

**THE PERCEIVED EFFECT OF CAREER DEVELOPMENT PRACTICES
ON EMPLOYEE RETENTION AT THE KENYA POST OFFICE SAVINGS
BANK**

PRISCA KEMBOI

**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS OF THE DEGREE OF
MASTERS OF SCIENCE IN HUMAN RESOURCE MANAGEMENT,
SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI,**

OCTOBER, 2014

DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

Signature

Date

Prisca Kemboi

D64/64438/2013

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

Signature

Date

Florence Muindi

School of Business

University of Nairobi

DEDICATION

I dedicate this work to my loving husband Joel Kemboi, who sacrificed a lot both morally and financially to ensure that I completed this programme, my children for their patience, my late dad for his motivation to fully exploit my potential and my late mum for her faith in God about my success in my education. To all I say, thank you!

ACKNOWLEDGEMENT

The process of this master's proposal writing has been wonderful learning experience which was coupled with both challenges and rewards. The completion of my study opens a new beginning and a step forward for my endeavors.

Glory be to God for giving me the strength, grace and the resources to complete this study. I am indebted to all those who offered encouragement and advice as I worked on this project.

Special thanks to my supervisor Florence Muindi and moderator George Omondi for their invaluable advice through this proposal.

The most sincere and heartfelt gratitude to my husband Joel Kemboi who encouraged me throughout this period and offered good guidance, may God bless you abundantly.

Thanks to my children Bethwel, Boaz, Janet, and Joan who endured my long absence at home for the period that I did this study. God bless you for patience and understanding.

I am indebted to all my friends for their support and encouragement, special thanks to Msc class 2013 for their frequent calls during this period. This ensured that I remained focused on my project.

I register my appreciation to all those who in one way or another made a contribution to my life during this period.

ABSTRACT

In today's competitive environment, it is necessary that all organizations create a work environment which will enhance growth and development. It has become evident that in order to foster the necessary growth and development of employees all organization should develop a career development program in the workplace. An organizations employee is taken as core assets due to their input toward the existence, growth and development of an organization. In recognition of the pace of changes in the business and economic environment that is presently witnessed, managers and scholars have had to adopt new sources of competitive advantage and profitability. Career development is not about 'getting ahead', but rather about getting to be the best an individual can be and finding a place in an organization where they can express excellence and contribute to the goals of the organization. The objective of the study was to establish the effect of career development on employee retention at the Kenya Post Office Savings Bank (POST BANK). The study used cross sectional descriptive design. The population of the study comprised of all the employees of Postbank head office. The study used stratified sampling because of ease of classifying the population into strata's. The study used primary data that was collected through self-administered questionnaires. The data was analyzed using the Statistical Package for Social Sciences (SPSS) software and presented using tables and figures. The study found out that there are different career development practices that are being practiced in POST BANK. These practices include career planning, guidance and counselling, coaching and mentoring and training. These are geared towards retention of employees in the bank. The practices have resulted in development of staff for future positions, career planning being part of staff training content, formal sessions for discussing career development of each staff and discussion by both parties, helping the bank to know the positions in which they need to fill in order to achieve its objectives, helps in promoting decision-making, providing guidance to staff on career related rights and obligation, development of a healthy self-concept among individual employees, improve relationship and teamwork between staff at different levels, align employee performance with team and organizational objectives, enhance communication between managers and teams and that it help staff to accept and adapt to changes in a manner consistent with their personal values.

TABLE OF CONTENTS

Declaration.....	ii
Dedication.....	iii
Acknowledgement	iv
Abstract.....	v
List of Tables	ix
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study	1
1.1.1 Career Development Practices	2
1.1.2 Career Development Practices	3
1.1.3 Employee Retention	4
1.1.4 Kenya Post Office Savings Bank	5
1.2 Research Problem	6
1.3 Research Objectives.....	8
1.4 Value of the Study	8
CHAPTER TWO: LITERATURE REVIEW.....	9
2.1 Introduction.....	9
2.2 Theoretical Review	9
2.2.1 Motivation- hygiene theory.....	9
2.2.2 Social Exchange Theory.....	10
2.3 Career Development Practices	10
2.3.1 Career Planning.....	11
2.3.2 Employee Guiding and Counseling.....	11

2.3.3 Coaching and Mentoring.....	13
2.3.4 Training	14
2.4 Career Development Practices and Employees Retention.....	15
CHAPTER THREE: RESEARCH METHODOLOGY	18
3.1 Introduction.....	18
3.2 Research Design.....	18
3.3 Target Population.....	18
3.4 Sampling Design.....	18
3.5 Data Collection	19
3.6 Data Analysis	20
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION	21
4.1 Introduction.....	21
4.3 Demographic Profile.....	21
4.3.1 Respondents Cadre.....	21
4.3.2 Respondents' Gender	22
4.3.3 Respondents' level of education	22
4.3.4 Respondents age bracket	23
4.3.5 Length of service with the bank	24
4.4 Career Development Practices	24
4.4.1 Career Planning Practice	25
4.4.2 Employee Guidance and Counselling	26
4.4.3 Coaching and Mentoring Practice	27
4.4.4 Training Practice	28
4.5 Employee Retention.....	29

4.6 Discussion.....	31
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS	34
5.1 Introduction.....	34
5.2 Summary of Findings.....	34
5.3 Conclusion	35
5.4 Limitation of the Study	36
5.5 Recommendation for Policy and Practice.....	36
5.6 Suggestions for Further Research	37
REFERENCES.....	39
APPENDIX I: QUESTIONNAIRE	42

LIST OF TABLES

Table 3. 1: Sample size	19
Table 4. 1: Respondents Cadre	21
Table 4. 2: Respondents' level of education.....	23
Table 4. 3: Respondents age bracket.....	23
Table 4. 4: Length of service with the bank.....	24
Table 4. 5: Career Planning Practice.....	25
Table 4. 6: Employee Guidance and Counselling.....	26
Table 4. 7: Coaching and Mentoring Practice	27
Table 4. 8: Training Practice.....	29
Table 4. 9: Career Development Practice and Employee Retention.....	30

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In today's competitive environment, it is necessary that all organizations create a work environment which will enhance growth and development. It has become evident that in order to foster the necessary growth and development of employees all organization should develop a career development program in the workplace. Werther & Davis (2002) point that such a move s will enhance organizational loyalty among employees, result in higher levels of job satisfaction, lower employee turnover, and fewer employee complaints. Career development and staff motivation are key strategic considerations for all organizations regardless of size, sector, market or profile. Indeed as Mwenebirinda (2008) rightfully observes, the development of the capacity and capability of the organization's managers has a fundamental impact on efficiency, effectiveness, morale and profitability of an organization. High performing organizations increasingly pay close attention to the validity of their recruitment practices and are becoming equally vigilant about developing their employees in order to ensure they achieve optimum performance both in the present and the future (Meyer & Allen, 2001).

An organizations employee is taken as core assets due to their input toward the existence, growth and development of an organization. In recognition of the pace of changes in the business and economic environment that is presently witnessed, managers and scholars have had to adopt new sources of competitive advantage and profitability. The resource-based view theory regards the firm as a cognitive system, which is characterized by idiosyncratic and context-dependent competences that are core to strategic purpose. These are conditioned by hierarchical capabilities, or sets of routines, involved in the management of the firm's core business processes that help to create value. Competences typically involve the development of specialist expertise, and firms may become locked into a trajectory that is difficult to change effectively in the short to medium-term (Tushman & Anderson, 2006). Employees have come in to fill this need through being trained and their level of development being enhanced continuously. In addition, organisations need to strive in acquiring human capital that is a unique resource, both difficult to

replicate and substitute for. For organizations to acquire a high rate of employee retention, then they should understand, encourage and enable their human capital with personal growth to ensure they acquire self actualization (Ontario, 2005).

The banking industry in Kenya has in the recent past witnessed drastic changes. The changes are complex and banks have found it difficult to cope with increasingly competition by relying on the current practices alone. Kenya Post Office Savings Bank do not have an option but to adopt practices that will ensure that the bank is able to compete with other banks as customers now have choice, and they expect products to be customized to their unique needs. Competition is no longer decided by best price alone, but rather it is driven by other factors such as quality, selection, service, and responsiveness. The bank has adopted the paperless technology and partnered with other organizations in order to be competitive. This however cannot succeed alone and this has resulted in the bank ensuring that its employees who are the most important resource are well managed in order to attract and retain competent employees. The employees however are still demanding more non financial rewards from the bank in order to be committed to the bank and one of the rewards which the bank has not incorporated fully in its rewards is the career development practices. The adoption of the practices will ensure that the bank becomes competitive in both financial and non financial rewards thus attracting and retaining its employees.

