capability to mobilize resources towards ensuring tasks are done. Authority takes place if employees are able to access information, resources, support as well as opportunity to develop as well as learn.

Kanter states that lines of authority come from official and casual groupings within institutions. Access to opportunities with the intention of development and progression within the corporation and the chance to enhance information and abilities. When resources are accessed one is able to get the monetary means, resources, time and equipment needed to achieve the task; access to information involves getting official and casual information that is needed to be efficient in the workstation. This is the practical understanding and abilities needed to complete a task as well as the knowhow of organizational decisions and guidelines; access to support includes getting response and assistance from employees on
the lower level, peers and supervisors. Kanter (1993) and Greco et al (2006) argues that the function of organizations is to create situations for job efficiency; workers that trust their job surroundings offer admittance to these aspects and are empowered.

This theory clearly fits into this study because it clearly demonstrates conditions that are needed if empowerment is to be obtained. These are; a chance to enhancement, admittance to support, admittance to resources, official and informal authority. Kanters theory has shown beyond reasonable doubt that employees empowerment enables employees to have job satisfaction. Kanters theory focuses one main idea that is the workers perception of the real conditions in the employment surroundings and not the interpretation of the knowledge psychologically. Lautizi, Laschinger and Ravazzolo (2009) and Wong and Laschinger (2013) pointed out that “structural empowerment was found to foretell employment fulfillment, Smith, Andrusyszyn and Laschinger (2010) added that it also predicts job dedication. Lautizi et al (2009) have shown a strong connection between structural empowerment and professional satisfaction. Laschinger et al (2004) and Lautizi et al (2009) pointed out that access to openings to discover as well as to develop is a crucial element of structural empowerment.

2.2.2 Social Exchange Theory

Eisenberger, Lynch and Asclage (2004) and Farell and Rusbult (1981) explains social exchange process to begin when organizational actor maybe a supervisor or a workmate and treats a person either in a confirmatory or cynical manner. These behaviors are also referred to as initiating actions. Riggle, Edmondson and Hansen (2009) noted that positive initiating actions may be for example giving organizational support or justice as noted by Cropanzano and Rupp (2008). Tepper and Carr et al (2009) noted that negative initiating actions might include abusive supervision, impoliteness as noted by Anderson and Pearson (1999) or bullying as stated by Lewis (1999).

In response to these initiating actions a worker can decide to respond to this treatment with positive or negative way (Gouldner, 1960). This behavior is called reciprocating responses. The theory noted that workers can respond by involving further in positive reciprocating reactions and less negative reciprocating reactions that is in response to positive initiating
actions. Behavioral and relational responses are the two major types of responses. These responses can cause each other.

A number of victorious reciprocal exchanges can change a financial change connection into an elevated quality social exchange association. In this manner people may become affectively loyal to organizations and more trusting among other aspects. On the other hand when subordinates are treated poorly there will be less positive social exchange relationship, according to (Schyns & Schilling, 2013) there will be low commitment.

This theory applies to this study because employee empowerment is a positive initiating action which will achieve a positive response. The theory predicts that affirmative initiating behavior might enhance confidence and the improved confidence would encourage positive behavioral actions. In social exchange theory inadequate approval to a degree in which a number of concepts are regularly used in social exchange studies are negative for instance supervising abusively. Research on social exchange can help from containing the capability to differentiate the concepts from each other. Social exchange theory does not at all differentiate between behavioral action and inaction. (Spector and Fox, 2005; Vadera et al; 2013).

### 2.3 Employee Empowerment Strategies

Spreitzer et al (1997) and Laschinger et al (1999) and Jun et al (2006) stated that Organizations apply employee empowerment strategies to achieve; very committed and inspired employees, individual and organization topmost performance, and increasing employees autonomy in their work, achieving quality work and sinking absenteeism in employees. Empowerment strategies organizations can apply include; involvement in decision making, delegation of authority, training to advance competence, communication sharing the shared vision and objectives, providing of resources and building trust rapport (Baertner, 2005). Arindam (2015) identifies six strategies on employee empowerment as follows; providing the necessary skills to do the job in that employees cannot perform assigned duties if they do not have skills. Training on appropriate skills is emphasized.

Granting sufficient authority whereby employees should be provided with adequate authority to decide on how to complete their duties. Authority should be given to
employees for them to independently choose the manner in which to give quality feedback on their responsibilities. Authority and responsibility go hand in hand and should not be misused.

Articulating the vision of individuals’ process in that personnel have to have a clear concept approximately the outcome and where their competencies match. It empowers them with broader perspective of the agencies overall venture, vision, dreams and strategic plans. Converting of work definitions, the content of the work this is to increase the accomplishments required of a challenge or determining new jobs which can be appropriate for undertaking and the vision of corporations through enriching techniques, to boom authority of workers and which means of the activity. Providing adequate information and resources whereby employees should be supplied with the right information and allocated required resources to empower them deliver their best in their jobs. Also increase the qualifications of managers with training programmes, recruiting systems and by empowerment from external resources. (Spreitzer, 1996).

Building employees’ confidence whereby employers should provide forums for growth opportunities by giving them challenging tasks. This will help employees develop personally and also boost growth of the organization. Employers should exhibit trust and support in their staff ability to accomplish a work assignment as this encourages them to offer their best. Cross learning should also be Recommended in order that personnel gain from each different abilities and knowledge. Overall performance appraisal gadget also assist personnel’ foresee their weak capabilities and to improve their energy in the regions they use their authority.

