

**PERCEIVED FACTORS INFLUENCING RETENTION OF CREDIT
OFFICERS IN MICROFINANCE INSTITUTIONS IN EMBU COUNTY**

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DECLARATION

This research project is my original work and has not been submitted for examination in any other University.

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DEDICATION

Most of all to God, You have brought me this far, All the glory is Yours Lord.

To my loving parents, Mr and Mrs Kibera for your prayers, encouragement and assistance, for what would I be were it not for your sacrifice and love.

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ABBREVIATIONS AND ACRONYMS

AMFI- Association of microfinance institutions

DTM- Deposit taking

FSD- Financial sector deepening

HRM- Human resource development

MFI- Microfinance institutions

SET- Social exchange theory

SPSS- Statistical Package for Social Sciences

ABSTRACT

Organizations world over have the human resource as their backbone and it is a significant resource for these organizations. It is a source of competitive advantage and can provide innovative solutions if strategically placed. However due to shortage of skilled labor, economic growth and globalization most firms including those in the private and public sector are finding it difficult to retain valued employees. The Microfinance institutions in Embu County have faced a lot of turnover from credit officers in the last couple of years due to high competition in the sector. There are very many upcoming micro finances that are bringing new and different ways of doing business and as a result threatening the older practices. The objective of this study was to determine the perceived factors influencing retention of credit officers in microfinance institutions in Embu County. The study adopted a descriptive research design. The target population for this study was all the credit officers of the 52 microfinance institutions who are members of Association of Microfinance institutions (AMFI) as at Dec 2015, 312 credit officers. The sample population of this study comprised of 3 credit officers in each of the 52 microfinance institutions in Embu as they are the ones conversant with the area of study. This was made up of a total of 156 credit officers; selected using purposive random sampling. Primary data was used for the study. A semi structured questionnaire with open ended and closed questions was used to collect data. The questionnaires were evaluated and assessed together with other primary and secondary data sources. With the assistance of SPSS (version 21), the analyzed data was interpreted in terms of standard deviation and averages. The study findings were presented in terms of graphical representations such as pie charts, bar charts, histograms, tables and grouped frequency distributions. The study found that all the factors used in the study influence the retention of credit officers in the microfinance institutions. From the analysis, some statements in the questionnaires were agreed upon while others were neutral. Therefore the conclusion is that if all the factors are well implemented in organizations, the rate of turnover in micro finances in Embu County would decrease. The study recommends that managers of MFIs in Embu County should perform realistic job previews, conduct regular trainings, offer fair reward management and job characteristics, provide career development and good working conditions and offer supervisor support in order to retain skilled and experienced staff in the organizations.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Employees are the backbone of any organization. Thus retention of these employees helps the organization to remain competitive in any industry. Some qualified employees keep moving from one organisation to the other in search of greener pastures. This has in turn made human capital to be such a competitive factor in organisations. Generally, firms retain their human resource for a given period so that they can utilize the employee's competency and skills in order to complete some tasks or projects (Bowen & Ostroff, 2008). Retaining the desirable employees can benefit a firm as it allows the firm gain a competitive advantage that can be hard for other firms to substitute as they might not be able to get motivated and satisfied employees who can provide quality customer service and also enhance the firms productivity, such employees ensure that there is increased customer satisfaction, improved organizational learning and smooth management succession (Tzafrir, 2006). Several reasons can be said to be behind employee's decision to quite or top switch to another firm. Poor performance, high levels of stress on the job, low commitment, job dissatisfaction, poor performance and lack of quality HRM practices can lead to employees resigning (Armstrong, 2004). They are many factors which explain the reason for employees leaving or staying in a job but many times, intentions to stay on has steadily been recognised as a dependable antecedent to definite turnover and is a reflection of an employee commitment to the firm (Cascio, 2006).

This study will be anchored on Human Capital Theory by Dessler (1998) which postulates that similar to other assets, the human capital is valuable in the market but unlike other assets the full potential of human capital can only be realised with the full co-operation of the employee (Fruin, 2010). In addition, the study is also supported by instrumentality theory

postulated by Heathfield (2002), which is based on the belief that as one does one thing, it may lead to the other.

Embu County has one of the most viable microfinance sectors in the Sub-Saharan Africa and has been undergoing tremendous changes in the last decade. Many of the microfinance in Embu county are characterized with high labour turnover of both the highly skilled and experienced credit officer as well as the non-experience credit officers. The cost of this turnover is very high to the organisations. However, there are those employees who choose to stay amidst the high turnover. The study therefore wants to find out the perceived reasons why some employees choose to stay in these organisations while a large number is moving out.

1.1.1 Concept of Perception

According to Kim (2011), perception is the process of deriving and receiving meaning from stimuli that is present in a person's external and internal environment. According to Loudon, top perceive is to taste, hear, smell, see, touch or sense a sense a thing, event or relation internally and to interpreted, organize and derive something from this experience. It is therefore a process made meaning to the environment from experience and varies from one person to another since different individuals see the same thing in different ways.

Perception is the process through which someone selects, interprets and organizes a stimulate to a meaningful worldly picture (Huselid, 2011). A stimulus is any unit of input into any of the senses, for instance advertisements, brand names, products or packages. Human beings experience stimulate every time. The sensory world consists of an infinite numbers of discrete sensations which keep on changing. As explained by the sensation principles, one

should turn off the heavy intensity of such stimulate as they might confuse someone and keep one perpetually disoriented in our constant changing environment (Ricky, 2010)

Perception is the process, which attributes meaning to incoming stimuli through the human senses. Therefore, it constitutes of two factors, the stimuli and the individual factors (Ryan, Schmit & Johnson, 2006). Knowledge of the perceptual process is essential since the manner in which users of a product or service interpret the information is affected by their cognitive understanding that they have established in their minds. Further, perception is important especially to marketers since it involves the constitution of the users' feelings about particular stimuli and helps in developing strategies towards meeting that which the users perceive as important (Thang & Buyens, 2008). According to Yazinski (1987)) social perception is the process of interpreting information about another person. This means that different people may have the same set of information about something, but they will interpret it differently and get different results. Perception plays a key role in keeping employees hoping for a better tomorrow hence want to work with a given organisation for long (Tithe, 2008).

1.1.2 Employee Retention

A critical issue facing firm's managers in today work environment is Employee retention, this is because skilled workers are hard to come by and the increased economic growth and employee turnover (Laurie, 2014). Employees are more likely to remain if they feel that the firm is more concerned and interested in the welfare, if they are given roles that are in line with their capabilities, if they are regularly recognized and offered feedback and they are aware of what is expected of them. Sagwe (2009) defines retention as the obligation of one to continue doing business with an organization on an ongoing basis.

Retention strategies in different occupational groups are made up of common features

including good working environment, human resource policies that are progressive and offer advancement opportunities and competitive pay. These strategies should be evidence based and context specific so that they can be effective (Tithe, 2010). Understanding retention problems nature is important to an organization as the firm can decide on whether they need to use targeted retention initiatives to manage their employee's levels and to ensure labour is sufficient (Laurie, 2014).

In today's work changing environment, the employer and employee psychological contract had changed greatly and neither party expects the other to be committed in a long term basis to the organization (Kilonzi, 2013). High employee turnover affects greatly the stability, quality and consistency of commercial banks. The high cost of recruitment and selection (Heathfield, 2002). Human Resource Management 7th Edition, Prentice-Hall Canada, 1998) brings out the importance of retaining committed employees so that organisations can survive in the market (Huselid, 2011).

1.1.3 Factors Influencing Staff Retention

A major challenge facing firms is the sustainability of their employees for a longer period in a changing business environment. Retaining staff is an important aspect of any firm since the level of performance in any business relies on the quality of its people. Flippo (2008) agree that remuneration given to employees is important as they leave a lasting impression on the staff and show the employee the value they have on the firm and also continually substantiates the employee perception of how much they are valued by the organisation. Additionally they contend that employees judge the job quality by the personal remuneration and the intrinsic satisfaction they get from their job. The use of intrinsic rewards to increase staff retention and commitment is an achievable goal by all firms (Sutherland & Canwell, 2014). Employers should be aware of the value their employees place on the remuneration

packages they are given and should therefore come up with strategies that address adequate and equitable rewards for their staff.

An employee who feels valued by the organisation is more likely to stay as part of it than an employee who feels unvalued. Sutherland and Canwell (2004) point out that remuneration systems ought to be a significant sphere of innovation for employers. they concluded that the use of remuneration and recognition are a part of more comprehensive efforts that are used to encourage good work practices and also keeping staff which can lead to more retention of staff. One of the significant factors affecting employee turnover has been noted to be opportunities for career development. It is recommended that for a company to strengthen and bond with its staff, it should include development and training of employees as part of its strategy (Dee, 2005). This involves the creation of room for employees to move upward in their careers and also occasional critical thinking development and training. The best way that firms can enhance their employee's retention and improve their productivity is through extensive training and development. To achieve this, companies must be willing to invest in their employees and offer development to enable them amass the needed skills, knowledge and competencies that will enable them execute their tasks efficiently in a complex and changing environment. Dee (2005) came up with five employee retention factors including; job characteristics, compensation, supervisor support and promotion and job characteristics. On the other hand, AlBuqami (2010) pointed out healthy working conditions elements including authentic leadership, skilled communication, meaningful recognition, true collaboration and appropriate staffing which are more important factors for enhancing employee retention. Armstrong (2004) concluded that stability of staff can be achieved by use of a selection procedure that is based on ability. Katou and Budhwar (2007) also noted that

realistic job previews was positively related to staff retention variables such as innovation, quality, efficiency and effectiveness.

1.1.4 Credit Officers in Micro Finance Institutions in Embu County

Microfinance is the provision of financial services to households that have low income households, including the self-employed. The financial services provided include remittances and insurance, savings, payment facilities and credit facilities (Christen & Rosenberg, 2000). Microfinance, therefore, encompasses microcredit, micro savings and micro insurance (Roth, 2002). With the passage of time, there has been increasing emphasis on the importance of providing different quality, flexible financial services that meet the different needs of the poor (Wright, 1999).