1.1.1 Career Development Practices

According to Armstrong (2001) career development is of great importance to both the individual employee and the organization. This is so because there is interaction between the organization for which he/she works and the development of the organization through the employees' career. He further notes that an employee develops his/her career through a continuous acquisition of managerial or professional skills and experience which may bring about rewards and promotion. Graham and Bennett (2005) agree with this position and contend that career development involves higher status and responsibilities which can take place in one organization or through movement between organizations or a combination of both. Employees could move from one institution to another not necessarily in the same career, but probably from one field to another or from one level to another.

Successful businesses regardless of size need employees who have the necessary knowledge and skills to make an effective contribution as drivers towards achieving a competitive edge (Prince, 2005). Therefore, vision of a competent, confident, loyal and valued workforce delivering high quality, person-centered services is rightly ambitious. Armstrong (2001) agrees and points out, that today's dynamic environment requires continuous professional and managerial development and consequently, stakeholders should put in place, a range of structures and processes to support the development of the workforce we need now and for the future. It starts with, for example staff orientation, on-job training, experience, short courses, professional courses, post graduate degrees or diplomas (Pareek & Rao, 2002).

1.1.2 Career Development Practices

Career development is a system which is organized, formalized and it's a planned effort of achieving a balance between the individual career needs and the organization's workforce requirements (Leibowitz et al., 2006). The rapidly growing awareness makes it obvious that people can give the firm its leading edge in the market place. Career development practices are core function of human resource management which develops the short and long term capacity of employees. Career development practices are key strategic considerations for all organizations regardless of market or profile. The development of the capacity and capability of the organization managers has a fundamental impact on efficiency, effectiveness, morale and profitability of an organization (Armstrong, 2001). It helps companies attract and retain high performing employees

Price (2007) indicates career development practices are important in ensuring continuous updating and upgrading of employees knowledge, skills, attitudes and competence. It ensures that employees are well developed before they move up the next higher ladder in the hierarchy. Investing in the development of the careers of employees is central in the maintenance and development of skills, knowledge and abilities of both individual employees and the organization as a whole. Career development practices are key strategic considerations for all organizations regardless of market or profile. The development of the capacity and capability of the organization managers has a fundamental impact on efficiency, effectiveness, morale and profitability of an organization. According to Gomez et al, (2005), training provides specialized

technique and skills to employee and also helps to rectify deficiencies in employee performance, while development provide the skills and abilities to employee which will need the organization in future. Development of skill consists of improving interpersonal communication, technological knowledge, problem solving and basic literacy. Feedback is essential for organizations to give and receive from employees and the more knowledge the employee learn the more he or she will perform and meet the global challenges of the market place.

1.1.3 Employee Retention

Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their jobs (Glen, 2006). How to retain valuable employees is one of the biggest problems that plague companies in the competitive marketplace. Not too long ago, companies accepted the “revolving door policy” as part of doing. Nowadays, businesses often find that they spend considerable time, effort and money to train an employee only to have them develop into a valuable commodity and leave the company for greener pastures. In order to create a successful company, employers should consider as many options as possible when it comes to retaining employees, while at the same time securing their trust and loyalty so they have less of a desire to leave in the future (Deros *et al.*, 2009).

Retention of employees is critical to preserving skills of such employees. By so doing, a business can avoid losing customers so that they maintain high quality products that are marked by high sales. Employees who work together for a long time will enjoy a healthy working atmosphere, good relations with managers, effective succession planning and deeply embedded organizational knowledge and learning. Failing to retain key employee’s especially new graduates is costly for any business. Mendez and Stander (2011) further emphasizes that a company needs to invest in employee retention in order to be successful. Competition and the lack of availability of highly talented skilled employees make finding and retaining talented employees a major priority for organizations. Flegley (2006) posit that in cultivating a high-performance workforce, both assessment of employees to ensure the best match to the job and the company and assimilating them to ensure successful integration into the workplace, the culture of the organization and specific roles and responsibilities are equally important.

Retention of key employees is important in that it fosters customer satisfaction, increases sales, promotes working relationships, improves employee-manager relationships and enables valuable succession planning. In such a system, organizational knowledge and learning is successfully preserved and advanced. Failing to retain key employees' especially new graduates is costly for any business. Gordon and Meredith (2001) further emphasizes that a company needs to invest in employee retention in order to be successful. In addition, creation and preservation of knowledge has become a key tool in accelerating competitiveness and enhancing organizational capabilities to respond to market changes. Retaining these experts should be marked by motivating them, and allowing them to apply their knowledge. Utilizing them has become critical for firms as they seek to adapt to the volatile commercial atmosphere (Mutsuddi and Mutsuddi, 2007).

1.1.4 Kenya Post Office Savings Bank

The Kenya Post Office Savings Bank (Postbank) was established in 1910 to offer savings services across the East Africa region. However after the breakup of the East Africa Community in 1977 the Kenya Post Office Saving bank was established on January 1st, 1978 through Cap 493B, laws of Kenya. The mandate was mobilization of savings for national development (Post Bank Annual Report, 2010). Since 1910, the product range has been diversified from the one product through the passbook to an array of savings products and remittance and payment services. The branch network has equally expanded over time to over 1,000 touch points using ATMs and Point of sale (POS) terminals, own branches and agent locations. In 2008 the bank introduced a New Business Model using ATMs, Point of Sale terminals and debit cards and mobile phones banking through services like Pata Cash. Over the years Postbank has entered into strategic alliances and business partnerships with local and international enterprises in remittances and payment systems leveraging on our wide-spread footprints and automation. One of these partnerships is with the World Savings Bank Institute and Bill and Melinda Gates Foundation to expand access to financial services mainly in the rural areas through agents. Through this project, Postbank will contribute toward the realization of Vision 2030 by providing access to financial services. Postbank has also been appointed to provide technical assistance to another savings bank in Africa under a grant from the WSBI and Bill and Melinda Gates Foundation.

The banking industry in Kenya environment is characterized by increased competition, new technologies that make existing products obsolete, changing customer needs and shorter product life cycles, higher development costs, and increased need for involvement of customers, vendors, and strategic partners in the development process (Economic Survey, 2009). With this high level of changes in the banking sector, the need for survival in this turbulent environment becomes of essence. However, it will be expensive for a firm to recruit and develop an employee who afterwards is unable to use the skill gained in furtherance of the organizations objectives. There is need therefore to establish a relationship between employee development and retention of employees at Postbank.

1.2 Research Problem

Many organizations are faced with the problem of retaining employees and according to Armstrong (2001), it is expensive to replace employees who leave for greener pastures or are lured away by other organizations. With the exit of an employee, new employees have to be recruited, selected, oriented and trained. In fact, it is estimated that it costs an organization approximately 1½ times the salary of the vacated position to replace an employee (Lips-Wiersma & Hall 2007). Employee turnover can have a demoralizing effect on an organization, and it may also severely impact the overall efficiency of the organization. This becomes even more critical in organizations which are service-oriented, for example law enforcement and firefighters, and require highly developed skills and competencies. Traditionally, it has been assumed that every employee wants, or should want, the same thing in a career, usually a direct path up the organizational ladder (Fink, 2002). However, career development is not about ‘getting ahead’, but rather about getting to be the best an individual can be and finding a place in an organization where they can express excellence and contribute to the goals of the organization.

The Kenyan banking industry is highly competitive, with banks not only competing among each other; but also with non-banks and other financial institutions. Most bank product developments are easy to duplicate and when banks provide nearly identical services, they can only distinguish themselves on the basis of price and quality. To achieve this differentiating strategy, organizations’ employees will be an important source of the realization of the same competitive advantage. Therefore, the development and management of the employees is potentially an

effective tool that banks including PostBank can use to gain a strategic advantage and survive in today's ever-increasing banking competitive environment. PostBank has in the recent past witnessed turnover of employees especially in key departments of finance, information technology and auditing despite the financial rewards being almost similar with other commercial banks. The difference however, is on the non-financial rewards which the bank is way behind the other banks on what they offer its employees in order to retain them.