Guiding with positive feedback, employers should give positive feedback about duties done and guiding their staff about the best practices as it greatly inspires them. For empowered employees handling a large workforce becomes easier as they work towards achieving both their individual and organizational objectives. Empowered employees are greater satisfied and dedicated to paintings and less probable to revel in stress and anxiety and also do no longer think about quitting their work. Putting the right personnel in the right function at the right time and educate them well is an essential undertaking that businesses face and so managers need to recruit a professional team of workers with a
coherent and comprehensive strategic vision. Onboarding and orientation which aims to develop an onboarding process where new staff learn about the activity and organizations lifestyle and the way they could make contributions and thrive with ongoing discussions, goals and possibilities to address questions and problems as they arrive. Mentorship applications, whereby new employees are paired with mentors, are a good idea as they offer hires a fresh viewpoint to experienced staff. Dealing with change, organizations should keep their staff informed to avoid issues when the organization is going through major changes like layoffs. (Half, 2018)

2.4 Factors Influencing Employee Retention

The fundamental role of management is to prepare, manage, direct and organize operations of their organizations (Abbasi and Hollman, 2000). There are six vital factors that are required to be well thought-out in the retention of best skilled human resource (Mc Nee et al, 1998; Dockel, 2003):

Haut and Gerdloff (1999) noted that compensation provides a chance for security, self-sufficiency, acknowledgment and an enhanced confidence. Enhanced confidence and significance should bring about effective loyalty. There is a Positive relationship between salary and commitment (Mathieu and Zajac, 1990). Salary is positively correlated to company’s dedication and negatively correlated to turnover (Igra & Greenhaus, 1992). Insufficient competitive compensation system will affect the turnover. Turnover can be caused by a badly planned salary policy when benefits as well as salaries fail to be competitive. Workers anticipate for rewards for their good job and wish to receive financial motivation corresponding to the task they did for the company.

The high the intensity of independence a worker poses the more negatively it will be interconnected with turnover (Marsh & Mannari, 1997). Education for the employees is essential for the endurance of every skilled worker it is also the only means they can remain employable over the spam of their profession. Companies offering education to their employees influence the psychological state of the workers (Chang, 1999). If workers feel that the organization is liable for offering proper training, employees will think that the organization is concerned with enhancing their knowledge and skills and therefore they
will be committed to the company. Perception of the organization devote to professional oriented practices as well as interior promotions, training and advancement and job security are positively correlated to dedication (Baruch, 2004).

Superiors support take account of superior’s actions that maintain skilled employees’ advancement like rewards and acknowledgment. Skilled workers value response from their co-workers and superiors (Ledford, 2001). Giving enough performance response to workers help reinforce affirmative attitudes towards the companies and enable avoid prior intentions for turnover.

Burkle (2004) argues that work life policies includes leave policies that give the employee a chance to be with their family. Dubic (2000) noted that skilled workers are mostly worried about the leave, work schedules that are flexible, family sociability and closeness to residence than employment seeking workers who are passionately looking for new posts. A research was done to investigate the effect of work and family benefits on corporate loyalty (Grover & Crooker, 1995). The research showed that annual leave, flexible Schedules, childcare guide and records are the benefits and the workers who show dedication to their companies were the ones who had get right of entry to work existence regulations. Profession possibilities give extra important predictors of retention than any other kind of reward (Kochanski & Ledfords, 2001). They following are related to commitment: organization loyalty to occupations oriented practices include internal promotions, education and improvement and activity security (Baruch, 2004).

2.5 Empirical Studies and Research Gaps
Employee empowerment on employee retention aims as establishing Profitable and sustainable role for a company in opposition to the forces that decide enterprise competition. Successful employee empowerment and employee retention results in more overall performance and maintainable aggressive gain. Numerous researches have been conducted both locally and internationally on employee empowerment and employee retention. Punia, 2004 did a research on empowering employees and retention methods in varied business culture. The study pointed out that latest period has revealed an elevated amount of diversity and security in the industry surroundings. Varied business culture has additionally affected the workers’ maintenance by getting rid of employment relations
limited to traditional matters. Punia has also made it known that Indian firms are experiencing difficulties to keep the gifted and are ending up using new methods of empowerment to retain the finest.

Hanaysha (2016), who did research to determine influence of empowering employees, cooperation and workers training on firms’ dedication in Malaysian higher education institution. The result showed that empowering employees has a huge effect on institutional dedication. Local studies done include, Ndegwa (2015) who did research on the connection between empowering employees and firm output among Kenya commercial banks. The findings of the research were that there is a relationship between empowering employee and the firm’s performance in Kenyan commercial banks. Njue 2014, carried out a study on efficiency of empowering employees’ methods adopted by Chinese who have building and construction organizations in Kenya. The findings of this study revealed that empowering employees’ methods adopted influenced employee empowerment in the Chinese firms. Angwenyi (2009), studied employee empowerment practices in commercial banks in Kenya. Her findings indicated that employee empowerment practices influenced operations in the bank.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This part included the research method of the research. It contains the studies layout, target population, statistics collection and data analysis system.