The Kenyan microfinance sector in Embu County is among the most vibrant in Kenya having diverse institutions and good infrastructure that meet the needs of the poor however the microfinance activities were not regulated. The Embu county Microfinance Institutions (MFIs) provide financial intermediation and also social intermediation services which include the formation of groups, encouraging self confidence for group members and training the members of the group on financial management and literacy (Caldwell, 2011). Microfinance is a form of financial development institution which aims at providing financial services to alleviate poverty among the poor. The target group of the MFIs in Embu County are the low income earners entrepreneurs who are self employed, seamstresses, traders, small scale farmers, hawkers, artisans' blacksmiths, drivers and hairdressers (Caldwell, 2011).

The field staffs for microfinance institutions are the Credit officers. The credit officer or the field staff represents a bank, credit unions and microfinance among other financial institutions and find and assist borrowers to acquire loans. They also assess and analyze the

credit worthiness of the clients and determine whether they are eligible to be given loans (isabelle Agier –school of economics France)

1.2 Research Problem

Organizations world over have the human resource as their backbone and it is a significant resource for these organizations. It is a source of competitive advantage and can provide innovative solutions if strategically placed. Today's workforce is made up of diverse groups and therefore employee retention is one of the major challenges that both private and public organizations have to deal with (Chew, 2004; Ng'ethe, Iravo & Namusonge, 2012). Retention of employees who are talented has been an even greater challenge for the human resource department in firms as the talented employees have the luxury of choice in the global job market (Harris, 2007). Given that the current staff market is very competitive, human resource managers need strategies that ensure that organizations attract the right candidate for the jobs available, motivate them and retain them in the organization. However, regardless of good planning, the reality is that staff wastage has to occur through redundancies, resignations, retirement and natural deaths (Yamamoto 2011). Understanding the perceived factors influencing retention of staff can however help organizations to retain their valued employees.

The ever-changing and converging environment of the global financial market creates multiple new business opportunities for Microfinance institutions (Bernard & Koerte, 2007). However, the competitive pressure is escalating, which poses major challenges (Ndung'u, 2010). The financial sector in which Microfinance institutions operate is characterized by high labour turn over, where emerging technologies, complex interactions and unexpected user patterns result in unforeseeable labour movements (Gichohi, 2014). Players in the Kenya's Microfinance institutions have been seeking to gain competitive advantage by

providing good quality service through experienced labour force and faster turnaround times. With time however, these factors are no longer considered sustainable (Nyanjwa, 2009).

The Microfinance institutions in Embu County have faced a lot of turnover from credit officers in the last couple of years due to high competition in the sector. There are very many upcoming micro finances that are bringing new and different ways of doing business and as a result threatening the older practises. In order for them to enter the market and to break- even, they are looking for experience employees from the older micro finances and enticing them with better salaries, new technology gadgets and a easier work solutions. As a result we have so many credit officers moving up and down looking for the next best microfinance. The high turnover is so costly to the organisations especially in terms of recruitment, administration and assimilation costs This is a looming problem that has even caused some microfinance to close down some branches due to lack of experienced employees to run the portfolios. An example is Bimas microfinance in Embu County where all the credit officers in branch resigned the same day. The portfolio that was left is now in chaos and has not been reclaimed back yet, the branch is almost being closed. However amidst the high turnover, there are still some credit officers who are opting to stay in the same organisations for longer. Under these circumstances, it is necessary to carry out a comprehensive study to determine the perceived factors influencing retention of credit officers in microfinance institutions in Embu County.

Numerous studies show high employees' involvement is related to the retention within the organization (Arthur, 2012). Lack of opportunities for self development and learning in the workplace can be a major source of employee dissatisfaction increasing employee turnover (Laurie, 2014). According to Other studies, employees can choose to remain in a firm if they have a good relationship with the people they work with (Clarke, 2011). Manyura (2012) looked at the perceived factors that affected staff retention in Kenyan banks. According to the

study findings, promotion, training and development, compensation of staff and job characteristics were important factors which also affected the organization performance. Njoroge (2007) conducted a survey of the factors affecting employee retention in Nairobi manufacturing firms. The findings revealed that most of the employees considered job satisfaction and organizational culture as the major factors affecting employee retention in manufacturing firms. Ong'iyoy (2013) looked at the employee recruitment and retention practices used by Barclays Bank of Kenya. According to the study, job satisfaction, pay, organization commitment to their staff, staff welfare, conditions of service, conflict management systems, gender sensitivity, advancement opportunities, staff development, employee attachment to the firm, job stress, flexible work arrangements and responsibilities and commitment outside the organization were some of the major factors influencing the retention of staff. All these studies are of different context and there is none that has attempted to study the perceived factors influencing retention of credit officers in microfinance institutions. This study therefore sought to fill this gap by answering the question; what are the perceived factors influencing retention of credit officers in microfinance institutions in Embu County?

1.3 Objective of the Study

The objective of this study was to determine the perceived factors influencing retention of credit officers in microfinance institutions in Embu County.

1.4 Value of the Study

The microfinance institutions would benefit from the information on the major factors that influence retention of credit officers and reduce staff turnover.

All other organizations dealing with employee retention related issues would also benefit from the study. This would reduce cost of training and employment of new employees due to loss of employees.

Academicians would also benefit from the study as it would provide reference for thoughts and ideas on similar studies and future research. This study is expected to contribute to the existence literature relating factors influencing employee retention in the banking industry.

This study would also add to the repository of knowledge available for research. Other researchers may use the findings of this study to advance in their research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter will review the literature that will be relevant in the study. The chapter will therefore contain Theoretical foundation and the Factors influencing staff retention.

2.2 Theoretical Foundation

This study is anchored on social exchange theory, human capital theory and instrumentality theory.

2.2.1 Human Capital Theory

Human capital is the prolific competences of people (Cascio, 2006). Knowledge and Skills are valuable in the economic sense for any firm as they allow the firm to be productive and adaptable; therefore the organizational human capital is the people working for the organization. Similar to other assets human resources is valued in the market. Thus all the costs that are incurred so as to elicit productivity from employees including monitoring, motivating and retaining the employees are investments made for human capital and they are made anticipating future returns (Walker 2001).

HRM can be used in different ways by firms to increase their human resources (Cascio 2005). Either ways of obtaining human capital have their associated costs and can only be justified to the extent with which the firm is able to utilize the productivity of the acquired human capital. In human capital theory, contextual factors which include technology, unions, market conditions and business strategies are significant and they affect the costs associated with other strategies used to HRM so as to increase the organizations human capital value and the anticipated returns value, such as productivity gains.

2.2.2 Social Exchange Theory (SET)

This theory points out the circumstances under which a person feels beholden to respond when he or she benefits from an organisation or another person's activity. This theory is used to understand the relationship quality existing between employees and employers and also helps to promote performance by use of extra role performance, organizational citizenship behaviour and pro social behaviour (Lambert & Waxman, 2005). In social science, it is conceptualized from a common exchange standpoint. However, this study hypothesises whether present-day HR practices founded on obligation maximizes and conditional motivators enhance the founding of exchange relationships by outlying positive exchange relationship between the staff and the institution, and secondly, if a positive association that affects the output of employees can be achieved by use of HR work family sustenance services.

The basic principle of this theory is that the existing relationships change with time into trustworthy and mutual obligations. For this to evolve parties should stand to various rules of exchange. These rules describe a 'normative definition of the condition that forms amongst or is assumed by the players in an exchange relationship'. In this way, rules and norms of exchange are "the guidelines" of exchange procedures. Another significant principle of the theory is that investment in the relations is significant to social exchange (Sagwe, 2009). Trust and investment are in fact tangled in exchange relations. In communal exchanges, both parties invest in the other party experiencing some intrinsic risk that the investment might not be repaid and which need trust.

2.2.3 Instrumentality Theory

This theory postulated by Heathfield (2002) is anchored on the belief that if one does one thing it might lead to another. Basically stated "people only work for money". Further it

states that “it is unbearable through any long time to get staff to work harder than the usual men around them except if they are guaranteed a larger or perpetual increment in salary”.

Armstrong (2004) also reinforces this theory by stating that staff can be habituated to act in a certain manner so long as they are paid for acting as stipulated. Staff focus on the gains and it can either motivate or not inspire them to work hard. It is also known as the “law of effect”.

Greer *et al* (2009) came up with the needs theory which is based on the notion that motivation comprise of needs and also the unsatisfied ones and leads to strain and a state imbalance which if it is not well fulfilled the company can lose much (Gotoh, 2012).

2.3 Factors Influencing Employee Retention

Retaining the performing employees is a significant issue for a firm (Yamamoto, 2011). Many organizations feel that probable hold-ups and output loss at the integration period that accrue due to turnover have led to more importance being given to retention of committed employees. For a firm to be successful, retaining well motivated staff is important. Granrose and Portwood (2009) notes that, scholarly researchers from the mid-1990s has greatly focused on why staff leave their organizations and also sought to determine the factors that positively influence them to stay and the benefits that are as a result of retaining valued employees. Thus in today’s world organizations have a major challenge of coming up with effective strategies that can retain employees that can help them to retain staff that they feel are critical to the attainment of the goals of the organization (Kochachathu, 2010). There are many benefits that are associated with retaining employees however according to research losing critical employees due to turnover is costly for firms. Research has also identified different costs that are as a result of employee turnover that are in terms of money, time and other resources. Similarly, Hale (1998) cited recruitment costs incurred by employers to be 50 to 60 percent of an employee’s first year’s salary and up to 100 percent for certain

specialized positions. Cascio (2006) agrees that the costs incurred as a result of recruiting, selecting and training new employees do in many instances exceed 100% of the yearly pay for the station being filled (Yamamoto, 2011).

2.3.1 Realistic Job Preview

This is a employment process whereby the employing firm give both favourable and unfavourable detailed work information to the candidates undergoing recruitment (Ryan, Schmitand & Johnson, 2006). As a means of communication, this process provides an underlying meta-message of concern and care. Portraying an accurate two sided picture is interpreted by the candidates as a way of the firm expressing concern in that the candidates will make the right choice on their own. Therefore if they choose to accept the offer they will more likely stay in the firm for a longer time. Employees who are given a realistic job preview often will feel more satisfied with their job and are more likely to stay as part of the organisation.