A number of studies have been undertaken locally and international of employee development and retention. Kelley (2012) undertook a study on career development practices among Commercial Banks in Kenya and established that there are several career development practices that are evident among commercial banks in Kenya. These practices include: Existence of career growth information for employees, treating career development as a core HR function, practicing career counseling, incorporating career growth into the appraisal process, encouraging employees to pursue higher education as a way of uplifting skills, training program and undertaking of professional programs by employees to assist them achieve career objectives. Thiriku (2013) researched on the perceived factors affecting employee retention in Safaricom Limited and found out that performance management practices were not transparent and unfair hence low retention and performance management practices are by objective, attainable and realistic, systematic, participative and regular. Career growth practices within Safaricom Limited leads to lower rate of employee retention. Working conditions, compensation assisted in employee retention. Ondimu (2013) undertook a study on the managers' perception of the influence of employee career development programs on employee commitment at OXFAM international and found out that Oxfam International in Kenya does have and actually implements career development initiatives aimed at building the careers of its employees and that employees are committed to Oxfam and are willing to work and stay with Oxfam as an employer. Bawazir (2013) undertook a study on the perceived effect of retention strategies on employees' performance at Imperial Bank Limited, Kenya. The findings of the study were that retention strategies had a positive relationship with employee performance. Training and development, communication, compensation, good working environment and career advancements strategies were rated were the strategies pursued by the bank in order to influence the performance of employees. The researcher is not aware of a local study that has related the

effect of organizational career development practices on employee retention, more so in the financial sector. It is on the basis of this gap that the present study was to fill this existing gap and the following question arises; what was the perceived effect of career development practices on employee retention at the Kenya Post office savings bank?

1.3 Research Objectives

To establish the perceived effect of career development practices on employee retention at the Kenya Post Office Savings Bank (POST BANK)

1.4 Value of the Study

The findings of the study will be of value to theory as it will enable the study to conceptualize and empirically operationalized employee development and its effect on retention as a multi-dimensional construct. Particular attention is paid to employee development practices and their influence on the performance of the company. The research will provide an insight into the effectiveness of employee retention through development strategies. The findings will bring forth knowledge on which development strategies are best suited and whether retaining employees has any impact on organizational performance.

This research will be beneficial to managers as they will be able to perceive what career development practices they can adopt in retaining staff and will best suit their organizations. In addition, it enables organizations to know which retention strategies will motivate employees to remain with the organization and improve performance. The study will add value to policy makers especially the human resource managers who will want to come up with retention strategies in their corporate policies and adopting them in the organization in order to retain staff and reduce labour turnover. These policies will enable organizations to retain the best employees who have excellent skills, high talent and have knowledge of the company. For academicians, this study will form the foundation upon which other related and replicated studies can be based on. Scholars will find it important as the study will increase the body of knowledge in this area.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers literature review conducted by the researcher. It includes a review of the various studies conducted by researchers on theoretical foundation, career development practices and career development practices and retention.

2.2 Theoretical Review

The study is anchored on the theories of motivation in order to strengthen the research study. These theories are the motivation-hygiene theory and the Maslow's hierarchy of human needs theory.

2.2.1 Motivation- hygiene theory

Hertzberg (1968) believes that every worker has two sets of needs (motivational and hygiene needs). He contends that employees in this respect, employees will stay in their work place so long as their needs are satisfied and they are motivated. Failure to meet their needs would automatically call for departure hence employee turnover. People are satisfied at their work by factors related to content of that work. Those factors are called intrinsic motivators and contain achievement, recognition, interesting work, responsibility, advancement and growth. Factors that make people unhappy with their work are called dissatisfies or hygiene factors. Herzberg found the following dissatisfies: company policy, supervision, working conditions, interpersonal relationships, salary, status, security. What makes them different from motivators is the fact that they are not related to the content of the work but to the context of the job (Armstrong, 2007).

Mitchell *et al.*, (2001) noted that job embeddedness theorizes that employees remain in the organization as long as the inducements to stay there match or exceed their expectations. Job embeddedness influences employee's decision to whether remain in the company or leave. By being embedded in a job, the individual will be less likely to leave the organization thus having a positive impact on their performance. Organizations should ensure that their employees are job embedded as this will keep the individual from leaving the company hence resulting to employee

retention. Human resource practitioners should try and ensure that employees are embedded to their jobs through the three dimensions of job embeddedness; links, fit and sacrifice.

2.2.2 Social Exchange Theory

Curry (2006) postulates that the concept employee commitment is best defined through the deployment of the social exchange theory. The social exchange theory is grounded in an economic model of human behaviour whereby interactional processes between individuals are persuaded by a desire to increase rewards and decrease losses (Curry, 2006). The social exchange theory's point of departure is that the relationships that provide more rewards and diminish costs earn enduring reciprocal trust and attraction. For instance, if employees are more efficient and effective in executing assigned duties they cut costs of not being productive and employers that are generous in rewarding and supporting their employees eliminate poor performance as a result of dissatisfaction of employees. Thus, the social exchange process entails both material benefits and psychological benefits that include status, loyalty and approval.

From the perspective of the employee-employer relationship, social exchange theory suggests that employees respond to perceived favourable working conditions by behaving in ways that benefit the organization and/or other employees. Equally, employees retaliate against dissatisfying conditions by engaging in negative work attitudes, such as absenteeism, lateness, tardiness or preparing to quit the organization (Crede *et al.*, 2007). It is therefore, expected that employees who perceive their working conditions to be negative and distressing, would reciprocate with negative work attitudes such job dissatisfaction, low morale and reduced organizational commitment, while those who perceive the workplace conditions as positive and challenging would reciprocate with positive work attitudes, such as high commitment, job satisfaction and low turnover (Crede *et al.*, 2007). For organizations to be effective they depend on the employees' productivity which is a variable that is also affected by the willingness and degree of engagement in the task assigned to them and beyond the required role.

2.3 Career Development Practices

Career development practices are function of human resource management that develop the work life and identify competencies required by individual staff to manage their career objective

which should be in line with organization objective. They include career planning, employee guiding and counseling, coaching and mentoring and training (Price, 2007).

2.3.1 Career Planning

Career planning is a career development practice which involves continuous process of discovery in which an individual develops his own occupational concept as a result of skills or abilities, needs, motivations and aspirations of his own value system (Cole, 2010). Swanepoel et al., (2007) suggest that while the employee is primarily responsible for career planning, the organization's management can do a great deal to support employees in managing their careers and in making more realistic career decisions. Career planning practice is seen as a very systematic and comprehensive process of targeting career development practice and implementation of strategies, self assessment and analysis of opportunities and evaluates the results. The career planning practice process involves both the organization and the individual responsibility. Thus, the individuals must identify their aspirations and abilities, and through assessment and counseling to understand their needs of training and development; in terms of the technical skills and education advancement needed.

To be viable, on short-term, or to maintain competitive advantage, in the long term, organizations must match employees with appropriate skills in the right positions. The type and skills of the employees are different, depending on the scope of the firm, economic sector, specific technology, consumer characteristics, etc. Peculiarities of organization affect the jobs structure, the types of recruited employees for each job and the development ways on the job. Many employers offer numerous promotion opportunities to certain types of positions (especially those involving unique skills to give value to the organization) and limited opportunities for others (Manolescu, 2003).

2.3.2 Employee Guiding and Counseling

Fuster (2002) points out the goals of counseling as facilitating behaviour change, enhancing coping skills, promoting decision-making, improving relationships and facilitating the client's potential. It is a personalized and individualized process for helping the individual to learn and acquire habits, skills, attitudes and interests which make him a normally adjusted being.

Therefore, it is evident that the process and goals of guidance and counseling is to help the client move towards a greater level of self understanding and self – acceptance. The process of professional counseling involves a counselor helping the client to develop an effective relationship that enables the client to work through difficulties. In most cases, the client’s lack of clear- cut understanding of the nature of counseling is a wide-spread source of inadequate readiness to attack the problem.

According to Biswalo (1996), counseling helps in the development of a healthy self-concept among individual employees. This self-concept paves way for tolerance and understanding among individuals and relentless self-enhancement by employees. As for the senior managers, this self –concept enables them to select the educational opportunities, which would most appropriately meet their specialized needs and interests. In addition, these services help students to make suitable educational and vocational plans thus preparing them to realize their capabilities and interests.

Career counseling is also a career development practice in which career education awareness is delivered in educational institutions workplace, and sometimes in community by organizations career counselors. This career development practice help employees understand their motives, their values and how they might contribute to the organization overall strategy objective. It provides them with knowledge of the labour market; skills to make education training, life and work choices; opportunities to experience community service and work life; and the tools to plan a career; career counseling practice helps employees clarify their aims and aspirations, understand their own identity, make informed decisions, commit to action, and manage career transitions, both planned and unplanned in line with institutional objective (Morgan, 2008). Employment counseling practice helps employee clarify their immediate employment goals, understand and access job and skill-training opportunities, and learn the skills needed to look for and maintain employment and Job placement which includes arranging for or referring people to job vacancies. This is often both a government and a private marketplace activity; moreover career development practice is done by human resource management career counselor at colleges’ workplace, and universities for job placement services for current and future employees (Arulmani and Arulmani, 2004).