3.2 Research Design

Kirumbi (2018) describes research design as a set of methods and tactics utilized in analyzing measures of the variables distinctive within the research problem. According to Burns and Grove (2003), Descriptive studies is designed to provide the picture of a scenario as it clearly occurs to provide correct portrayal of traits of a particular person, situation or group. The study adopted a descriptive survey layout due to the fact data was collected from a sample of the population. It described the characteristics of variables in a population. It answered questions on who, when, what, where and how much. It involved collection of data from the representative sample (Cooper and Schindler, 2006). These studies were way of coming across new meanings, describing what exists, coming across the frequency with which something happens and categorizing records (Dulock, 1993)

3.3 Population of the Study

The target population for this study was all employees of diamond trust bank Kenya limited who were 1089 in total according to the human resource records as at September 6 2018.

3.4 Sample Design

The research followed a stratified sampling technique whereby all the employees of diamond trust bank Kenya limited were categorized into 3 levels i.e. senior level, middle level and junior level. 20% of respondents will be picked from each category using simple random sampling technique.
Table 3.1: Sample and Sampling Technique

<table>
<thead>
<tr>
<th>Levels</th>
<th>Population</th>
<th>Sample (20% of pop)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior</td>
<td>186</td>
<td>38</td>
</tr>
<tr>
<td>Middle</td>
<td>137</td>
<td>28</td>
</tr>
<tr>
<td>Junior</td>
<td>764</td>
<td>153</td>
</tr>
<tr>
<td>Total</td>
<td>1089</td>
<td>218</td>
</tr>
</tbody>
</table>

3.5 Data Collection

Primary data was used and was collected using a semi structured questionnaire. The questionnaire was divided into 3 parts, part A comprised of the bio data, Part B contained questions on employee empowerment practices and part C contained questions on employee retention practices. The questionnaire was administered through the drop and pick later procedure and the respondents were employees of DTB Kenya Ltd.

3.6 Data Analysis

Collected data was quantitative in nature so analysis was done using descriptive statistics namely: frequencies, percentages, mean scores and standard deviations. To establish the influence of employee empowerment on employee retention, simple linear regression analysis was done guided by the model:

\[ Y = \beta_0 + \beta_0X + E \]

Where \( Y \) = Employee Retention

\( X \) = Employee Empowerment

\( \beta_0 \) = Constant

\( \beta \) = Regression Coefficient

\( E \) = Error Term
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction
This chapter provides the analysis of field data, results and discussion of the findings of the study. This study derived data from one main source, namely a semi structured questionnaire. The study was also strengthened by comprehensive review of related literature, which provided understanding on the influence of employee empowerment on retention at Diamond Trust Bank Kenya limited.

4.2 Response Rate
The total number of targeted respondents was 218. In the field research, the questionnaires were given to the entire 218. Out of this number, 186 responded. With respect to study, the response achieved was 85.3% of the target population. Although the 100% response was not met, collected data was still within the descriptive research and therefore attained the necessary validity.

Figure 4.1 Response Rate
4.3 Demographic Data

4.3.1 Respondents' gender

The study sought to identify the sex of the respondents. They were thus asked to indicate their gender and analysis presented below in Table 4.1

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>98</td>
<td>53</td>
</tr>
<tr>
<td>Female</td>
<td>88</td>
<td>47</td>
</tr>
<tr>
<td>TOTAL</td>
<td>186</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.2: Respondents Gender

The findings in Figure 4.2 show that 47% of respondents were female, while 53% were male.

4.3.2 Respondents’ age bracket

Respondents' age was key to the study. Data on the same were analyzed and the findings presented in Table 4.2.
Table 4.2 Age bracket

<table>
<thead>
<tr>
<th>Age bracket</th>
<th>Freq.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-25 years</td>
<td>15</td>
<td>8</td>
</tr>
<tr>
<td>26-35 years</td>
<td>130</td>
<td>70</td>
</tr>
<tr>
<td>36-45 years</td>
<td>30</td>
<td>16</td>
</tr>
<tr>
<td>46-55 years</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Above 56 years</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

Figure 4.3: Age bracket

Findings in Table 4.1 shows majority (70%) respondents were between 26-35 years of age; 8% years between 15-25 years, 16% between 36-45 years while 2% were above 56 years. Age diversity in organizations is strongly encouraged, and an increasing number of sectors are enacting diversity-related policies.

4.3.3 Education level

Analysis was done on respondents education level and results presented in Table 4.3.
Table 4.3 Respondents education level

<table>
<thead>
<tr>
<th>Level</th>
<th>Freq.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Diploma</td>
<td>17</td>
<td>9.4</td>
</tr>
<tr>
<td>Degree</td>
<td>135</td>
<td>72.6</td>
</tr>
<tr>
<td>Masters</td>
<td>22</td>
<td>12</td>
</tr>
<tr>
<td>Doctorate</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>186</td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The results show majority (72.6%) were degree holders, 3% had doctorates while 12% had masters degrees. Only 1% said other while 2% had certificates. Overall, the indication of the results point to the emerging need for pursuing higher education among bank employees. The need for higher education continues to grow, and the increase in both public and private universities and colleges had offered a platform for employees to pursue further studies.

4.3.4 Duration of service

The respondents’ duration of service in their current bank branches was assessed; and analysis presented as shown in Table 4.4.