The main reason why employers use this process of recruitment is because they assume that through the use of these procedure employees will have greater job satisfaction and thus they are more likely to stay as employees in the firm. Breugh (1983) attempted to give an explanation as to why RPJ impacts turnover and job satisfaction by theorizing that there exist four interrelated, basic and distinct psychological processes that affect the RJP effectiveness. They include; the expectations met ability to cope, air of honesty, and self-selection. The expectations met in RJP are low but more consistent with the job. The assumption is that those whose expectations are met will most likely be satisfied with the job and will not leave. Improving an employee ability to cope with the job at hand is another means by which RJP can affect satisfaction and turnover. When the employees are made aware of the problems they are most likely to face in their job, they are more likely able to cope better when they

face them rather than leave. Another way that RJP influences turnover and job satisfaction is through an air of honest communication. The applicants are theoretically more committed to their job since they choose their job based on perceived honest representations. On the other hands, applicants that feel they were misled by recruiting agencies who were out to sell the firm feel less committed to accept the job offer and are more likely to leave.

Mungathia (2015) conducted a study on employee perception of the relationship between realistic job preview and employee turnover in Kenyan commercial banks. The findings of the study was that Realistic Job Preview enables the employees to be aware of what the job entails and the management expectations thereby resulting in greater commitment by the incumbent attributed by exposure to both negative and positive characteristics of the job thus reduction in turnover, hiring and training costs. Realistic Job Preview was found to have enabled the commercial banks recruit employees who can cope with unpleasant job circumstances and demands of the new job as it creates openness and honesty within the bank thus creating greater job satisfaction and lowering turnover. The study concluded that Realistic Job Preview is significant so as to provide information for the awareness of what the new recruits are expected to achieve and this helps in setting clear expectations, providing clarity, job definition and helps reduce early turnover rates leading to increased staff retention.

Kamau (2013) on the other hand reviewed the perceived relationship between realistic job preview and employee job satisfaction at Kenya police service. The study established that realistic job preview on various job aspects is conducted to varying extents at Kenya Police Service with more emphasis placed on reporting relationships, career progression and remuneration. It further established that employees of Kenya Police Service are moderately satisfied. However they are dissatisfied with their recognition at work, supervisors' guidance

and direction, training and expected level of work performance. The study concluded that there is a significant positive relationship between realistic job preview and employee job satisfaction and retention at Kenya Police Service.

Sarwat and Nadeem (2016) study on the effects of the realistic job previews on employee's job satisfaction and met expectations. According to the study employees who are recruited using the RJP procedure are more satisfied with their job and are more likely to stay on in their job. Giving a well designed RJP to candidates during the application stage can reduce turnover rates and increase the commitment of the employees (Thang & Buyens, 2010). This is due to the fact that there are two match ups occurring when the person gets the job. First, the employer matches the job requirement to the person's qualifications and the person matches his or her needs with the culture of the firm and the provided job requirements. The first match will most likely affect performance while the second match will greatly affect tenure and job satisfaction. The use of RPJ enables expectations to be met as it ensures congruence between the expectations of the new recruits' and their subsequent work experience. The procedure can also be used to guide the development of employees careers (Cisco, 2006).

2.3.2 Human Resource Training & Development

According to Yazinski (1987), many changing business environment require firms to use their resources to train their staff and in turn helping employees to keep on performing well in a dynamic work environment. To achieve continuous success, organizations need to strategically focus on training, help employees acquire new skills based on the organizations future needs, train the employees in both hard and soft skills and evaluate the effectiveness of the training provided. Career development has psychological meaning to the employees.

Employees need to be helped to do their present job correctly and effectively. A strong training emphasis implies an internal labour market and career opportunities (Cascio, 2005).

When firms invest on employee training and career development their retention levels are more likely to improve. Firms can decide to invest their resources in training and developing those employees that they feel they will get returns and output for their investment (Messmer, 2000). Clark (2011) explains that through training, the skills of the employees are enhanced. If the firm hires the employees with the aim of enhancing their skills, the employer should start training them through on job training (Goldstein, 2010). This then should be supplemented through seminars and workshops related to the job content and also exchange programs. When employees are well equipped with the necessary knowledge and skills, they are able to work competently without frustrations. This way, they will be motivated to stay put since they believe they have what it takes to perform on their duties.

The importance of training and development in an organization is very evident in current economic times. The ever growing complexity of the work environment, the continuous change in this environment and the new technologies require constant employee training to equip them with the necessary skills and competencies to adapt to their duties given these dynamic changes hence their satisfaction. This will influence retention of the employees since a major reason for high employees' turnover is the changes in the work environment that they are not able to cope with. Training seeks to do away with current or anticipated performance deficiencies. Training and development helps improve performance especially in firms that have stagnant or reduced productivity. Training and development also helps workers become flexible and adaptable especially in firms that make use of new technologies. Development programmes such as seminars, workshops and exchange programs are important for several reasons. There are sources of management talent, they help the firm

develop and retain productive staff, give challenging assignments, helps employees grow through ability development and provides new responsibilities (Baron & Kreps, 2009).

2.3.3 Reward Management

Reward management is the rewards people are given in line with their value to the firm. They include both financial and non financial rewards. The reward system of an employee is made up of a firm integrated policy practices and processes for rewarding its staff in line with their competence, skill, market worth and contribution. Tithe (2008) points that for employers looking for staff who have rare skills or who wish to attain fairness in pay in relation to effort and responsibilities among other factors, concur that monetary incentives when given encourage staff to put more effort and also discourages them from leaving. According to Yazinski (1987), most organizations rewards are differentiated in terms of status instead of contribution and the only way a person increases his or her pay is through promotion. This motivates them to get the ‘status’ and in return get a bigger salary. This way, they are ready to stay in the organisation to acquire that status and stay longer.

Bowen and Ostroff (2008) asserts that the aim of reward management is to support the firm attain its strategic and short term goals by helping ensure that it has well committed, motivated, skilled and competent workers. When employees are paid well; their morale toward work increases. They look forward to making sure that their duties are well done because they tend to be happy. This way, employees don not look for new jobs. This makes them stay put at their work stations since they feel that their goals are being achieved. Also included in the system are non financial rewards such as praise, recognition, achievement, personal growth and responsibility and also performance management process. Among the concerns of the employees’ quality of work life, security, impact of work on family life pay and benefits top the list. As pointed out there are some HRM practices that give effective and

instrumental results. In addition to instrumental worth, benefits also show the firms effective valuation of the staff (i.e., organizational support).

Dessler (1997) noted that reward system such as bonuses, gain sharing, high salary base and stock options for the employees are incentives that can improve employee's commitment and motivation to reach the firms goal and also encourage them to stay. Employees will want to be paid well and rewarded well for the work they do for both self-esteem and practically for the life they live. This will make employees feel respected and well taken care of by the organization they works for. It serves as the greatest motivation for employees. As the organization achieves its goals, the employees need to feel that they are not left behind and hence the rewards should be satisfying. This will make they retain their duties and stay put. Another argument is that an incentive pay system harmonizes the interests of the employer and employee by aligning incentives. The use of incentive pay systems also lead to equity feelings as employees are paid in line with their performance contributions. Accordingly, staff should see incentive pay as a means of support and increase their commitment. Despite the fact that incentive pay systems have their challenges, it has been noted that that where performance is an important earning influence, staff are more committed. Prior research by Flippo (2008) gives some positive effect of incentive pay on commitment in that competency based rewards and pay reduces turnover and increases productivity (Heathfield, 2012).

2.3.4 Job Characteristics

There are many intrinsic factors that reduces employee turnover. Job enrichment (vertical job enlargement) meaning a planned process that is deliberate and used to improve the challenges and creativity of the job is an important factor. According to Fruin (2013), typical examples of job characteristics that influence employee retention include reporting and leaving office time, job schedule breaks, benefits and delegation or problem solving. Alteration on

responsibilities can enrich a job and also lead to an increased workload which can result into delegation of duties in a department leading to enrichment of other jobs (Dee, 2005).

Job enlargement involves widening the range of a job, and so developing a job away from narrow specialization. Laurie (2014) calls this horizontal job enlargement. Matching the employee value with the job means job matching employees by considering knowledge, skills, qualifications, ability among other characteristics which are suitable for the job at hand. According to Cable and Judge (2013), organizational fit concept points out the confluent goals and acknowledges that employee and organization value is a significant part leading to affective commitment. When job characteristics favor an employee's values, the employees feel a sense of recognition and thus influenced to be retained by an organization. This approach has little motivation value. Job rotation is the rotation of employees between jobs so as to do away with monotony and give staff a new challenge (Ricky, 2010).

Job characteristics that are articulated to satisfaction are linked to an extent, a person's emotional state is affected by the way he or she interacts with the work environment (Bernstein & Nash, 2008). Therefore employees are bound to stay at their work without causing to leave since the emotional well-being that is supposed to come from job characteristics is being felt. The emotional component such as boredom, anxiety, acknowledgement and excitement would course high employee turnover (Dee, 2005).

Recognition escalates to the bottom level of the firm's hierarchical ladder, from directors to other managers, to level coordinators and to subordinates. Recognition from other work colleagues or by those who are at the higher level of the ladder is a good strategy to motivate staff (Rodriguez, 2011). Employees who work in organizations where recognition is part of the work culture are likely to reciprocate in kind. In an interesting twist, employees often receive more praise from their PLNs than from the place where they work. The continued growth in

PLN communities online has played a part in provision of recognition and support which enables subordinates and managers to professionally develop especially when this kind of help does not exist in the firms they work for (Dee, 2015).

2.3.5 Supervisor Support

Orienting new employees properly and giving them the support they need is basically creating a seamless work environment for the new employees. Kilonzi (2013) in his study suggested that it's also a good idea to put new staff in work groups with a positive attitude. It is also important to ensure that the new staff receives the help and support they need from their supervisors, especially in the first three months of the job. Once new recruits are employed they should have a good social experience and induction. This includes meeting with others in the company, understanding the company structure, the responsibilities of other employees, how to interact with others in the department, who to go to if they need help and how to use the office telephone and IT systems (Robbins, & Coulter, 2014).