2.3.3 Coaching and Mentoring

Coaching and mentoring are two personal development methods that nurture a person's own abilities in order to improve behaviour and performance. The processes of coaching and mentoring are similar insofar as they are both a series of conversations (spoken or written) between two individuals. Additionally Phillip (2005) contention that such coaching would add value to the organization by helping its employees grow and develop and thereby enhance overall production and profitability was also emphasized. This is because these are core areas of concern to an organization and if they can be woven into a deployment strategy they can only serve to ease the tensions concerning the effects on bottom line profit. Coaching and mentoring are also closely linked with organizational change initiatives in order to help staff to accept and adapt to changes in a manner consistent with their personal values and goals. Coaching and mentoring both of which focus on the individual, can enhance morale, motivation and productivity and reduce staff turnover as individuals feel valued and connected with both small and large organizational changes.

Coaching and mentoring is neither cheap nor a substitute for other forms of learning and professional development. Coaching and mentoring is about encouraging and promoting professional development based on existing capacities and the potential for improvement (Shin, 2011). Organizations will only be able to progress in relation to their existing capacities for collegiality and leadership, and their ability to source and prioritize the necessary investment in terms of time and money. It is important to guard against over-ambition and over-zealousness where the lack of necessary resources can often lead to poor implementation. Coaching and mentoring has become an important aspect of developing employees' attitudes and behavior for organization effectiveness. Coaching and mentoring can help to support these individuals, as it has the adaptability and flexibility to support a range of individuals with different learning styles. The development needs of individuals are diverse and the 'one size fits all' model of development is often inappropriate. Thus, coaching and mentoring has the potential to provide a flexible responsive development approach that can use to support an increasing number of individuals within the organization than traditional forms of training (Morgan, 2008).

Effective coaching can have a positive impact on an organization. It can produce improved relationships and teamwork between staff at different levels. Employees have increased job satisfaction, which improves productivity and quality, and there is an overall improved use of people, skills and resources, as well as greater flexibility and adaptability to change. Organizational coaching and mentoring can help to align individual performance with team and organizational objectives, maximize strengths, enhance communication between managers and teams, help individuals take ownership and responsibility for their behaviours and actions, and encourage individuals to stretch beyond their assumed constraints (Kinlaw, 2010).

2.3.4 Training

Investing in training programmes can impact on employee's feeling of self-worth within the organization. Employees are more likely to remain in an organization which they feel has an interest in them and their developing career (Young and Cates, 2005). Investment in, and modernization of, learning and development methods are essential to ensure that care is provided by competent, supported and skilled professionals. Improving staff morale and ensuring good human resource management are also key objectives to achieving this goal. The plan calls for more flexible and innovative methods of providing learning and development, which suits the needs of staff. To do this it will be necessary to design more accessible methods of learning to support patient focused care and service change.

Investment on employee training and career development is considered important factor in employee retention. Organization has the incentive to make investment in form of training & development only on those workers, from whom organization expect to return and give output on its investment. According to Shin (2011) organizations are intensification development for talented employees, through proficiency analysis, input on employee interests, need development and multisource appraisal of capabilities and formulate plans for action. Training enhances the skills of employees. When employees are hired to enhance the skill, organization needs to start training program. Chiang et al. (2005) believe that the important factors regarding the employee retention are broad professional development and the achievement of self-realization. Self-promotion is an important indicator of employee career development as it means the employee's value has been recognized. Training can enhance employees' skills and also lay the foundation

for employees' future promotion. Both of these human resource management methods are often used when the organizations do the career development and personnel management, also these are effective tools for retaining employees.

Gomez *et al.*, (2005) posits that training provides specialized technique and skills to employee and also helps to rectify deficiencies in employee performance, while development provide the skills and abilities to employee which will need the organization in future. Development of skill consists of improving interpersonal communication, technological knowledge, problem solving and basic literacy. Philips and Edwards (2008), explained that in today's competitive environment feedback is essential for organizations from employees and the more knowledge the employee learn, the more he or she will perform and meet the global challenges of the market place. The availability for all employees having access to training and development programs is critical in facilitating organizational growth, particularly with performance and technological improvements.

2.4 Career Development Practices and Employees Retention

Employee retention is vital in all organizations and therefore having in place employee retention strategies increases the chances of long term employees. By having development practices put in place will enhance the company's profitability as the productivity level will increase due to having satisfied employees who are happy to work in such an organization. An increment in employee retention bring about a reduction in recruitment thus saving the organization time and costs in recruitment and training. Company investors have a high regard for human capital and therefore organizations should ensure that their talented people are retained in the organization as they are a competitive advantage to the competitors (Philips and Edwards, 2008). According to Galbreath (2010), the ability of a firm to be able to retain their employees is a signal of success and shows that the organization is not only a valued place of work but also that there is positive consequences for the firm's performance and productivity.

O'Donnell (2007) posits that career development practices in commercial banks such as training, career planning, and succession plan have the potential to improve and sustain organizational performance. These practices include emphasis on employee career planning based on fit with

the company's culture, emphasis on behavior, attitude, and necessary technical skills required by the job, compensation contingent on performance, and employee empowerment to foster team work, among others. Philips and Edwards (2008) also stated that banks have career development practices such as career planning which is the individual growth alongside the organizational growth, upholding and educating leadership, ensuring cross-functional participation, providing learning and growth opportunities, leaving space for vertical growth, career mapping and succession planning will result in a world class working environment that motivates and propels people to work better and stay in the organization.

As career development is at one's control and responsibility, one should make choices, adapt to circumstances (such as organizational change), learn to grow, and control one's own destiny (Chhabra, 2010). The decision for employees to stay or leave might depend on whether the work is challenging, whether they gain support at work and personal growth. This requires employers to provide resources, tools, and the appropriate environment to ensure continued self-development. The workforce will be better satisfied if management provides them with opportunities to fulfill their physiological and psychological needs. The workers will cooperate voluntarily with management and will contribute their maximum towards the goals of the enterprise. Workers will tend to be as efficient as possible by improving upon their skills and knowledge so that they are able to contribute to the progress of the organization. This will also result in increased productivity as well as the rate of labour turn over and absenteeism among the workforce will be reduced to the barest minimum (Chhabra, 2010). It is true to some extent that when workers are motivated, their ability to increase productivity will be high. There are certain situations some workers attitude are not reversible and management must put pressure in order to influence them work hard.

Growth and development are the integral part of every individual's career. If employees cannot foresee their path of career development in their current organization, there are chances that they will leave the organization as soon as they get an opportunity (Bratton and Gold, 2003). The important factors in employee growth that an employee looks for himself are work profile, personal growth and dreams, and training and development. Career development is vital for both the employees and employers. Chhabra (2010) states that people always work for a reason and

the cause should be provided by work, organization, co-workers or from within. In order to strengthen the bond with employees, organization must spend on the development of employees.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter describes the proposed research design, the target population, data collection instruments and the techniques for data analysis.

3.2 Research Design

The research design adopted was a cross sectional descriptive survey design. According to Cooper and Schindler (2000), a descriptive research design was concerned with finding out the; who, what, where, when and how much. Furthermore, a research design is structured, has investigative questions and part of formal studies. The design was appropriate because the main interest was to explore the viable relationship and describe how the factors support matters under investigation.

Descriptive design method provided quantitative data from cross section of the chosen population. This design provided further insight into research problem by describing the variables of interest. This kind of study was used to determine the perceived effect of career development practices and employee retention at the Kenya Post Office Savings Bank.

3.3 Target Population

The population of study consisted of all the employees of Postbank head office. As at July 2014, there were 28 top level managers, 235 middle level managers and 420 lower level cadre employees (Human Resource department records, 2014)

3.4 Sampling Design

The researcher used stratified sampling because of ease of classifying the population into strata's. The sample comprised of 10% from each strata of the target population. According to (Mugenda and Mugenda, 1999) a sample of 10% was considered representative. Respondents

were selected randomly based on the category. This approach was considered appropriate since it ensured a representative sample.

Respondents were selected randomly based on their current department. This approach was appropriate since it ensured a representative sample. In order to find the best possible sample, stratified sampling was the best method to use as it provided reach and in-depth information. The sample size was appropriate for the study as it ensured that all the cadres in the bank were represented thus reducing sampling bias and achieving a high level of representation.