Table 4.4 Duration of service

<table>
<thead>
<tr>
<th>Level</th>
<th>Freq.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 5 years</td>
<td>99</td>
<td>53.1</td>
</tr>
<tr>
<td>6-10 years</td>
<td>81</td>
<td>43.8</td>
</tr>
<tr>
<td>11-15 years</td>
<td>6</td>
<td>3.1</td>
</tr>
<tr>
<td>Above 16 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>186</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Figure 4.4.: Duration of service

Duration of service varied with 53.1% having served below five years, 43.8% reported having served between 6-10 years while 3.1% had been in their current branches for 11-15 years.
### 4.4 Employee Empowerment

**Table 4.5 Employee empowerment analysis One-Sample Statistics**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority is not for top management only</td>
<td>32</td>
<td>2.9688</td>
<td>1.06208</td>
<td>.18775</td>
</tr>
<tr>
<td>Quality feedback on my responsibilities supported by top management and emphasized clear idea on organization overall mission</td>
<td>32</td>
<td>2.5312</td>
<td>1.21773</td>
<td>.21527</td>
</tr>
<tr>
<td>Involved in decision making</td>
<td>32</td>
<td>2.5625</td>
<td>1.21649</td>
<td>.21505</td>
</tr>
<tr>
<td>Well-structured program for articulation</td>
<td>32</td>
<td>1.6250</td>
<td>.75134</td>
<td>.13282</td>
</tr>
<tr>
<td>Adequate resources to perform better</td>
<td>32</td>
<td>2.5312</td>
<td>1.07716</td>
<td>.19042</td>
</tr>
<tr>
<td>Built a trust rapport with top management</td>
<td>32</td>
<td>2.0645</td>
<td>.92864</td>
<td>.16679</td>
</tr>
<tr>
<td>Able to grow and develop in my career</td>
<td>32</td>
<td>2.1875</td>
<td>.93109</td>
<td>.16460</td>
</tr>
<tr>
<td>Forum for growth and by challenging tasks intrinsic and can be improved when empowered i feel confident evaluate my development opportunities</td>
<td>32</td>
<td>2.1000</td>
<td>.99481</td>
<td>.18163</td>
</tr>
<tr>
<td>Get inspired about their best pracices</td>
<td>32</td>
<td>1.8065</td>
<td>.94585</td>
<td>.16988</td>
</tr>
<tr>
<td>salary increment and bonuses</td>
<td>32</td>
<td>3.4839</td>
<td>1.12163</td>
<td>.20145</td>
</tr>
<tr>
<td>Always provided with positive feedback</td>
<td>32</td>
<td>2.8438</td>
<td>1.24717</td>
<td>.22047</td>
</tr>
<tr>
<td>New staff learn about the job and company’s culture policies that support employees onboarding and orientation ongoing discussions, goals and opportunities of the bank</td>
<td>32</td>
<td>2.2812</td>
<td>1.14256</td>
<td>.20198</td>
</tr>
<tr>
<td></td>
<td>32</td>
<td>2.5000</td>
<td>1.16398</td>
<td>.20576</td>
</tr>
<tr>
<td></td>
<td>32</td>
<td>2.3438</td>
<td>1.00352</td>
<td>.17740</td>
</tr>
</tbody>
</table>
Results from Table 4.5 above shows that authority is not for top management only (Mean =2.97, SD=1.06) and there is quality feedback on employee responsibilities (Mean =2.53, SD= 1.22). Moreover, support by top management is emphasized (Mean =2.6, SD=1.22) through clear idea on organization overall mission (mean=1.63, SD=0.75).

The results further revealed that employees are involved in decision making (Mean =2.94, SD=1.24) as part of employee empowerment programs. In addition, well-structured program for articulation (Mean =2.53, SD=1.24) as well as adequate resources for employees to perform better (Mean =2.06, SD=1.08).

Building of trust rapport with top management was also rated as at (Mean =2.32, SD=1.01). While employees cited the ability to grow and develop their career (Mean =2.16, SD=0.93), there were also provided with forums for growth and by challenging tasks (Mean =2.19, SD=0.93).

Consequently, results show that employee empowerment is intrinsic and can be improved (Mean =2.10, SD=1.00), and confirmed that when empowered, employees feel confident about their work (Mean =1.81, SD=0.95). The ability to evaluate employee career development opportunities (Mean =1.90, SD=0.91), get inspired about their best practices (Mean =1.81, SD=0.82).

Most importantly, salary increment and bonuses (Mean =3.48, SD=1.12) was cited as a key employee empowerment strategy. Others were always providing with positive feedback (Mean =2.84, SD=1.25) and new staff learn about the job and company’s culture (Mean =2.28, SD=1.14).

Policies that support employees’ onboarding and orientation are supported at DTB (Mean =2.50, SD=1.16). Ongoing discussions, goals and opportunities of the bank are highly encouraged (Mean =2.34, SD=1.00). Regarding organizational policies, policies that support employees’ onboarding and orientation were rated at (Mean =2.50, SD=1.16) while ongoing discussions, goals and opportunities of the bank (Mean =2.34, SD=1.00).
### 4.5 Employee Retention