According to Thang and Buyens (2014), one of the major reasons that would cause an employee to leave an employment is the feeling of being contract agreement. Supervisory support therefore goes a long way to ensure that new employees are given care support at work environment. This gives employees social support skills among other older employees, ability to ask questions without fear and general interaction within the organization which is health. With this support, employees are bound to stay and adapt to work environment quickly. Organization promotions should be based on the performance of the employees and fairness should be considered in the staff career progression. If there are opportunities existing in the firm for career and growth progression and the staff are aware that the company has long term prospective, the employees are more likely to stay as part of the firm. A leading cause of employee turnover is poor orientation and supervisory support or not even

either of them at all. A good way that has been proven to be effective in reducing turnover is the use of target orientation whose focus is skill development. Training should also be given in an ongoing basis. Failure to do a follow-up can put an organization at risk of falling into a repeat pitfall that is costly to the firm especially in terms of employee turnover (Huselid, 2011).

2.3.6 Career Growth

Staff career advancement is a formalized phenomenon that is planned and organized to balance between the needs of the organisation in terms of workforce and also the workforce individual careers requirement. In today's word, the HR managers have a challenge of identifying the firm developmental strategies that can motivate the employees to meet the firm's values and vision and also helps the firm gain and sustain a competitive advantage (Graddick, 2015). Employees have a reason for working and this reason can be from the work they do, the firm they work for, and their colleagues from work or from within. According to findings advancement in careers no matter the age of an employee can make the employee stay on in the firm so as to advance (Greller, 2013).

Career development seeks to analyse a person's competencies, values, assignments, activities and interests that are significance in development of skills for future jobs (development). According to Caldwell (2011), career development is made up of both the employee and firms activities. Career development enables retention as employees can become loyal to employers who want to invest in their growth. Similarly, during the hiring of new staff, career development is a factor that new applicants consider. An organisation can come up with their own careers development programs to retain their staff and also increase profits and productivity (Butler & Waldrop, 2014).

According to Fink (2010), firms that would want to increase the bond they have with their workers, must be willing to invest in the development of their staff. This development creates new promotion opportunities in the firm. Development of career includes vertical advancements such as upward mobility and promotions and horizontal movement (lateral job transfers) in the firm. Career development seeks to improve the relationship of staff to their work and the staff relationship with the firm. A well defined careers development plan prepares staff for the future and also provides the firm's ability to meet their existing and future work needs (Bowen & Ostroff, 2012).

2.3.7 Working Conditions

A working environment is made up of framework surrounding the person in his work environment, his work behaviour and what affects this behaviour, inclination and performance towards his work, the groups the person works with, the administration and the project that the person belongs to (Alshenwan, 2011). Al Youbi (2000) did a study on how the morale of the internal work environment affected turnover. The study's sample was made up of 417 employees. According to the findings, there was a positive relationship between the supervisory method, teamwork in the unit of work, participation, the social services that were provided by the department, mutual trust existing between employees, career enrichment and the person's intention to leave the firm.

AlBuqami (2010) study looked at the impact work environment had on staff turnover. The recommendations of the study was that staff should be provided with more power in regard to the job size and responsibilities, the internal working procedures should also be reviewed frequently. Another recommendation was that staff should be part of decision making that relates to their work, the current reward system should also be considered and also firms

should seek to use modern technical means which can assist in fast completion of tasks and improve accuracy.

Raslan (2008) found that comfort of staff positively affected the staff motivation and their intention to stay on as part of the firm. The study considered the following factors: (health conditions in the work environment, weather, ventilation, lighting, hygiene, and noise,). The study's recommendation was that the following factors should be made available; good lightning in buildings sand streets, proper ventilation, lighting and avoid noise.

Al-Majali (1999) study aimed at investigating how work environment influenced job satisfaction in terms of human relations. According to the study findings there was a sense of satisfaction that comes from a positive work environment. It was found out that social factors such as career stability, friendship, a sense of security and being part of non official social groups were of more importance than physical factors such as financial incentives, wages and physical working conditions.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology of the study which includes: research design, target population, sampling size, the sampling procedure, data collection instruments, data collection procedures, data analysis, interpretation of data and ethical issues involved

3.2 Research Design

The study adopted a descriptive research design. This kind of research design is more descriptive and focuses more on particular variable factors. In addition to being analytical it singles out an individual subject or a variable factor and describes them in details.

3.3 Target Population

The target population for this study was all the credit officers of the 52 microfinance institutions who are members of Association of Microfinance institutions (AMFI) as at Dec 2015, 312 credit officers. The estimated number of credit officers in every Microfinance is 6.

3.4 Sampling method

The sample population of this study comprised of 3 credit officers in each of the 52 microfinance institutions in Embu as they are the ones conversant with the subject of study. This brought a total of 156 credit officers; selected using purposive random sampling.

3.5 Data Collection

The study used Primary data. A semi structured questionnaire with open ended and closed questions was used to collect data. The questionnaire was divided into two sections, part A represented the demographic section and part B represented the factors influencing retention

of credit officers in microfinance institutions. The drop and pick method was used to administer the questionnaire.

3.6 Data Analysis

Descriptive statistics was employed to determine the perceived factors influencing retention of credit officers in microfinance institutions in Embu County. The coding of the quantitative data allowed the responses to be grouped into different categories. The analyzed data was interpreted using SPSS (version 21). Tables, graphical presentations such as pie charts, histograms, bar charts and grouped frequency distributions were used to present the study findings. Factor analysis was also used to establish the relative importance of factors.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

The chapter discusses the findings from the study's primary instrument. It also discusses the respondent's characteristics, opinions on the factors influencing retention of credit officers in Microfinance institution in Embu County. So as to simplify the discussion, the researcher used graphs and tables that provided summaries of the respondents' collective reactions.

4.2 Response Rate

Out of 156 questionnaires administered, a total of 126 filled questionnaires were returned giving a response rate of 80.77% providing a significant response rate more than the minimal value of 50% provided by Mugenda and Mugenda (2011). The study used frequencies (absolute and relative) single response questions. Likert scale was used to collect and analyze matrix questions in which a 5 point scale was used to compute the mean score and standard deviations.

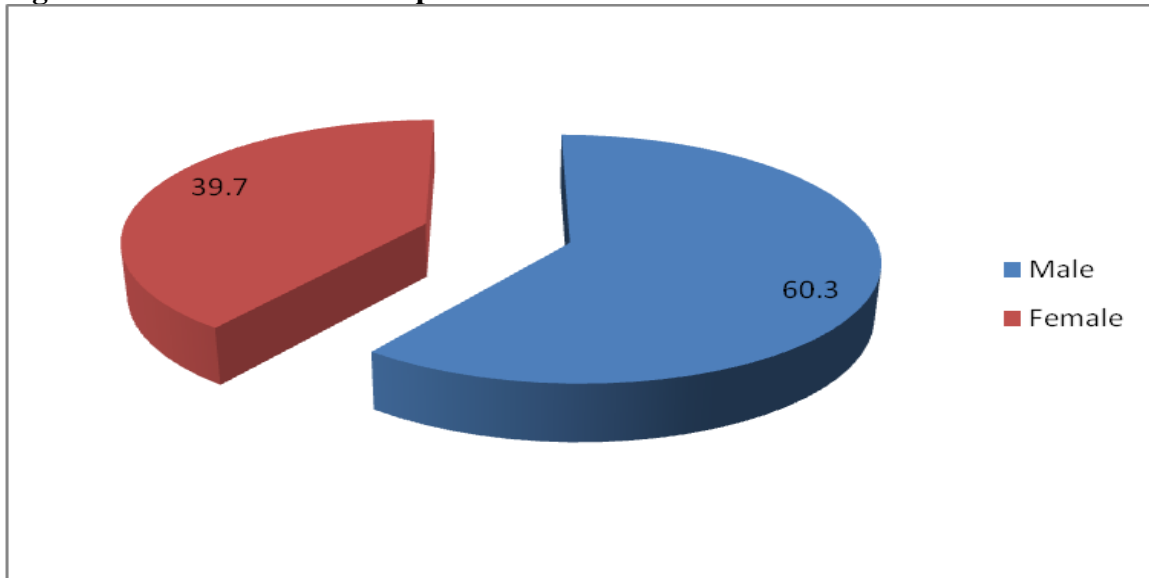
4.3 Demographic Information of Respondents

The study sought to enquire on the respondents' general information including gender, age years they have worked with MFIs and highest academic qualification.

4.3.1 Gender of the Respondents

The researcher sought to establish gender distributions of the respondents. The findings were indicated on figure 4.1.

Figure 4. 1: Gender of the Respondents

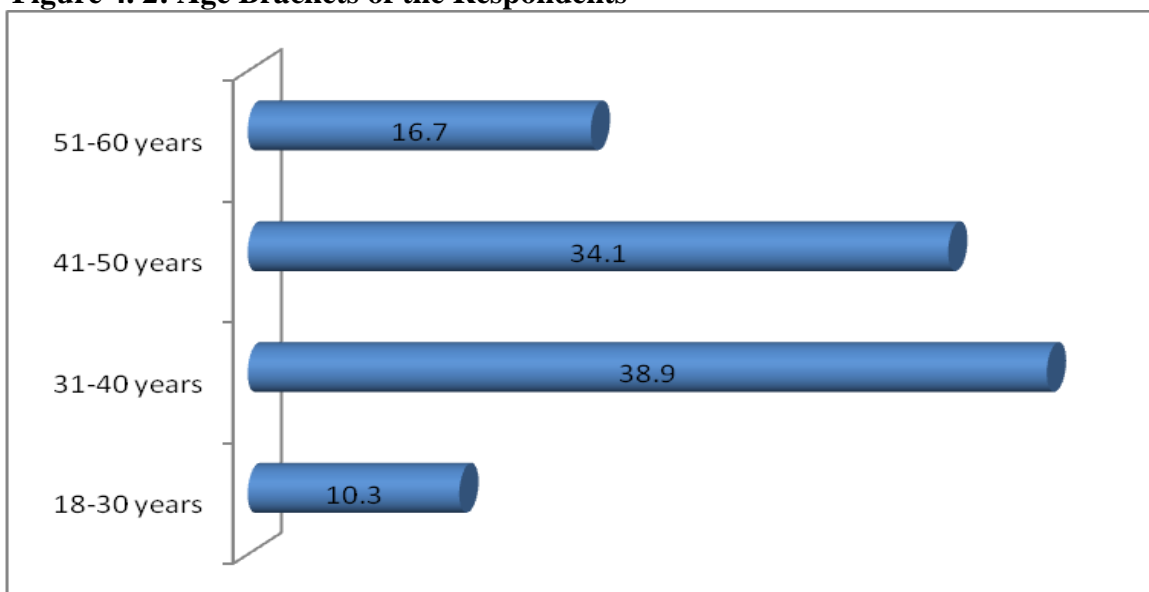


The findings showed that male gender were 60.3% while female gender were 39.7%. This finding implies that the researcher was not biased in the study since she considered all genders in the study.