Table 3. 1: Sample size

Category	Population	Respondents
Top management cadre	28	3
Middle level cadre	235	24
Lower level cadre	420	42
Total	683	69

Source: (Human Resource Payroll, 2014)

3.5 Data Collection

The study used primary data that was collected through self-administered questionnaires containing both open ended and closed questions. A questionnaire, as the data collection instrument of choice is, easy to formulate and administer and also provides a relatively simple and straightforward approach to the study of attitudes, values, beliefs and motives (Robson, 2002).

The questionnaires were distributed through ‘drop and pick’ method and in some cases by email. There was follow-up to ensure that questionnaires were collected on time and assistance to the respondents having difficulty in completing the questionnaires was offered. The questionnaire was made up of three sections with section A covering demographic profile, section B career development practices while section C covers career development practices and employee retention.

3.6 Data Analysis

The data collected was analyzed using descriptive statistics tools such as the mean and standard deviation. Once the data was collected, the questionnaires were edited for accuracy, consistency and completeness. However, before final analysis was performed, data was cleaned to eliminate discrepancies and thereafter, classified on the basis of similarity and then tabulated. The responses were coded into numerical form to facilitate statistical analysis. Data was analyzed using statistical package for social sciences based on the questionnaires.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to determine the perceived effect of career development practices and employee retention at the Kenya Post Office Savings Bank. This chapter presents the analysis, findings and discussion. The findings were presented in percentages and frequency distributions, mean and standard deviations.

4.2 Response Rate

A total of 69 questionnaires were issued out and only 56 were returned. This represented a response rate of 81%. This response rate was adequate for data analysis and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 70% and over was adequate.

4.3 Demographic Profile

The demographic information considered in the study was employee cadre, respondents' gender, respondents' highest level of education, respondents' age bracket and the duration working in the bank.

4.3.1 Respondents Cadre

The respondents were requested to indicate their cadre. This was important for the study in order to ensure that the results represent all the cadres in the bank.

Table 4. 1: Respondents Cadre

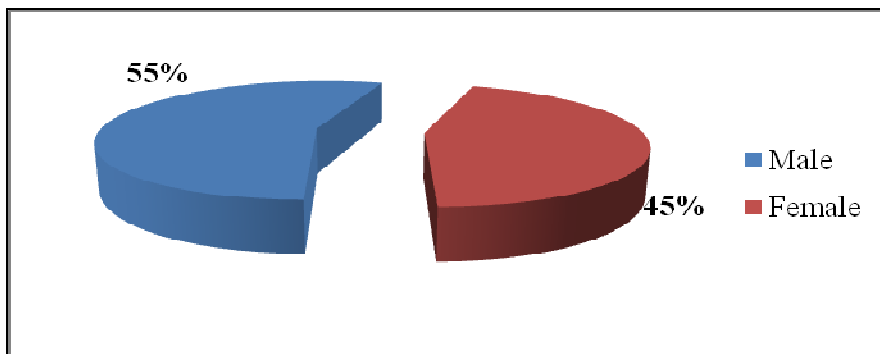
Respondents Cadre	Frequency	Percent	Cumulative percent
Senior Management	3	5.6	5.6
Middle level management	37	66.7	72.3
Unionisable	16	27.8	100.0
Total	56	100.0	

The results on the employees' cadre indicate that 66.7% of the respondents said that they are in the middle level management in the bank, 27.8% of the respondents said that they are in the unionisable category while 5.6% of the respondents said that they are in the senior management category. The results show that the respondents are from the different categories and therefore the results represent views of the different categories.

4.3.2 Respondents' Gender

The respondents were requested to indicate the gender of the respondents in order to ensure that the study was representative. The results are presented in figure 4.1.

Figure 4. 1: Respondents' Gender



The results show that 55% of the respondents were male while 45% were female. The respondents were made up of more male than female. Although the employment levels from which participants were drawn significantly favour the male Randeree (2006), the study had almost equal ratios of males and females, in order to avoid gender bias.

4.3.3 Respondents' level of education

The respondents were requested to indicate the highest level of education. The level of education was important in order to show the effect of career development practices on employee retention. The results are presented in table 4.2.

Table 4. 2: Respondents' level of education

Level of education	Frequency	Percent	Cumulative percent
Certificate/diploma	14	25.8	25.8
Bachelors	28	48.4	71.0
Masters degree	14	25.8	100.0
Total	56	100.0	

The results on the level of education show that 48.4% of the respondents have attained bachelors' level as their highest level of education, 25.8% of the respondents said that masters' degree was their highest level of education while another 25.8% of the respondents indicated that certificate/diploma level was their highest level of education. The results indicate that the respondents had adequate level of education to understand the concept in the study.

4.3.4 Respondents age bracket

The respondents were asked to indicate their age bracket and the results are presented in table 4.3.

Table 4. 3: Respondents age bracket

Years	Frequency	Percent	Cumulative Percent
Under 30	9	15.7	15.7
31-40	28	49.7	65.4
41-50	18	31.4	96.7
Over 50	1	3.3	100.0
Total	56	100.0	

The results on the respondents age bracket indicate that 49.7% of the respondents age bracket was between 31 and 40 years, 31.4% of the respondents indicated that their age bracket was 41 to 50 years, 15.7% of the respondents said that their age was less than 30 years while 3.3% of the respondents were over 50 years. The results indicate that majority of the respondents were over

30 years and therefore they still have many years to retirement thus they need to work in institutions that would ensure that their interest is taken care off. All ranges were represented in the study.

4.3.5 Length of service with the bank

The respondents were requested to indicate the length of service with the bank. Length of service with the bank was important in order to determine the respondents' level of understanding of internal information pertinent to the bank. The results are presented in table 4.4.

Table 4. 4: Length of service with the bank

Years	Frequency	Percent	Cumulative percent
Less than 5	6	11.1	11.1
5 – 10	9	16.7	27.8
Over 10	40	72.2	100.0
Total	56	100.0	

The results show that 72.2% of the respondents have worked in the bank for a period of over 10 years, 16.7% of the respondents indicated that they have worked in the bank for a period of 5 to 10 years while 11.1% of the respondents said that they have worked in the bank for a period of less than 5 years. The results indicate that majority of the respondents have worked in the bank for a long time and therefore they understand the influence of career development practices and what needs to be done in order to get it right.

4.4 Career Development Practices

Career development is of great importance to both the individual employee and the organization. This is so because there is interaction between the organization for which he/she works and the development of the organization through the employees' career. The respondents were requested to indicate the career development practices that have been undertaken in Kenya Post Office Savings Bank (POSTBANK) in a five point Likert scale. The range was 'very low extent (1)' to 'very great extent' (5). The scores of very low extent have been taken to represent a variable which had mean score of 0 to 2.5 on the continuous Likert scale; ($0 \leq S.E < 2.4$). The scores of 'moderate' have been taken to represent a variable with a mean score of 2.5 to 3.4 on the

continuous Likert scale: ($2.5 \leq M.E. < 3.4$) and the score of both great extent and very great extent have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; ($3.5 \leq L.E. < 5.0$). A standard deviation of >0.9 implies a significant difference on the impact of the variable among respondents.

4.4.1 Career Planning Practice

Career planning by the employee with the assistance of the bank helps the employee to achieve the intended objectives. It is as a result of these that the respondents were requested to indicate the extent to which the bank undertakes career planning for its employees.

Table 4. 5: Career Planning Practice

Career Planning Practice	Mean	Std. Deviation
The bank discusses career plans with staff before decisions are taken on what is appropriate for both parties	3.5167	.93330
Developing staff for future positions in an organization is a human resource policy	3.8943	1.23969
The bank has a dedicated officer responsible for career planning for staff	3.5271	.96655
The bank dedicates formal sessions for discussing career development of each staff	3.6183	.87509
Career planning is part of the staff training content	3.7325	1.21828

The results on the extent to which career planning was being undertaken in the POSTBANK, the respondents agreed to a great extent that development of staff for future positions in an organization was a human resource policy (mean 3.8943). The respondents further agreed to a great extent that career planning was part of staff training content and that the bank dedicates formal sessions for discussing career development of each staff with a mean score of 3.7325 and 3.6183 respectively. The respondents agreed to great extent that the bank has a dedicated officer responsible for career planning for staff with a mean score of 3.5271 and that the bank discusses career plans with staff before decisions are taken on what is appropriate for both parties with a mean score of 3.5167. The analysis above indicates that POST BANK has career planning practice and that the bank has policy in place for career development and other career planning in

place. The analysis also indicates that the bank has dedicated formal sessions and that staff discuss career planning with each staff.

4.4.2 Employee Guidance and Counselling

The respondents were requested to indicate the extent to which the bank undertakes guidance and counselling practice on its employees. This was important for the study as it helps employees to work through difficulties.