#### Table 4.6 Employee retention analysis One-Sample Statistics

<table>
<thead>
<tr>
<th>Factor</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive compensation policies</td>
<td>31</td>
<td>3.2258</td>
<td>1.08657</td>
<td>.19515</td>
</tr>
<tr>
<td>fair compensation policy</td>
<td>30</td>
<td>3.1667</td>
<td>1.20583</td>
<td>.22015</td>
</tr>
<tr>
<td>professionals work content developed and nurtured</td>
<td>29</td>
<td>2.7241</td>
<td>1.09859</td>
<td>.20400</td>
</tr>
<tr>
<td>Effective work life policies-parental leave etc.</td>
<td>30</td>
<td>3.3333</td>
<td>1.32179</td>
<td>.24132</td>
</tr>
<tr>
<td>Independent duties assigned and well established</td>
<td>29</td>
<td>2.6897</td>
<td>1.03866</td>
<td>.19287</td>
</tr>
<tr>
<td>Sufficient performance feedback given</td>
<td>30</td>
<td>2.9000</td>
<td>1.15520</td>
<td>.21091</td>
</tr>
<tr>
<td>Appropriate skills provided to improve my abilities</td>
<td>30</td>
<td>2.6667</td>
<td>1.21296</td>
<td>.22145</td>
</tr>
<tr>
<td>Mentorship programs for new hires</td>
<td>30</td>
<td>2.6000</td>
<td>1.13259</td>
<td>.20678</td>
</tr>
<tr>
<td>Adequate resources for training and development programs</td>
<td>30</td>
<td>2.8667</td>
<td>1.13664</td>
<td>.20752</td>
</tr>
<tr>
<td>proactive strategies for building and maintaining a high tech company's reservoir</td>
<td>30</td>
<td>2.8000</td>
<td>1.06350</td>
<td>.19417</td>
</tr>
<tr>
<td>committed to my work</td>
<td>31</td>
<td>2.2581</td>
<td>1.15377</td>
<td>.20722</td>
</tr>
<tr>
<td>beneficial to me</td>
<td>32</td>
<td>2.0938</td>
<td>.99545</td>
<td>.17597</td>
</tr>
<tr>
<td>Beneficial to me</td>
<td>32</td>
<td>2.0312</td>
<td>1.06208</td>
<td>.18775</td>
</tr>
<tr>
<td>plays a big part in my decisions to stay or quit</td>
<td>31</td>
<td>2.8710</td>
<td>1.17592</td>
<td>.21120</td>
</tr>
<tr>
<td>well-structured work-life policies</td>
<td>31</td>
<td>3.0323</td>
<td>1.19677</td>
<td>.21495</td>
</tr>
<tr>
<td>favour me</td>
<td>31</td>
<td>3.1613</td>
<td>1.24088</td>
<td>.22287</td>
</tr>
<tr>
<td>matched well with my job description</td>
<td>32</td>
<td>2.7188</td>
<td>1.27594</td>
<td>.22556</td>
</tr>
<tr>
<td>influences turnover</td>
<td>30</td>
<td>2.5000</td>
<td>1.00858</td>
<td>.18414</td>
</tr>
<tr>
<td>Adequate job duties which enables me to evaluate my career plan</td>
<td>32</td>
<td>2.6875</td>
<td>1.20315</td>
<td>.21269</td>
</tr>
<tr>
<td>well-structured career opportunities in my bank</td>
<td>32</td>
<td>2.8750</td>
<td>1.21150</td>
<td>.21417</td>
</tr>
</tbody>
</table>
The results in the Table 4.6 reveal that retention strategies are competitive compensation policies (Mean=3.23, SD=1.09), fair compensation policy (Mean=3.17, SD=1.21), professionals work content is developed and nurtured (Mean=2.72, SD=1.10), effective work life policies- parental leave etc. (Mean=3.33, SD=1.32), independent duties are assigned and well established (Mean=2.69, SD=1.04) and sufficient performance feedback given (Mean=2.90, SD=1.16) and are important aspects of employee retention

Similarly, appropriate skills provided to improve employees abilities (Mean=2.67, SD=1.21) and to a very great extent mentorship programs for new hires as shown by (Mean=2.60, SD=1.13) were key retention components. In addition, the findings indicate adequate resources for training and development programs are provided (Mean=2.87, SD=1.14), proactive strategies for creating and maintaining a high technology organizations reservoir (Mean=2.80, SD=1.06) as retention strategies.

Commitment to work as employee retention factor indicate tasks are beneficial to employees and are important to a great extent as expressed by (Mean=2.26, SD=1.15) and (Mean=2.09, SD= 1.00) respectively. Other factors cited as important for employee retention included role played by management in decision regarding whether to stay or quit (Mean=2.87, SD=1.18), well-structured work-life policies (Mean=3.03, SD=1.20), job favoring employee (Mean=3.16, SD=1.24), matching responsibilities well with employee job description (Mean=2.72, SD=1.28) all influence employee retention. Consequently, these factors also had an effect on turnover (Mean=2.50, SD=1.01) and career plan evaluation (Mean=2.69, SD=1.20) as illustrated. Well-structured career opportunities in my bank are also vital to employee retention (Mean=2.88, SD=1.21).

4.6. Model Summary

Table 4.7 Model Summary (Employee Empowerment and Employee Retention)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.400*</td>
<td>0.16</td>
<td>0.131</td>
<td>1.07536</td>
</tr>
</tbody>
</table>

b. Dependent Variable: Employee Retention
Table 4.7 above shows model summary of regressed study variables. The correlation coefficient (R) value represents the degree and strength of association between independent variable and the dependent factors. Coefficient of correlation ranges between -1 and 1 and in this model therefore the coefficient of correlation is 0.400 which indicates a positive correlation between employee empowerment and employee retention.

Consequently, the R Squared is the coefficient of determination which indicates the extent of the total variation in the dependent variable. From the above, the R squared (R²) statistic gives the goodness of fit of the model which shows how good the regression model approximates the real data points. The R² of this model is 0.16 which implies that the model is a good fit of the actual data. The coefficient of determination of 0.400 implies that 40% of the variance in dependent variable (employee retention) is described by changes in the employee empowerment strategies used.