4.3.2 Age Brackets of the Respondents

The study also sought to establish the age of the respondents. The results were as shown in figure 4.2

Figure 4. 2: Age Brackets of the Respondents

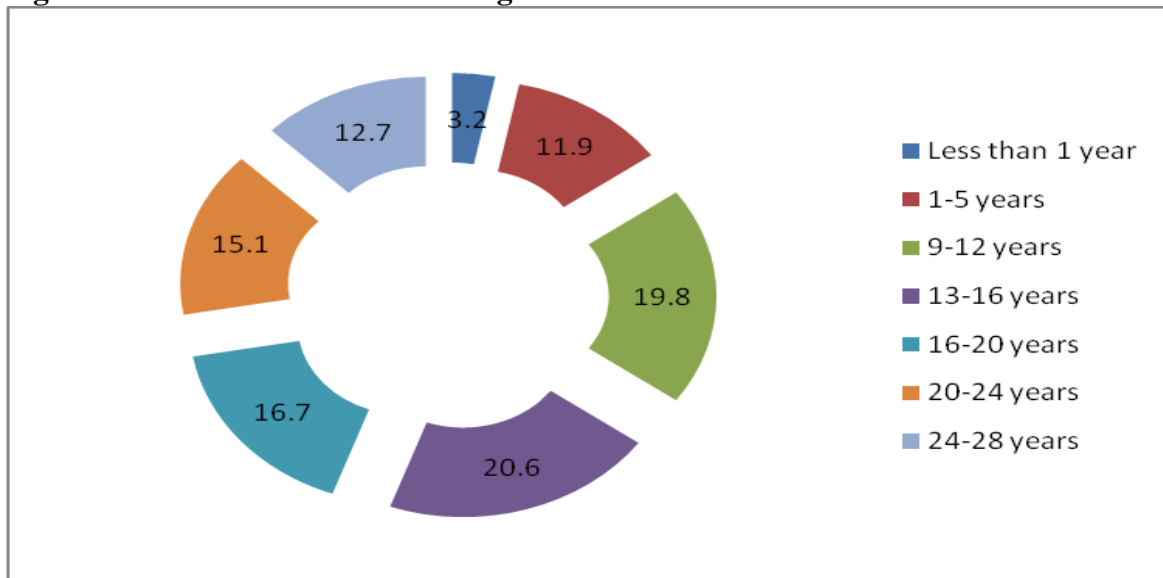


The findings showed that 38.9% of the credit officers were aged between 31 and 40 years, 34.1% were aged between 41 and 50 years, 16.7% indicate between 51 and 60 years whereas 10.3% noted between 18 and 30 years. The finding implies that majority of credit officers of MFIs in Embu County were aged between 31 and 40 years.

4.3.3 Duration Worked in Organization

The respondents were also requested to indicate the duration of time they had worked with MFI. The responses obtained are shown in the figure 4.3.

Figure 4. 3: Duration Worked in Organization

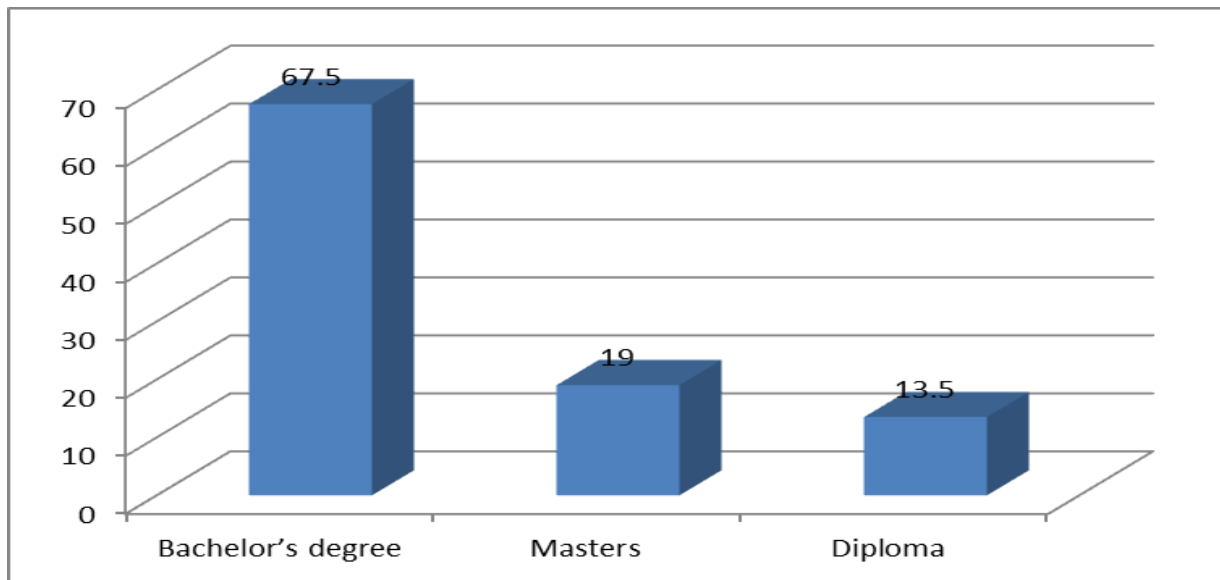


The findings indicated that 20.6% of the credit officers had worked with MFIs for a period of between 13 and 16 years, 19.8% had worked for a period between 9-12 years, 16.7% had worked for a period of between 16 and 20 years, 15.1% indicated between 20 and 24 years, 12.5% had worked for a period of between 24 and 28 years, 11.9% noted between 1 and 5 years whereas 3.2% indicated less than a year. The finding implies that the credit officers had been in the organization long time enough hence they gave relevant answers.

4.3.4 Highest Academic Qualifications

The respondents were further requested to provide their highest level of education. The results are as shown in the figure 4.4.

Figure 4. 4: Highest Academic Qualifications



From the findings 67.5% of the respondents indicated had Bachelor's degree, 19.0% indicated masters, and 13.5 had diploma. These findings imply that the credit officers were literate enough to interpret the topic of the study.

4.4 Factors Affect Employee Retention

The objective of the study was to determine the perceived factors affecting retention of credit officers in microfinance institutions in Embu County. The factors studied were realistic job preview, training and development, reward management, career growth, supervisor support, job characteristics and working conditions. Respondents were requested to show the level of agreement to the statements related to factors affecting employee's retention.

Study questions which were in a Likert scale of between 1 and 5. Where 1 = Strongly Disagree; 2 =Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly Agree. The scores were

calculated to mean scores which were interpreted as 4.5 - 5.0 strongly agree; 3.4 - 4.4 agree; 2.5 - 3.4 neutral; 1.5 - 2.4 disagree; and 0.0 - 1.4 strongly disagree

4.4.1 Trends in Rate of Employee Turnover

The respondents were requested to show the trend of the rate of employee turnover for the last five years in their organisations.

Table 4. 1: Trends in Rate of Employee Turnover

	Frequency	Percent
Decreased	6	4.8
Constant	22	17.5
Improved	53	42.1
Greatly improved	45	35.7
Total	126	100

According to the findings,42.1% of the respondent indicated that employee turnover had improved for the past five years, 35.7% of the respondents noted that employee turnover had greatly improved for the past five years,17.5% of the respondents noted constant whereas 4.8% indicate that employee turnover had decreased for the last five years in their organisation.

4.4.2 Realistic Job Preview

Table 4. 2: Statements on Realistic Job Preview

	Mean	Std. Deviation
Employees having been exposed to both negative and positive characteristics of a job demonstrate a greater degree of commitment to success in their new position	3.6437	.91357
The real nature of the job when exposed to the credit officer during orientation serve to discourage those who are less likely to survive on the job from accepting extended job offers	3.5875	.94417
There is honest disclosure of information that is relevant to a	2.4562	.88932

given job before employees are hired, thus making them feel that the organization is being honest and up-front,

The disclosure of both positive and negative information during orientation serves to improve the probability that employees hired are capable of coping with the job demands and the organization culture	3.4250	.94570
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Disclosure of both positive and negative information reduces hiring, training and turnover by weeding up candidates who would not want the kind of work provided by micro finances organisations	4.3062	.73113
--	--------	--------

The information provided is the most important for the candidate to be aware of before accepting the job offer.	3.7188	.87719
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Research 2016

The analysis above implies that when credit officers of micro finances in Embu County are exposed to both positive and negative information, turnover and hiring and training costs are reduced by weeding out the people who do not want the kind of work micro finances offer (4.3062). The analysis also shows that the information presented during orientation is that which is the most important for the applicant to know before deciding to accept the job offer (3.7188), and that when credit officers are exposed to both negative and positive characteristics of a job, they demonstrate a greater degree of commitment to succeed in their new position (3.6437). The analysis again shows that when the credit officers are exposed to the real nature of the job during orientation, those who are less likely to survive exit at this point (3.5875), and that the disclosure of both positive and negative information during orientation serves to increase the probability that the employees hired are capable of coping with the job demands or the culture of the organization (3.4250). However, the credit officers felt that there is somewhat no honest disclosure of information relevant to a given job before

employees are hired, thus making them feel that the organization is being honest and up-front.(2.4562)

4.4.3: Human Resource Training and Development

Table 4. 3: Statements on Human Resource Training and Development

	Mean	Std. Deviation
My organisation organises frequent Seminars of different cadres of credit officers	3.9500	.81495
There are frequent and continuous on job training	4.6875	.96079
Our company allows and encourages the credit officers to attend workshops	2.4500	.83779
There are frequent exchange programs organised by our organisation	3.7875	.84962

Research 2016

The analysis above implies that the credit officers in microfinance in Embu attend frequent seminars (3.9500), and they also attend frequent continuous on job trainings (4.6875) and participate in frequent exchange programs (3.7875). On the other hand, the analysis is showing that the credit officers hardly attend workshops in their workplaces (2.4500).