Table 4. 6: Employee Guidance and Counselling

Employee Guidance and Counselling	Mean	Std. Deviation
Career counseling is a fundamental human resource policy in the bank	3.9127	1.2096
The bank provides guidance to staff on career related rights and obligation in the staff hand book	3.7514	.8507
In the bank employee guiding and counseling helps in the development of a healthy self-concept among individual employees	3.5249	1.2396
The bank undertakes guidance and counselling in order to promoting decision-making	3.8506	.9880
Guidance and counselling help employees in the bank understand their motives, their values and how they might contribute to the organization overall strategy objective	3.5358	.9318
In the bank, guidance and counselling employee clarify their immediate employment goals, understand and access job and skill-training opportunities	3.5064	1.1821

From the findings, the respondents were in agreement that career counseling is a fundamental human resource policy in the bank with a mean score of 3.9127. They were further in agreement that bank undertakes guidance and counselling in order to promoting decision-making with a mean score of 3.8506, the bank provides guidance to staff on career related rights and obligation in the staff hand book with a mean score of 3.7514. The respondents noted that guidance and counselling help employees in the bank understand their motives, their values and how they might contribute to the organization overall strategy objective (mean 3.5358). The respondents

further noted that guiding and counseling helps in the development of a healthy self-concept among individual employees and that employee clarify their immediate employment goals, understand and access job and skill-training opportunities with a mean score of 3.5249 and 3.5064 respectively. The analysis implies that in POST BANK career development practices was achieved through guidance and counselling practice as the staff was guided on career related rights which helps employees in development of a healthy self-concept. Guidance and counselling in the bank promoted decision making thus helping employees understand their motives and overall bank objective.

4.4.3 Coaching and Mentoring Practice

Coaching and mentoring are personal development methods that nurture a person's own abilities in order to improve behaviour and performance and this was the reason behind the need to establish the extent to which the bank implements the practice. The results are presented in table 4.7.

Table 4. 7: Coaching and Mentoring Practice

Coaching and Mentoring Practice	Mean	Std. Deviation
The bank facilitates career talk for each staff	3.8529	.9055
Coaching and mentoring is undertaken in the bank in order to help its employees grow and develop	3.5276	.8395
Coaching and mentoring helps employees during change management in order to help staff to accept and adapt to changes in a manner consistent with their personal values and goals	3.6593	.8582
Coaching and mentoring in the bank enhances morale, motivation and productivity and reduce staff turnover as individuals feel valued and connected with both small and large organizational changes	3.9025	.7637
Effective coaching and mentoring helps to produce improved relationships and teamwork between staff at different levels	3.8164	.6074
In the bank, coaching and mentoring helps to align employee performance with team and organizational objectives, maximize strengths, and enhance communication between managers and teams	3.7395	.9110

Coaching and mentoring in the bank helps employees take ownership and responsibility for their behaviours	3.7608	.8508
---	--------	-------

The results indicate that the respondents were in agreement that coaching and mentoring in the bank enhances morale, motivation and productivity and reduce staff turnover as individuals feel valued and connected with both small and large organizational changes with a mean score of 3.9025. The respondents further noted that the bank facilitates career talk for each staff (mean 3.8529), helps to produce improved relationships and teamwork between staff at different levels (mean 3.8164), helps employees take ownership and responsibility for their behaviours (mean 3.7608).

The study further established that coaching and mentoring helps to align employee performance with team and organizational objectives, maximize strengths, and enhance communication between managers and teams (mean 3.7395), helps employees during change management in order to help staff to accept and adapt to changes in a manner consistent with their personal values and goals (mean 3.6593) and that it is undertaken in the bank in order to help its employees grow and develop with a mean of 3.5276. From the analysis the study found that coaching and mentoring was being undertaken in the bank and it has enhanced employee morale motivation, productivity, reduce staff turnover, improve relationship and teamwork between staff at different levels, align employee performance with team and organizational objectives, enhance communication between managers and teams and that it help staff to accept and adapt to changes in a manner consistent with their personal values.

4.4.4 Training Practice

Training of employees enhances their skills and competence and this improves their overall performance. It is as a result of these that the respondents were requested to indicate the extent to which training practice was being undertaken by the bank.

Table 4. 8: Training Practice

Training Practice	Mean	Std. Deviation
Training programs are defined for staff career development	3.5513	.9904
Upgrading the skills of employees through higher education is a valuable human resource policy	3.5197	.9787
The bank requires staff to undertake professional development programs to improve their capacity	4.1835	.5631
There is a well-organized training program in the bank	3.9176	.7115
This bank provides employees with job specific training	3.7358	.8942
Sufficient money is allocated for product and solution training	3.5169	.9441
The organization releases employees from regular work to attend training and even sponsor them where possible	3.6501	.8438

The findings presented in Table 4.8 indicate the distribution of responses on the level of agreement with the influence of training on employee retention at POSTBANK. The findings indicate that the respondents agreed that the bank requires staff to undertake professional development programs to improve their capacity with a mean score of 4.1835. The respondents further agreed that there is a well-organized training program in the bank and that the bank provides employees with job specific training with a mean score of 3.9176 and 3.7358 respectively. The study further established that the bank releases employees from regular work to attend training and even sponsor them where possible (mean 3.6501), training programs are defined for staff career development (mean 3.5513), upgrading the skills of employees through higher education is a valuable human resource policy (mean 3.5197) and that the bank allocate sufficient money for product and solution training (mean 3.5169). From the results, it can be concluded that training practice was being implemented by the bank and it resulted in employees improving their capacity, provides employees with job specific training and upgrading the skills of employees through higher education is a valuable human resource policy.

4.5 Employee Retention

Employee retention is vital in all organizations and therefore having in place employee retention strategies increases the chances of long term employees. As career development is at one's control and responsibility, one should make choices, adapt to circumstances (such as organizational change), learn to grow, and control one's own destiny.

4.5.1 Career Development Practice and Employee Retention

The respondents were requested to indicate the extent to which career development practices in the bank influenced employee retention. The results are presented in table 4.9.

Table 4. 9: Career Development Practice and Employee Retention

Career Development Practice and Employee Retention	Mean	Std. Deviation
Employees are happy to work in the bank	4.0543	.9988
It creates a world class working environment that motivates and propels people to work better and stay in the bank	3.5346	.8237
The employees will cooperate voluntarily with management and will contribute their maximum towards the goals of the enterprise	3.5831	.7115
Employees will be as efficient as possible by improving upon their skills and knowledge so that they are able to contribute to the progress of the bank	3.9157	.8942
Employees will enjoy a healthy working atmosphere, good relations with managers, effective succession planning	3.8516	.8750
It results in successful preservation of organizational knowledge and learning	3.6852	.7377

The respondents were in agreement that employees were happy to work in the bank with a mean score of 4.0543. They further noted that employees were efficient as possible by improving upon their skills and knowledge so that they are able to contribute to the progress of the bank (mean 3.9157), enjoy a healthy working atmosphere, good relations with managers, effective succession planning (mean 3.8516), results in successful preservation of organizational knowledge and learning (mean 3.6852). The respondents also said that employees cooperate voluntarily with management and contribute their maximum towards the goals of the enterprise (mean 3.5831) and that it creates a world class working environment that motivates and propels people to work

better and stay in the bank with a mean score of 3.5346. From the findings, the adoption of career development practices by the bank has resulted in happy employees; improve their skills and knowledge, successful preservation of organizational knowledge and learning, contribute their maximum towards the goals of the bank, and that it creates a world class working environment that motivates and propels people to work better and stay in the bank.

4.6 Discussion

Career development is important for both the organization and individual. It's a mutual benefit process because career development provides the important outcomes for both parties. Organizations need talented employees for maintaining the sustainable competitive advantage and individuals require career opportunities to develop and grow their competencies. The study found out that employee career planning was being undertaken in the bank and through development of staff for future positions, career planning being part of staff training content, formal sessions for discussing career development of each staff and discussion by both parties. The results are consistent with Swanepoel et al., (2007) findings that while the employee is primarily responsible for career planning, the organization's management can do a great deal to support employees in managing their careers and in making more realistic career decisions.

Career counseling has evolved because many organizations now realize that most employees cannot begin to manage their own growth and development without first having information on how their own needs match those of the organization. The study found out that the bank undertakes guidance and counselling in order to promoting decision-making, provides guidance to staff on career related rights and obligation, help employees understand their motives, values and contribution to overall strategy objective and the development of a healthy self-concept among individual employees. Morgan (2008) findings were that guidance and counselling provides employees with knowledge of the labour market; skills to make education training, life and work choices; opportunities to experience community service and work life; and the tools to plan a career; career counseling practice helps employees clarify their aims and aspirations, understand their own identity, make informed decisions, commit to action, and manage career transitions, both planned and unplanned in line with institutional objective. According to Myers

(1985), employees who derive satisfaction from knowing that expectations can be met inside the organization will most likely become a highly productive employee.