4.6.1 ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>6.4</td>
<td>1</td>
<td>6.4</td>
<td>5.534</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>33.536</td>
<td>29</td>
<td>1.156</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39.935</strong></td>
<td><strong>30</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent variable: Employee retention

b. Predictors: (Constant), Market development, Market penetration strategy, Pruct development, Product diversification

The model summary also indicates that the dependent variable (employee retention) is significantly accurately predicted by the regression model. The statistical importance of the model of regression analysis that was computed is shown by the F test. The P=0.0026, which is less than 0.05 designates that, generally the regression model significantly and statistically predicts the dependent variable that is good fit for the data.
4.6.2 Coefficients of correlation

Table 4.9: Coefficients of Correlation

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.257</td>
<td>0.467</td>
<td>2.69</td>
<td>0.012</td>
</tr>
<tr>
<td>Employee empowerment</td>
<td>0.554</td>
<td>0.236</td>
<td>0.4</td>
<td>2.353</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Retention

The overall equation model for employee performance was as follows:

\[ Y = 1.257 + 0.554X_1 \]

This implies that from the model, at any given point, the employee empowerment will be 1.257 when the values of all predictor variables are zero. The model demonstrates that when employee empowerment changes by one unit, then employee retention will increase by 0.554 units; indicating that employee empowerment influences employee retention.

4.7 Discussion of Research Findings

The level of employee empowerment as depicted from the mean scores and standard deviation shows all employee empowerment is relatively high. Employees are confident about the fundamental goal of employee empowerment measures in the banking institution.

Regarding employee empowerment, the findings have indicated varying means and standard deviation ratings that authority is not for top management only and quality feedback on employee responsibilities is granted. Moreover, support by top management is emphasized through clear communication of the overall missions. The results further revealed that employees are involved in decision making as part of employee empowerment programs. Although results show well-structured program for articulation are provided, building trust and rapport with top management was cited as a key employee empowerment strategy.
From the results (Table 4.5), the ability to evaluate employee career development opportunities scored high. Consequently, the results on employee empowerment (Table 4.5) revealed that while employees are given the chance to grow and expand their career, as well as forums for growth through challenging tasks, the ability to evaluate employee career development opportunities underscores the extent to which such opportunities inspire employees about their best practices.

Most importantly, salary increment and bonuses were cited as key employee empowerment strategies. Others were always providing employees with positive feedback and learning about the job and company’s culture, organizational policies and policies that support employees’ onboarding and orientation.

Employee performance is about personnel reaching the consequences, desires or standards as in step with the expectations set by means of the agency. Personnel are gauged on how they accomplish assigned tasks compared to the overall performance requirements set. In brief, it’s far the achievement of a task rated in opposition to pre-set requirements of accuracy, completeness, fee, and speed, the projects they take, their creativity in fixing problems and the resourcefulness in the way they utilise their resources, time and energy as supported by means of (Rothman & Coetzer, 2013).

In light of these results, similar studies by Kazlauskaite (2012) who carried out a study on organizational psychological empowerment in the HRM-performance linkage showed that employee empowerment influenced a range of organisational dimensions including training, decision-making, autonomy and information sharing and employee retention. The results are also consistent with a study by Yang and Choi, (2009) who did a study on employee empowerment (autonomy, responsibility, information, creativity) and team performance. Their study established that there was a significant relationship between employee empowerment and team performance.

Regarding employee retention, the results in the Table 4.6 reveal that retention strategies are competitive compensation policies, fair compensation policy and nurturing professional work content. Moreover, effective work life policies-, parental leave,
providing independent duties and sufficient performance feedback are important aspects of employee retention.

Similarly, appropriate skills provided to improve employee skills, mentorship programs for new hires were key retention components. In addition, the findings indicate adequate resources for training and development programs, proactive strategies for building and maintaining a high tech organizational reservoir are likely to influence employee retention. Although skill development scored high, retention relies on the nature of empowerment programs in place. Therefore, for organizations to be successful, Ayupp and Chung (2010) emphasize that retention should include management practices, open communication, knowledge sharing throughout the organization.

The results match that of a study by Hanaysha (2016), who did research to determine effect of empowering employees, cooperation and workers training on firms’ dedication in Malaysian higher education institution. The result showed that empowering employees has a huge effect on institutional dedication. Employee dedication is an indicator of commitment to work as employees feel the tasks are beneficial to them. When appropriate retention methods are adopted and implemented by the company workers will stay and work for the attainment of organizational objectives as supported by (Gberevble, 2008).

According to the findings of the study, regression analysis results, the overall regression analysis confirmed positive relationship between employee empowerment and employee retention. Based on a recommendation of Mathew (2015) which focused on successful organizations, it is necessary to recognize the importance of employee retention in helping organization to growth and advancement of their strategies in order to stay in the environment. According to the results, it can provide a set of areas for banking institutions to do more interest about the empowerment because of its positive impacts on retention.

The findings are in agreement with a study by Meyerson (2012) on the effect of empowerment on employees performance. The study found out that employee empowerment had a direct effect on not only employee skills but also retention and overall organizational performance.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter indicates a summary of the findings, conclusions, recommendations and suggestions for further research based on the findings of the study. The findings were based on the themes and general objective of the study.

5.2 Summary of Findings
Results indicate that employee empowerment and retention strategies vary across the thematic areas. On granting sufficient authority, employees are given an opportunity to choose the manner in which to give quality feedback on their responsibilities. Although top management support is emphasized, decision-making process across employees’ management is still work in progress.