4.4.4: Rewards Management

Table 4. 4: Statements on Rewards Management

	Mean	Std. Deviation
Basic pay is commensurate to the amount of work	3.6486	1.13569
There are several allowances in the company that make me stay	4.1351	1.13437
Our company has retirement benefits	3.0541	1.10418
All credit officers are provided insurance cover by the company	3.3784	.92350
There are annual bonuses in the company that encourage me to remain in the company	3.6514	1.22964

Research 2016

The analyses on rewards management imply that the credit officers in Embu County are motivated to stay in their organisations by the several allowances that are offered (4.1351). They are also encouraged to stay by the fair basic pay that is equal to the amount of work they do (3.6486) and the annual bonuses that are offered by the microfinance institutions (3.6514). They are however somewhat not comfortable with the issue of the organisation offering retirement benefits (3.0541) and insurance covers for employees (3.3784).

4.4.5 Job Characteristics

Table 4. 5: Statements on Job Characteristics

	Mean	Std. Deviation
My job has well defined working hours	4.1556	.95240
My job is challenging and I enjoy working	3.8778	1.11373
My organisation allows for delegation of responsibilities	3.6222	1.23009
My job requires a variety of skill	4.1006	.83666
My tasks and responsibilities are well defined	3.0444	.99899
I enjoy autonomy in my job	4.5556	.85240
I have conducive working conditions	3.9876	.98766

Research 2016

The analysis concerning the above factor shows that the credit officers of microfinance institutions in Embu County enjoy doing their work besides it being challenging (3.8778). It goes on to show that the micro finances have well defined hours that the credit officers are comfortable with (4.1556). The credit officers enjoy the autonomy of their work (4.5556), conducive working conditions (3.9876) and delegation of responsibilities (3.6222). The analysis also shows that the job in micro finances institutions requires a variety of skills (4.1006). However the analysis is also showing that the responsibilities and tasks in the microfinance institutions are somewhat not well defined (3.0444).

4.4.6 Supervisor Support

Table 4. 6: Statements on Supervisor Support

	Mean	Std. Deviation
My supervisor challenges me	3.9334	.8227
My supervisor supports decisions I make	4.1332	.7526
My supervisor gives me the chance to make important decisions	3.8027	.7214
When I do well my supervisor appreciates me.	3.1064	.8043
If I decided to quit, my supervisor would try to persuade me to stay	2.8662	.9015
There is effective communicative system between the supervisor and his subordinates	3.4675	.8765

Research 2016

The analysis concerning supervisor support implies that supervisors in microfinance institutions in Embu county give the credit officers a chance to make important decision (3.8027) and they support the decisions made by the credit officers (4.1332).the analysis also imply that the supervisors in these institutions in Embu County challenge their credit officers to do better (3.9334). However, from the analysis, the credit officers feel that if they were to resign from the organisation, they would not be persuaded (2.8662) the also feel that the communication system between the credit officers and the supervisors are somewhat not effective (3.4675).

4.4.7 Career Growth

Table 4. 7: Statements on Career Growth

	Mean	Std. Deviation
There is a structured job promotion policy in my company	3.5919	.90627
The company provides incentives for education advancement	4.7946	.98487
There are many opportunities for skills development in my company	3.5676	.64724
The organisation has mentoring systems for its credit officers	3.7703	1.19370

Researcher 2016

The analysis here show that the credit officers are satisfied with the incentives that are offered by the microfinance institutions in Embu County for education advancement(4.7946), they are also comfortable with the mentoring systems that are offered by their organizations(3.7703) as well as the job promotion policies in their organizations. The credit officers also feel that there are many opportunities for skill development in the micro finances they work for (3.5676).

4.4.8 Working Conditions

Table 4. 8: Statements on Working Conditions

	Mean	Std. Deviation
I enjoy autonomy in my work	3.6973	.90875
Our organization support social relations among the employees	3.3784	.92350
The company emphasizes the principle of teamwork and participation	3.3514	1.22964
There is coordination and cooperation of work among the administration unit working group.	4.5676	.86732
More powers is provided to employees in line with the responsibilities and size of every job	3.5676	.76524
Our company constantly reviews the internal working procedures	2.6486	1.39873
Employees participate in decision-making related to their work	4.5946	.64375
We use of modern technical means which assist in fast completion of tasks and in accuracy	3.2703	1.19370
There is mutual trust between the parties of the organization, enrich career	2.9674	.78643
There is a sense of security and career stability	3.4536	.9876

Research 2016

The analysis on working conditions imply that the credit officers are involved in decision-making related to their work (4.5946), the credit officers also feel that there is coordination and cooperation of work among the administration unit working group (4.5676). The credit officer in microfinance institution in Embu County are happy with the fair powers that is

given to the staff in line with the responsibilities and size of every job commensurate with the size and responsibilities of each job (3.5676) and the autonomy they get in their work. However, they feel that the sense of security and career stability is somewhat minimal (3.4536), and that their organizations are somewhat not in support of social relations among the employees (3.3784). Again, the credit officers in microfinance institutions in Embu County feel that the principle of teamwork and participation is somewhat not fully emphasized by the managers in the institutions (3.3514). In addition, the credit officers are of the view that use of modern technical means which assists in fast completion of tasks and in accuracy has somewhat been left out (3.2703) and that there was neutral mutual trust between the parties of the organization to enrich career (2.9674).

4.5 Factor Analysis

Factor analysis is a systematic, statistical procedure used to uncover relationships amongst several variables. This procedure enables numerous correlated variables to be condensed into fewer dimensions known as factors. The purpose of factor analysis is to discover simple patterns in the pattern of relationships among variables (Anderson, 2004). In the context of this research, the variables are the degree of agreement with various specific perception statements while the factors are the general underlying constructs. In its procedure, rotation is applied to identify meaningful factor names or descriptions. In this study, oblique rotation using Promax was carried out because the proposed framework indicates that the underlying constructs and variables are inter-correlated. Factor rotation was used to re-orient the factor loadings so that the factors are more interpretable.

Table 4. 9: Communalities of Factor Variance

	Initial	Extraction
Employees having been exposed to both negative and positive characteristics of a job demonstrate a greater degree of commitment to success in their new position	1.000	.915
The real nature of the job when exposed to the credit officer during orientation serve to discourage those who are less likely to survive on the job from accepting extended job offers	1.000	.934
There is honest disclosure of information relevant to a given job before employees are hired, thus making them feel that the organization is being honest and up-front,	1.000	.901
The disclosure of both positive and negative information during orientation serves to increase the probability that the employees hired are actually capable of coping with the demands of the job or the culture of the organization	1.000	.935
Disclosure of both positive and negative information reduces turnover and hiring and training costs by weeding out people who do not want the kind of work micro finances offer	1.000	.835
The information presented is that which is the most important for the applicant to know before deciding to accept the job offer.	1.000	.859
My organisation organizes frequent Seminars of different cadres of credit officers	1.000	.843
There are frequent and continuous on job training	1.000	.851
Our company allows and encourages the credit officers to attend workshops	1.000	.912
There are frequent exchange programs organized by our organization	1.000	.809
Basic pay is commensurate to the amount of work	1.000	.893
There are several allowances in the company that make me stay	1.000	.763
Our company has retirement benefits	1.000	.825
All credit officers are provided insurance cover by the company	1.000	.840
There are annual bonuses in the company that encourage me to remain in the company	1.000	.924
My job has well defined working hours	1.000	.781
My job is challenging and I enjoy working	1.000	.737
My organisation allows for delegation of responsibilities	1.000	.906
My job requires a variety of skill	1.000	.757
My tasks and responsibilities are well defined	1.000	.948
I enjoy autonomy in my job	1.000	.886
I have conducive working conditions	1.000	.954
My supervisor challenges me	1.000	.925

My supervisor supports decisions I make	1.000	.908
My supervisor gives me the chance to make important decisions	1.000	.909
When I do well my supervisor appreciates me.	1.000	.916
If I decided to quit, my supervisor would try to persuade me to stay	1.000	.885
There is effective communicative system between the supervisor and his subordinates	1.000	.840
There is a structured job promotion policy in my company	1.000	.716
The company provides incentives for education advancement	1.000	.924
There are many opportunities for skills development in my company	1.000	.813
The company has mentoring systems for its credit officers	1.000	.929
I enjoy autonomy in my work	1.000	.885
Our organisation support social relations among the employees	1.000	.858
The company emphasizes the principle of teamwork and participation	1.000	.874
There is cooperation and coordination in the work among the working group in the administrative unit.	1.000	.735
More powers is given to the staff commensurate with the size and responsibilities of each job	1.000	.859
I have conducive working conditions	1.000	.954
My supervisor challenges me	1.000	.925
My supervisor supports decisions I make	1.000	.908
My supervisor gives me the chance to make important decisions	1.000	.909
The company provides incentives for education advancement	1.000	.924
There are many opportunities for skills development in my company	1.000	.813

Extraction Method: Principal Component Analysis.

The table above helps to estimate the communalities for each variance. This is the proportion of variance that each item has in common with other factors. For example 'I have conducive working conditions' has 95.4 % communality or shared relationship with other factors. This value has the greatest communality with others, while 'There is a structured job promotion policy in my company' has the least communality with others of 71.6%.