Coaching and mentoring has become an important aspect of developing employees' attitudes and behavior for organization effectiveness and therefore in order to improve its performance the bank undertakes coaching and mentoring which has enhanced employee morale motivation, productivity, reduce staff turnover, improve relationship and teamwork between staff at different levels, align employee performance with team and organizational objectives, enhance communication between managers and teams and that help staff to accept and adapt to changes in a manner consistent with their personal values. The results are consistent with Kinlaw (2010) findings that coaching and mentoring can help to align individual performance with team and organizational objectives, maximize strengths, enhance communication between managers and teams, help individuals take ownership and responsibility for their behaviours and actions, and encourage individuals to stretch beyond their assumed constraints.

Investment on employee Training and career development is considered important factor in employee retention. The study found out that the bank trains its employees in order to equip them with the necessary skills which will enable the employees achieves the bank objectives. The study established that training practice was being implemented by the bank and it resulted in employees improving their capacity, provides employees with job specific training and upgrading the skills of employees through higher education is a valuable human resource policy. This results are consistent with Gomez et al, (2005) findings that training provides specialized technique and skills to employee and also helps to rectify deficiencies in employee performance, while development provide the skills and abilities to employee which will need the organization in future. The study findings are in tandem with the previous studies that established relationship training and development significantly influence employee retention. For instance, Mondy and Noe (2005) argue that training and development is the formal activities designed by an organization to help its employees acquire the necessary skills and knowledge to perform current or future jobs. Training and development activities like job training, coaching, mentoring and counselling are important activities for employees to get valuable support, knowledge, skills and abilities (Maths & Jackson, 2004). Therefore, training and development plays an important factor

in career satisfaction of an employee in their career lives. Moreover training provides employees with specific skills or helps to correct deficiencies in their performances thus enhancing their retention.

Employee retention is vital in all organizations and therefore having in place employee retention strategies increases the chances of long term employees. The bank was found to be using career development practices in order to retain its employees and it has resulted in happy employees; improved skills and knowledge, successful preservation of organizational knowledge and learning, contribute their maximum towards the goals of the bank, and that it creates a world class working environment that motivates and propels people to work better and stay in the bank. This is consistent with O'Donnell (2007) findings that career development practices in commercial banks such as training, career planning, and succession plan have the potential to improve and sustain organizational performance. These practices include emphasis on employee career planning based on fit with the company's culture, emphasis on behavior, attitude, and necessary technical skills required by the job, compensation contingent on performance, and employee empowerment to foster team work, among others.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives the summary, conclusion and recommendations of the study. The suggestion for further research was also highlighted.

5.2 Summary of Findings

The study found out that in order to be viable, on short-term, or to maintain competitive advantage, in the long term, organizations must match employees with appropriate skills in the right positions and this was achieved through career planning. Career planning at POSTBANK enabled the bank to develop staff for future positions, career planning being part of staff training content, formal sessions for discussing career development of each staff and discussion by both parties and this will help the bank to know the positions in which they need to fill in order to achieve its objectives. The study established that the bank have as part of their policy developing of employees to fill future positions that may arise. This was a clear indication that they took career development with a lot of seriousness.

The human resource policy for POSTBANK was found to have as part of its content issues to deal with career counseling. Employees are guided on how to make credible decisions concerning their career paths and this helps employees understand their motives, values and how they might contribute to the organization overall strategy objective. The study further found out that the provision of guidance and counselling by the bank helps in promoting decision-making, providing guidance to staff on career related rights and obligation and the development of a healthy self-concept among individual employees.

Coaching and mentoring has become an important aspect of developing employees' attitudes and behavior for organization effectiveness and the bank has also undertaken steps to ensure that its employees understand their careers by having a coaching and mentor employee and also inviting others from outside the bank and this has enhanced employee morale motivation, productivity, reduce staff turnover, improve relationship and teamwork between staff at different levels, align employee performance with team and organizational objectives, enhance communication between managers and teams and that it help staff to accept and adapt to changes in a manner consistent with their personal values.

Investment on employee training and career development is an important factor in employee retention and it has resulted in employees improving their capacity, providing employees with job specific training and upgrading the skills of employees through higher education which is a valuable human resource policy. The study found that career development practices have a great impact on retention of employees in POSTBANK as the employees were happy to work in the bank, efficient as possible by improving upon their skills and knowledge, enjoy a healthy working atmosphere, good relations with managers, successful preservation of organizational knowledge and learning, creation of a world class working environment that motivates and propels people to work better and stay in the bank.

5.3 Conclusion

Today it has become crucial to have a committed, loyal and retained work force, as it is the one whose loyalty can actually pay off in the long run to gain a competitive edge in the business. Career development programs enhance employee performance and have a positive impact on an organization's overall effectiveness. Retention practices are complex and are not easy to implement. In order for retention practices to be effective, the employees, and their managers or supervisors need to be actively involved in the development and implementation of the practices. Managers need to have a clear understanding of the needs, abilities, goals and preferences of the workforce.

Career development practices have a great effect on the overall performance of the bank and therefore the pursuit of career planning, guidance and counselling, coaching and mentoring and

training by the bank will equip employees with the necessary skills to undertake their duties thus improving the overall performance of the bank and retention of employees. The cost of replacing employees is high and therefore the pursuits of practices by the bank will enable employees understand their career path and plan for the future together and this will result in building of a bond that will result in retention of the employees.

5.4 Limitation of the Study

The researcher used questionnaires with closed ended questions to collect data. These types of questions have the disadvantage of limiting the responses whereby the respondent is compelled to answer questions according to the researchers' choice. There are many other factors which may affect the level of employee retention but due to time constraint others were not taken for research. The study is exclusive of any intervening or moderating variables. The response from participants may be lower than expected, which may interfere with their willingness to participate.

The vast nature of POSTBANK operations with staff stationed in all the major towns across the country could not allow the researcher to reach all of them due to time, finances and related resources constraints. Another possible limitation is that the research was only carried out in one organization. By conducting a larger study that incorporates a few more organizations, the researcher could avoid this limitation and assist in making the results more generalizable. In addition, employee retention is a very complex concept since definitions cannot be defined to certain variables affecting the employee retention listed by the researcher. Any attempt to define these variables would not be easy as each individual has their own perception of what employee retention means to them. Therefore, determining what exactly retains employees can be considered to be somewhat subjective.

5.5 Recommendation for Policy and Practice

This research provides a considerable contribution to human resource policy makers by understanding the importance of organizational support to the retention of a competent work force. Interpersonal relationships with supervisors are especially crucial in recognizing the

personification of an organization, further inducing organizational support as a favorable inclination to employees. For dynamic knowledge workers, the incorporation of career-related advancement could enhance the obligation of employees to choose to remain with the organization.

The findings of the study will support motivational and hygiene needs theory as it highlights that employees will stay in their work place as long as their needs are satisfied and motivated and therefore the adoption of career development practices by the bank will motivate the employees for they view the bank as caring for their needs. Employees are satisfied at their work by factors related to content of that work. Without having adequate human resource, the organization will be unable to achieve established goals; hence managing human resource is the key role of success of an organization. Currently, most organizations have treated their people as the most important resource of an organization. Organizations have become aware of human resources than earlier due to the accelerating trends of globalization.

The study established that career development practices in the bank have been undertaken in the bank in order to achieve their objectives. It is recommended that the bank should identify those benefits which have more influence on employee retention. Furthermore, the bank needs to revisit their present benefits package to identify those benefits which are not useful in order to replace them. A training program may be established as a regular practice for provision of training and retraining (refreshment courses) opportunities for their employees. This would not only satisfy employees' growth need but also enhance employee retention. The bank employees have primary responsibility for managing their careers, however the bank must support career development efforts and managers must facilitate, not control, the process. It is imperative that managers be held accountable for the development of employees.

5.6 Suggestions for Further Research

The study was undertaken at the Kenya Post Savings Bank alone and it is recommended that the similar study be undertaken in other commercial banks in order to shed more light on the extent to which career development practices influences retention of employees for every organization

has its uniqueness on culture, staff, structure, resources and the environment it operates in is different from others.