Regarding information access, adequate resources are provided to perform better, which allows employees to develop their careers. Moreover, employee empowerment also enhances confidence through forums for growth and by giving me challenging tasks. The study also found out that employee empowerment through effective onboarding and orientation processes had improved; with new staff given opportunity to learn about the job and company’s culture. Consequently, employee empowerment was improved through supporting of high professionals work content through development and nurturing. Nevertheless, provision of adequate resources for training and development programs scored low.

Although the bank had a competitive compensation system (wage policy where benefits and salaries are competitive is assured); this did not translate into assuring job security. Supervisor support was part of empowerment programs for the bank. Despite the existence of adequate job duties which enables employees to evaluate their career plan; work life policies were cited as key factors that played a big role in employee decision as to whether to stay or quit.
The regression analysis for employee empowerment and employee retention provides evidence confirming a close and positive relationship between employee empowerment and employee retention.

5.3 Conclusion
Findings of the research indicate a significant and positive relationship between employee empowerment and employee retention; hence results of the research show a positive influence on job retention.

The study findings confirm theoretical notions of Kanters theory and social exchange theory that employees who are empowered are normally more contented with their occupation. However, it is noteworthy that decision-making (across top and middle, lower management), trust rapport with top management, positive feedback about duties, provision of adequate resources for training and development programs and effective work life policies can greatly influence the extent to which employee retention is achieved.

Consequently, work-life balance is one effective retention approach. Conversely, from the research findings, a conclusion can be made that different retention strategies, develop and retain a group of employees who have potential to lead the company. This study thus concludes that the nature of implementing employee empowerment strategies is key in employee retention.

Regarding employee empowerment, the study established that while sufficient authority is supported by top management and emphasized, the extent to which such authority enables staff to give quality feedback on their responsibilities was still work in progress. Consequently, from the study findings it can be concluded that employee empowerment starts with the concept of strategic match between people, tasks, information tactics, rewards and corporation shape for which all ought to be in alignment before the company can work efficiently.

5.4 Recommendations
Recommendations made in this part were derived from the conclusions about the study findings. The researcher recommended solutions that could help banks review strategies
being used to enhance employee retention.

- The significance of granting sufficient authority to ensure authority is not for top management only and is achievable when appropriate institutional measures that ensure all management levels work towards a common interest to ensure effective service delivery. Specifically, bank managers should come up with a goal-oriented context for leveraging capacity inputs from junior employees. Management should utilize a systems approach to managing their financial institutions.

- Based on the findings, provision of adequate information and resources is still work in progress. Therefore, the bank should develop a more holistic approach to create avenues that ensure resources are allocated to all employees to curb resource wastage.

- The effectiveness of work life policies that play a big role in employee retention should be streamlined. Thought should be given to strengthening participative approaches to compensation and rewards.

- There is need to develop proactive strategies for building and maintaining a high technology of the banking institutions’ reservoir. The bank should provide clear goals, clear lines of authority and clear task responsibilities to improve empowerment and job satisfaction of employees. More importantly, recognition of a job well done is essential to any employee empowerment programme. A reward system should be put in place and be seen as fair enough by all the employees.

- The banks should facilitate an empowerment environment by converting structures, rules, tactics and practices, with hopes of making a non-threatening environment that alerts to their employees that behaving in an empowered manner is encouraged and favored.

5.5 Limitations of the Study
The study was a case study, and thus limiting the generalization of the findings of the study. One is the fact that the respondents were insignificant with respect to number of banks in
Kenya. From this perspective, the researcher cannot extrapolate the results to the entire national population. Nevertheless, this study is just a step in a broader research aimed at highlighting employee retention and factors that influence it in the banking sector.

Consequently, conducting a study using a single instrument (questionnaire) may result in some participants giving socially acceptable responses due to the fact, as Webster, Iannucci and Romney (2002) argued, respondents tend to overrate themselves on fantastic behaviours. Findings of the study could not be of value to different areas because of varying socio-financial, organizational culture and strategic variations. According to this researchers motive changed to ensure confidentiality of the research to get as a whole lot statistics as feasible. The strength of selecting a relatively larger sample eliminated any bias.

Socially acceptable responses due to the fact, as Webster, Iannucci and Romney (2002) established, respondents tend to overrate themselves on fantastic traits. A first-rate issue changed into that the effects of the study could not be relevant to different areas as well because of varying socio-financial, organizational culture and strategic variations. In light of this, the researcher’s intention changed into to assure confidentiality of the study to get as a whole lot statistics as feasible.

**5.6 Suggestions for Further Research**

Firstly a major shortcoming of quantitative research is the probability to restrict the research to a limited sample. A clearer view might be achieved in future research by carrying out this study by involving several commercial banks in Kenya and with a larger sample. Although the study served its purpose, using a larger sample for instance all commercial banks

Would help re-emphasize its effectiveness; as far as determining the influence of employee empowerment on retention is concerned.

Secondly, it’s advisable to carry out a research to find out the leadership behavior and dynamics of decision-making processes and how they influence retention.
Third, a study to explore cost effectiveness on empowerment strategies and retention is needed. There should be further research on how organizational culture influence employee empowerment’s.
REFERENCES


kenya, c. b. (2016). *the banking amendment act.*


APPENDIX: QUESTIONNAIRE

My name is Gladwel Kambere pursuing a Degree of Master of Business Administration School of Business, University of Nairobi. I am undertaking a study on “Influence of employee empowerment on employee retention at Diamond Trust Bank Kenya Limited.” Please assist through contribution of information towards this study by answering these questions.