Table 4. 10: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	19.193	44.634	44.634	19.193	44.634	44.634
2	9.991	23.234	67.869	9.991	23.234	67.869
3	4.801	11.164	79.033	4.801	11.164	79.033
4	2.197	5.109	84.142	2.197	5.109	84.142
5	1.243	2.890	87.032	1.243	2.890	87.032
6	.880	2.047	89.079			
7	.784	1.823	90.902			
8	.503	1.169	92.071			
9	.475	1.104	93.176			
10	.375	.873	94.049			
11	.363	.843	94.892			
12	.266	.618	95.510			
13	.241	.559	96.069			
14	.215	.499	96.569			
15	.192	.447	97.015			
16	.162	.377	97.392			
17	.136	.317	97.709			
18	.124	.288	97.997			
19	.100	.232	98.230			
20	.088	.205	98.435			
21	.080	.187	98.622			
22	.073	.169	98.791			
23	.068	.158	98.949			
24	.060	.139	99.088			
25	.053	.124	99.212			
26	.049	.113	99.325			
27	.043	.099	99.425			
28	.041	.094	99.519			
29	.036	.084	99.603			
30	.033	.076	99.680			
31	.029	.068	99.748			
32	.027	.062	99.810			
33	.021	.050	99.859			
34	.020	.047	99.907			
35	.018	.041	99.948			
36	.012	.029	99.977			

37	.010	.023	100.000		
38	2.794E-015	6.499E-015	100.000		
39	1.004E-015	2.335E-015	100.000		
40	4.251E-016	9.886E-016	100.000		
41	2.782E-016	6.471E-016	100.000		
42	2.029E-016	4.718E-016	100.000		
43	-4.116E-016	-9.572E-016	100.000		

Extraction Method: Principal Component Analysis.

In the above table, the Kaiser Normalization Criterion is used, which allows for the extraction of components that have an Eigen value greater than 1. The principal component analysis was used and 5 factors were extracted. As the table shows, these seven factors explain 87.032% of the total variation. Factor 1 contributed the highest variation of 44.634%. The contributions decrease as one move from one factor to the other up to factor 5.

Table 4. 11: Component Matrix

	Component				
	1	2	3	4	5
Employees having been exposed to both negative and positive characteristics of a job demonstrate a greater degree of commitment to success in their new position	.803	.448	.199	.153	
The real nature of the job when exposed to the credit officer during orientation serve to discourage those who are less likely to survive on the job from accepting extended job offers	.741	.429		.442	
There is honest disclosure of information relevant to a given job before employees are hired, thus making them feel that the organization is being honest and upfront,	.292	.459	.624	.218	
The disclosure of both positive and negative information during orientation serves to increase the probability that the employees hired are actually capable of coping with the demands of the job or the culture of the organization	.317	.439	.197	.161	.702
Disclosure of both positive and negative information reduces turnover and hiring and training costs by weeding out people who do not want the kind of work micro finances offer	.754	.452	.105	.172	.147
The information presented is that which is the most important for the applicant to know before deciding to accept the job offer.	.744	.368	.257	.278	.163
My organisation organizes frequent Seminars of different cadres of credit officers	.318	.460	.608	.205	.175
There are frequent and continuous on job training	.821	.372	.156		.122
Our company allows and encourages the credit officers to attend workshops	.400	.123	.823	.231	
There are frequent exchange programs organized by our organization	.686	.245	.487	.177	
Basic pay is commensurate to the amount of work	.487	.140	.733	.307	
There are several allowances in the company that make me stay	.429	.201	.714	.145	
Our company has retirement benefits	.427	.211	.658	.317	.255
All credit officers are provided insurance cover by the company	.387		.795	.221	
There are annual bonuses in the company that encourage me to remain in the company	.460	.114	.795	.242	
My job has well defined working hours	.618	.617		.115	
My job is challenging and I enjoy working	.747	.406			
My organisation allows for delegation of responsibilities	.663	.675			

My job requires a variety of skill	.677	.479			.748
My tasks and responsibilities are well defined	.725	.599	.104		.229
I enjoy autonomy in my job	.518	.779			
I have conducive working conditions	.759	.573			.203
My supervisor challenges me	.606	.686			.290
My supervisor supports decisions I make	.656	.653			.210
My supervisor gives me the chance to make important decisions	.676	.628			.213
When I do well my supervisor appreciates me.	.664	.683			
If I decided to quit, my supervisor would try to persuade me to stay	.314	.555			.751
There is effective communicative system between the supervisor and his subordinates	.223	.255	.581	.787	.118
There is a structured job promotion policy in my company			.149	.666	.493
The company provides incentives for education advancement	.698	.426		.500	
There are many opportunities for skills development in my company	.163	.508	.218	.747	
The company has mentoring systems for its credit officers	.120	.428	.668	.200	
I enjoy autonomy in my work	.140	.485	.275		.735
Our organisation support social relations among the employees	.201	.488	.276	.734	.182
The company emphasizes the principle of teamwork and participation	.757	.431	.601	.146	
There is cooperation and coordination in the work among the working group in the administrative unit.	.401	.337		.668	.220
More powers is given to the staff commensurate with the size and responsibilities of each job	.331	.451	.290	.158	.815
I have conducive working conditions	.159	.573			.203
My supervisor challenges me	.606	.686			.290
My supervisor supports decisions I make	.656	.653			.210
My supervisor gives me the chance to make important decisions	.676	.628			.213
The company provides incentives for education advancement	.698	.426		.500	
There are many opportunities for skills development in my company	.363	.508	.218	.647	

Extraction Method: Principal Component Analysis.

a. 5 components extracted.

The initial component matrix was rotated using Varimax (Variance Maximization) with Kaiser Normalization. The above results allowed for the identification of which variables fall under each of the 5 major extracted factors. Each of the 43 variables was looked at and placed to one of the five factors depending on the percentage of variability; it explained the total variability of each factor. A variable is said to belong to a factor to which it explains more variation than any other factor. All items except one in the five factors identified had factor loadings above the cut-off value (0.4) impressing their importance and meaningfulness to the factors in the light of recommendations by Hair et al. (1998).

4.6 Discussion of the Findings

From the findings on realistic job preview it is clear that when credit officers of micro finances in Embu County are exposed to both positive and negative information, turnover and hiring and training costs are reduced by weeding out the people who do not want the kind of work micro finances offer. It is also clear that the information presented during orientation is that which is the most important for the applicant to know before deciding to accept the job offer, and that when credit officers are exposed to both negative and positive characteristics of a job; they demonstrate a greater degree of commitment to succeed in their new position. The findings again show that when the credit officers are exposed to the real nature of the job during orientation, those who are less likely to survive exit at this point, and that the disclosure of both positive and negative information during orientation serves to increase the probability that the employees hired are actually capable of coping with the demands of the job or the culture of the organization. However, the credit officers felt that there is somewhat no honest disclosure of information relevant to a given job before employees are hired, thus making them feel that the organization is being honest and up-front.

The findings are in agreement with study of Breugh (1983) which theorizes that there are four distinct, yet interrelated, basic psychological processes that influence the effectiveness of RJPs. He characterizes them as met expectations, ability to cope, air of honesty, and self-selection. Kamau (2013) on the other hand reviewed the perceived relationship between realistic job preview and employee job satisfaction at Kenya police service. The study established that realistic job preview on various job aspects is conducted to varying extents at Kenya Police Service with more emphasis placed on reporting relationships, career progression and remuneration.

Further, the findings on training and development show that the credit officers in micro finances in Embu attend frequent seminars, and that they also attend frequent continuous on job trainings and participate in frequent exchange programs but they hardly attend workshops in their workplaces.

The findings are supported by the study of Yazinski (1987) which shows that many changing business environment necessitates that organizations should spend on training of employees to enhance organizational ability to positively respond to the dynamic environment. According to Clark (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.

Again, the findings on rewards management show that the credit officers in Embu County are motivated to stay in their organisations by the several allowances that are offered. They are also encouraged to stay by the fair basic pay that is equal to the amount of work they do and the annual bonuses that are offered by the microfinance institutions. They are however

somewhat not comfortable with the issue of the organisation offering retirement benefits and insurance covers for employees.

These findings are in agreement with Tithé (2008) that employers are seeking staff that are fair or want to achieve fairness in pay in relation to effort, responsibility and other factors. Findings indicate that monetary incentives are needed to encourage employees to put extra effort and reduce intention to leave. Furthermore, According to Yazinski (1987), many organizations rewards are differentiated on the basis of status (rather than contribution) and, often, the only way an individual can increase his or her pay is to get promoted.

The findings on job characteristics show that the credit officers of microfinance institutions in Embu County enjoy doing their work besides it being challenging. It goes on to show that the micro finances have well defined hours that the credit officers are comfortable with. The credit officers in microfinance institutions in Embu County enjoy the autonomy of their work, conducive working conditions and delegation of responsibilities. The analysis also shows that the job in micro finances institutions requires a variety of skills. However the findings are also showing that the responsibilities and tasks of credit officers in the microfinance institutions are somewhat not well defined. This findings correlate with Fruin (2013), who conducted a study of effects of human resource management practices on retention of employees in the banking industry in Accra Ghana, typical examples of job characteristics that influence employee retention include reporting and leaving office time, job schedule breaks, benefits and delegation or problem solving. Dee (2005) also noted that employees are bound to stay at their work without wanting to leave since the emotional well-being that is supposed to come from job characteristics is being felt. The emotional component such as boredom, anxiety, acknowledgement and excitement would course high employee turnover

The findings on supervisor support shows that supervisors in microfinance institutions in Embu county give the credit officers a chance to make important decision and they also support the decisions made by the credit officers .The findings go on to show that the supervisors in these institutions in Embu County challenge their credit officers to perform better. However, the credit officers feel that if they were to resign from their organization, they would not be persuaded, they also feel that the communication system between the credit officers and the supervisors are somewhat not effective. The findings were supported by Kilonzi (2013) who conducted a study of recruitment practices, job satisfaction and employee retention in the Kenyan manufacturing sector suggested that it's also a good idea to place new employees in work groups with positive attitudes. Furthermore, According to Thang and Buyens (2014), one of the major reasons that would course an employee to leave an employment is the feeling of being contract agreement. Supervisory support therefore goes a long way to ensure that new employees are given care support at work environment.