Another study should be undertaken into what employees believe are the organizational factors impacting on employee retention. This investigation will provide management with a basis for developing ideal retention strategies. There is also need to study human resource development practices in banking industry and also in organizations such as the hotel industry, government ministries, parastatals and non-governmental organizations.

REFERENCES

- Armstrong, M. (2001), *Human Resource Management Practice: Handbook*, 8th Edition, Kegan Page Ltd., London.
- Armstrong, M. (2007), *A Handbook of Human Resource Management Practice*. (10th ed.). London.
- Arulmani, G., & Arulmani, S. (2004), *Succession planning strategies: The Right People, for the Right Jobs, at the Right Time*.
- Bratton, J., & Gold, J. (2003), *Human Resource Management, Theory and Practice*, New York: Palgrave Macmillan.
- Chiang, C., Back, K., & Canter, D. (2005), The impact of employee training on job satisfaction and intention to stay in the hotel industry. *Journal of Human Resources in Hospitality & Tourism*, 4(2), 99-117.
- Cole, J. A. (2005), "Employee participation and assessment of an organizational change intervention", *Journal of Applied Behavioral Science*, 35(4), 439-57.
- Crede, M., Dalal, R. S. & Bashshur, M. (2007), Job satisfaction as mediator: An Assessment of Job Satisfaction's Position within the Nomological Network, *Journal of Occupational and Organizational Psychology*, 80, 515–538.
- Curry, J. P., Price, J.L., & Mueller, C.W. (2006), On the Casual Ordering of Job Satisfaction and Organizational Commitment. *Academy of Management Journal*, (29), 847-858.
- Deros, B. M., Rahman, M. N., & Said, A. H, (2009), A survey of Benchmarking Understanding and Knowledge among Malaysian Automotive Components Manufacturing SMEs. *European Journal of Scientific Research*, (33)3:385-397.
- Fink, S. (2002), *High commitment workplaces*. New York: Quorum.

- Flegley, S. (2006), *Talent Management Survey Report*, SHRM Research, Alexandria, VA.
- Glen, C. (2006), Key skills retention and motivation: the war for talent still rages and retention is the high ground. *Industrial and Commercial Training*, 38(1), 37-45.
- Gordon, J. P., & Meredith, H. P. (2001), Creating and using a model to monitor managerial talent. *Business horizons journal*.
- Graham, H. T. & Bennett, R. (2005), *Human Resources Management*, 8th Edition, The M & E Handbook Series, Longman Group UK Ltd, London
- Gomez-Mmejia, L. R., Balkin, D. B., & Cardy, R. L. (2005), *Managing human resources*. Englewood cliffs, NJ: Prentice-Hall, Inc.
- Herzberg, F (1968), One More Time How Do You Motivate Employees? *Harvard Business Review* (3), 53-62.
- Kinlaw, D. (2010), *Encourage superior performance from people and teams through coaching*, Women in Business, 38-41.
- Leighn, B. (2002), *Keeping People Who Keep You In Business; 24 Ways To Hang Onto Your Most Valuable Talent*. Publication: Newyork, A Macon Books.
- Lips-Wiersma, M., & Hall, D. T. (2007), Organizational career development is not dead: A case study on managing the new career during organizational change. *Journal of Organizational Behavior*, 28, 771-792.
- Manolescu, A. (2003), *Human Resource Management*, 4th Edition, The Economic Publishing House, Bucarest, 332.
- Mendez, T. M., & Stander, K. (2011), Positive Organisation. The role of leader Behaviour in work engagement and Retention. *South African Journal of Industrial Psychology*, (37)1.
- Meyer, J., and Allen, N. (2001), *Commitment in the Workplace*. Thousand Oaks, CA: SAGE Publications.
- Mitchell, T. R., Lee, T. W. & Kay, C., (2001), The unfolding model of voluntary turnover and job embeddedness: foundations for a comprehensive theory of attachment. *Research in Organizational Behavior*, (23), 189 – 246.

- Morgan, H. J. (2008), *Keeping your talent Identifying and retaining your star keys*. Strategic Direction, 24(9), 6-8.
- Mwenebirinda, T. (2008), Work and Family Practices in Japanese Firms: Their Scope, Nature and Impact on Employee Turnover. *The International Journal of Human Resource Management*. 20(2):439–456.
- Ontario, R.N. (2005), Human resource management and firm performance. *Journal of Management*. 21 (71):1-738.
- Pareek, U. & Rao, T. V (2002), *Designing and Managing Human Resource Systems*, Oxford & IBH Publishing Company, Delhi.
- Phillips, P. (2005), *Retaining Your Best Employees*. Alexandria, Va.: American Society for Training and Development.
- Philips, J. J., & Edward, L. (2008), *Managing Talent Retention: An ROI Approach*.
- Prince, B. J. (2005), *Career-focused employee transfer processes*. Career Development International, 10 (4), 293-309.
- Shin, J. S. (2011), Finance and Economic Development in China. *Global Economic Review*, 40 (2), 141-143.
- Werther, W., & Davis, K. (2002), *Personnel management and human resources*. New York: McGraw-Hill.

APPENDIX I: QUESTIONNAIRE

Please give answers in the spaces provided and tick (✓) in the box that matches your response to the questions where applicable.

Section A: Demographic Profile

1) Name of the respondent (Optional):

2. What cadre of staff do you fall under?

a) Senior Management ()

b) Middle level Management ()

c) Unionisable ()

3. Gender: Male () Female ()

4. Highest level of Education attained?

a) Primary () b) Secondary ()

c) Certificate/Diploma () d) Bachelors Degree ()

d) Masters Degree () e) Others ()

5. What is your age bracket? (Tick as applicable)

a) Under 30 years () b) 31 – 40 years ()

c) 41 – 50 years () d) Over 50 years ()

6. Length of continuous service with the bank?

a) Less than five years ()

b) 5-10 years ()

c) Over 10 years ()

Section B: Career Development Practices

7. To what extent does the bank undertakes the following career development practices? Use 1- Very low extent, 2-Low extent, 3-Moderate extent, 4- Great extent, 5- Very great extent

Career Planning	1	2	3	4	5
The bank discusses career plans with staff before decisions are taken on what is appropriate for both parties					
Developing staff for future positions in an organization is a human resource policy					
The bank has a dedicated officer responsible for career planning for staff					
The bank dedicates formal sessions for discussing career development of each staff					
Career planning is part of the staff training content					
Employee Guiding and Counseling					
Career counseling is a fundamental human resource policy in the bank					
The bank provides guidance to staff on career related rights and obligation in the staff hand book					
In the bank employee guiding and counseling helps in the development of a healthy self-concept among individual employees					
The bank undertakes guidance and counselling in order to promoting decision-making					
Guidance and counselling help employees in the bank understand their motives, their values and how they might contribute to the organization overall strategy objective					
In the bank, guidance and counselling employee clarify their immediate employment goals, understand and access job and skill-training opportunities					
Coaching and Mentoring					
The bank facilitates career talk for each staff					
Coaching and mentoring is undertaken in the bank in order to help its employees grow and develop					

Coaching and mentoring helps employees during change management in order to help staff to accept and adapt to changes in a manner consistent with their personal values and goals					
Coaching and mentoring in the bank enhances morale, motivation and productivity and reduce staff turnover as individuals feel valued and connected with both small and large organizational changes					
Effective coaching and mentoring helps to produce improved relationships and teamwork between staff at different levels					
In the bank, coaching and mentoring helps to align employee performance with team and organizational objectives, maximize strengths, and enhance communication between managers and teams					
Coaching and mentoring in the bank helps employees take ownership and responsibility for their behaviours					
Training					
Training programs are defined for staff career development					
Upgrading the skills of employees through higher education is a valuable human resource policy					
The bank requires staff to undertake professional development programs to improve their capacity					
There is a well-organized training program in the bank					
This bank provides employees with job specific training					
Sufficient money is allocated for product and solution training					
The organization releases employees from regular work to attend training and even sponsor them where possible					

Section C: Employee Retention

9. To what extent have career development practices in the bank influenced employee retention?

Use 1- Very low extent, 2-Low extent, 3-Moderate extent, 4- Great extent, 5- Very great extent

Employee retention	1	2	3	4	5
Employees are happy to work in the bank					
It creates a world class working environment that motivates and propels people to work better and stay in the bank					
The employees will cooperate voluntarily with management and will contribute their maximum towards the goals of the enterprise					
Employees are efficient as possible by improving upon their skills and knowledge so that they are able to contribute to the progress of the bank					
Employees enjoy a healthy working atmosphere, good relations with managers, effective succession planning					
It results in successful preservation of organizational knowledge and learning					

THANK YOU FOR YOUR TIME