SECTION A: Bio data

Please mark with an (x) or (tick) in the box with the appropriate response. Mark one box only.

1. Gender
   Male [ ] Female [ ]

2. In which age bracket can you be categorized?
   15 – 25 [ ] 26 – 35 [ ]
   36 – 45 [ ] 46 – 55 [ ] 56 and above [ ]

3. What is your highest level of education grade attained?
   Certificate [ ] Diploma [ ]
   Degree [ ] Masters [ ] Doctorate [ ]
   Others (specify) ________________________________

4. What is your duration of service at the current bank?
   Below 5 years [ ] 6 – 10 years [ ]
   11 – 15 years [ ] Above 16 years [ ]
Section B: EMPLOYEE EMPOWERMENT

1. To what extent do you think the following strategies influence employees? Tick where appropriate using the key below:

SA - Strongly agree
A - Agree
N - Neutral
D - Disagrees
SD - Strongly disagree

Section C: EMPLOYEE RETENTION

1. To what extent do you think the following factors influence employee retention? Tick where appropriate using the key below:

2. SA - Strongly agree
3. A - Agree
4. N - Neutral
5. D - Disagrees
6. SD - Strongly disagree

<table>
<thead>
<tr>
<th>Compensation</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>SD</th>
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</thead>
<tbody>
<tr>
<td>a) My bank has reward and compensation offers that assure job security.</td>
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<td>b) My bank has a competitive compensation system (wage policy where benefits and salaries are competitive is assured).</td>
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<td>c) My bank has a fair compensation policy.</td>
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<tr>
<td>Employee empowerment strategies</td>
<td>SA</td>
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<td>N</td>
<td>D</td>
<td>SD</td>
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<td><strong>Granting sufficient authority</strong></td>
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<td>a) I am granted sufficient authority hence authority is not for top management only.</td>
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<td>b) I am granted sufficient authority which enables me to choose the manner in which to give quality feedback on my responsibilities.</td>
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<td>c) In my bank granting of sufficient authority is supported by top management and emphasized.</td>
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<td><strong>Articulating the vision of individuals job</strong></td>
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<tr>
<td>a) I have a clear idea on the organization overall mission, vision, goals and strategic plans.</td>
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<td>b) I am involved in decision making.</td>
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<td>c) My bank has a well-structured program for articulating the vision of individual jobs.</td>
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<tr>
<td><strong>Providing adequate information and resources</strong></td>
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<tr>
<td>a) I am provided with adequate resources to perform better.</td>
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<td>b) I have built a trust rapport with top management due to providence of adequate information and resources.</td>
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<td>c) I am able to grow and develop in my career when resources and information are provided.</td>
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<td><strong>Building employees confidence</strong></td>
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<td>a) My confidence is emphasised through a forum for growth and by giving me challenging tasks.</td>
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<td>b) My confidence is intrinsic and can be improved.</td>
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<td>c) When am empowered i feel confident.</td>
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<td><strong>On job characteristics</strong></td>
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<td><strong>d)</strong></td>
<td>My confidence enables me to evaluate my development opportunities.</td>
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<td><strong>Guiding with positive feedback</strong></td>
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<td>a)</td>
<td>When am guided with positive feedback about my duties I learn and get inspired about their best practices.</td>
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<td>b)</td>
<td>I get salary increment and bonuses as a form of positive feedback.</td>
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<td>c)</td>
<td>Am always provided with positive feedback in my bank.</td>
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<td><strong>Onboarding and orientation</strong></td>
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<td>a)</td>
<td>My bank has effective onboarding and orientation processes where new staff learn about the job and company’s culture</td>
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<td>b)</td>
<td>My bank has policies that support employee onboarding and orientation.</td>
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<td>c)</td>
<td>When am onboarded and oriented it contributes to ongoing discussions, goals and opportunities of the bank.</td>
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<td><strong>Training and Development</strong></td>
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<tr>
<td>a)</td>
<td>In my bank high professionals work content is developed and nurtured.</td>
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<td>b)</td>
<td>My bank has effective work life policies (parental leave, flexible schedules, childcare assistance and childcare information).</td>
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<td>c)</td>
<td>I have a variety and independent duties assigned and they are well established.</td>
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<td>d)</td>
<td>I am given sufficient performance feedback to help reinforce positive attitudes toward the organization.</td>
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</table>
a) I am provided with appropriate skills to improve my skills and abilities.

b) My bank provides mentorship programs for new hires.

c) I am provided with adequate resources for training and development programs.

d) I have Proactive strategies for building and maintaining a high technology company’s reservoir (internal promotions, training and development and employment security).

**Supervisor Support**

a) Supervisor support provided at my bank makes me committed to my work.

b) Supervisor support is beneficial to the bank.

c) My relationship with my supervisor is beneficial to me.

**Work life Policies**

a) My bank has Work life policies that play a big role in my decision whether to stay or quit.

b) My bank have well-structured worklife policies.

c) In my bank work life policies favour me.

**Career Opportunities**

a) Mycareer opportunities are matched with my job description.

b) My career opportunities influences turnover.

c) In my bank we have adequate job duties which enables me to evaluate my career plan.

d) We have well-structured career opportunities in my bank.