The findings on career development show that the credit officers are satisfied with the incentives that are offered by the microfinance institutions in Embu County for education advancement, they are also comfortable with the mentoring systems that are offered by their organizations, as well as the job promotion policies in their organizations. The credit officers also feel that there are many opportunities for skill development in the microfinances they work for.

According to Caldwell (2011), career development includes both individual and organizational activities. Career development can help with retention because employees will develop a sense of loyalty for employers who are willing to invest in them. According to Fink (2010), Organization desiring to strengthen their bond with employees must spend on the development of employees. Promotion opportunities within the organization, training

opportunities and skill development are created within the organisation to improve their employee's employability on the external labour market. Career development encompasses vertical issues such as promotions and upward mobility and also horizontal movement (lateral job transfers) within the organization.

The findings on working conditions imply that the credit officers in microfinance institutions in Embu County are involved in decision-making related to their work, the credit officers also cooperate and coordinate in the work among the working group in the administrative unit. The credit officers in microfinance institution in Embu County are happy with the fair powers that is given to the staff commensurate with the size and responsibilities of each job, and the autonomy they get in their work. However, they feel that the sense of security and career stability is somewhat minimal, and that their organizations are somewhat not in support of social relations among the employees. Again, the credit officers in microfinance institutions in Embu County feel that the principle of teamwork and participation is somewhat not fully emphasized by the managers in the institutions, and in addition, the credit officers are of the view that the use of modern technical means which help in the completion of the work accurately and fast has somewhat been left out and that there was neutral mutual trust between the parties of the organization to enrich career.

The findings are in agreement with Raslan (2008) who conducted a study entitled work environment and worker productivity between thought and the reality of management in Egypt. The study indicates that comfort of workers have good reaction in the motivation to work and intention to stay.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presented the discussion of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn were focused on addressing the objective of the study

5.2 Summary of Findings

The analysis above implies that when credit officers of microfinances in Embu County are exposed to both positive and negative information, turnover and hiring and training costs are reduced by weeding out the people who do not want the kind of work micro finances offer. The analysis also shows that the information presented during orientation is that which is the most important for the applicant to know before deciding to accept the job offer, and that when credit officers are exposed to both negative and positive characteristics of a job, they demonstrate a greater degree of commitment to succeed in their new position. The analysis again shows that when the credit officers are exposed to the real nature of the job during orientation, those who are less likely to survive exit at this point, and that the disclosure of both positive and negative information during orientation serves to increase the probability that the employees hired are actually capable of coping with the demands of the job or the culture of the organization. However, the credit officers felt that there is somewhat no honest disclosure of information relevant to a given job before employees are hired, thus making them feel that the organization is being honest and up-front.

From the analysis on training and development, it is clear that the credit officers in microfinances in Embu attend frequent seminars, and that they also attend frequent

continuous on job trainings and participate in frequent exchange programs but they hardly attend workshops in their workplaces.

Again from the analysis of rewards management the credit officers in Embu County are motivated to stay in their organizations by the several allowances that are offered. They are also encouraged to stay by the fair basic pay that is equal to the amount of work they do and the annual bonuses that are offered by the microfinance institutions. They are however somewhat not comfortable with the issue of the organization offering retirement benefits and insurance covers for employees.

The analysis on job characteristics shows that the credit officers of microfinance institutions in Embu County enjoy doing their work besides it being challenging. It goes on to show that the microfinances have well defined hours that the credit officers are comfortable with. The credit officers in microfinance institutions in Embu County enjoy the autonomy of their work, conducive working conditions and delegation of responsibilities. The analysis also shows that the job in microfinances institutions requires a variety of skills. However the analysis is also showing that the responsibilities and tasks in the microfinance institutions are somewhat not well defined.

The analysis on supervisor support shows that supervisors in microfinance institutions in Embu county give the credit officers a chance to make important decision and they also support the decisions made by the credit officers .The analysis goes on to show that the supervisors in these institutions in Embu County challenge their credit officers to do better. However, the credit officers feel that if they were to resign from the organisation, they would not be persuaded, they also feel that the communication system between the credit officers and the supervisors are somewhat not effective.

The analysis on career growth show that the credit officers are satisfied with the incentives that are offered by the microfinance institutions in Embu County for education advancement, they are also comfortable with the mentoring systems that are offered by their organizations, as well as the job promotion policies in their organizations. The credit officers also feel that there are many opportunities for skill development in the microfinances they work for.

The analysis on working conditions imply that the credit officers in microfinance institutions in Embu County are involved in decision-making related to their work, the credit officers also cooperate and coordinate in the work among the working group in the administrative unit The credit officers in microfinance institution in Embu County are happy with the fair powers that is given to the staff commensurate with the size and responsibilities of each job, and the autonomy they get in their work. However, they feel that the sense of security and career stability is somewhat minimal, and that their organizations are somewhat not in support of social relations among the employees. Again, the credit officers in microfinance institutions in Embu County feel that the principle of teamwork and participation is somewhat not fully emphasized by the managers in the institutions, and in addition, the credit officers are of the view that the use of modern technical means which help in the completion of the work accuracy and fast has somewhat been left out and that there was neutral mutual trust between the parties of the organization to enrich career.

5.3 Conclusions

Based on the research findings the study concludes that realistic job preview influences the employee retention of credit officers in microfinance institutions in Embu County. The credit officers want to know beforehand, during orientation, what the microfinance job is all about so that they can make a decision on whether to take the job or not, honest disclosure of information by the organisation is very vital and should be done during orientation. The

factor is relevant to the study and should be enforced by the HRM department in the microfinance institutions so as to reduce turn over.

The research further concludes that human resource training and development influences employee retention of credit officers in microfinance institutions in Embu County. The study induced that the credit officers are frequently and continuous trained about their jobs in Microfinances in Embu County and that, the microfinances organise frequent seminars of different cadres of credit officers as well as frequent exchange programs. However, work workshops are not common in the microfinance institutions in Embu County. Credit officers are motivated by trainings, workshops and exchange program. They feel valued by the organisation and are better equipped so as to be able to do their work well. This encourages them and they feel motivated to stay in the organisation for longer. The HRM department in all micro finances should enforce this factor in all aspects to reduce turnover.

The study also concludes that rewards management influences credit officers' retention in Microfinance institutions in Embu County. The study noted that there are several allowances offered by the MFIs in the Embu County that motivates the credit officers and gives them the moral to go on working in their institutions. Furthermore, MFIs give annual bonuses to its staff and the basic pay in the organisations commensurate to the amount of work. However, when came to the insurance covers and retirement benefits, not all credit officers benefit from such. The microfinance institutions in Embu County should embark on this factor, and enforce it full so that all credit officers are motivated to work harder and stay in their organisation. This will greatly reduce turn over in these organisations

Furthermore, job characteristics affect retention of credit officers of microfinance institutions in Embu County. The results induced that credit officers of MFIs in Embu County enjoy autonomy in their job. The study deduced that MFIs in Embu have jobs with a well defined

working hours and that require variety of skill. The research found out that credit officers of MFIs in Embu County perform their duties in conducive working conditions despite of the job being challenging. It was induced in the study that credit officers enjoy their work, and again organisation allows for delegation of responsibilities. However, it was neutral that tasks and responsibilities are well defined in MFIs in Embu County with credit officers.

The study concludes that supervisor of microfinances supports decisions made by the employee but sometime the decisions is challenged by the supervisor. It was further found that the supervisors give employees a chance to make important decisions in the organisation. The research found that there was effective communicative system between the supervisor and their subordinates in most of MFIs in Embu County. The supervisors of the MFIs in Embu County do appreciate their staff whenever they do something recommendable as well as persuading them to stay in the organisation. This should continue as an appreciated employee performs better and is motivated all the time hence the chance of leaving the organization is minimal. This reduces turn over.

In relation to Career Growth the study found that it affects the credit officers retention among the MFIs in Embu County. It was agreed that microfinances provide incentives for education advancement to their employees. The microfinance institutions offer mentoring program for its credit officers. Other aspects of career growth that MFIs in Embu county have acquired in their organisation to achieve employee retention include; having a structured job promotion policy in their company as well as offering opportunities for skills development for their credit officers.

The study finally established that working conditions influences the credit officer retention in the MFIs in Embu County. The study identifies that employees participates in decision-making related to their work in the organization. Most MFIs in the county have employed

aspects of working conditions such as; giving more powers to the staff commensurate with the size and responsibilities of each job offering, security and career stability, supporting social relations among the employees, and enjoying the autonomy of work. However, the research confirmed that, emphasizing the principle of teamwork and participation and use of modern technical means which help in the completion of the work accuracy were not common practices in the organizations.

The general conclusion from the findings is that the all the factors affect credit officers retention in MFIs institutions in Embu county. From the findings, most MFIs are doing very well in enforcing these factors hence maintaining their credit officers. However, some credit officers in MFIs in Embu County stay because they have not yet found other organizations to go to. This shows that some credit officers in MFIs in Embu County leave their work places because they are not satisfied with a few aspects of the different factors that have been studied that are not been enforced, but a majority, especially the young ones leave because the kind of work in MFIs is hard and therefore they just want to find another different job.

5.4 Recommendations for policy and practice

Based on the research findings and conclusion, the study recommends that managers of MFIs in Embu County should perform realistic job preview of their credit officers in their organisation as seen in the study that realistic job review increases the employee retention rate. This should be done early during orientation to get employees that are actually capable of coping with the demands of the job or the culture of the organization.

The research also recommends all of MFIs to adopt human resource training and development in all aspects in their institutions. The credit officers should be frequently and continuously be trained about their jobs; this will increase their efficiency in the job. In addition to training, managers of MFIs should also organise frequent seminars of different

cadres of credit officers as well as frequent exchange programs. Workshops too should also not be left behind.

The study further recommends that rewards management should also be taken into consideration fully by management of MFIs in Embu County in order to improve on employee retention. The organisations should introduce allowances packages such as annual bonuses, rewards and gifts, retirement's benefits, insurance packages and motivation allowances. These allowances will motivate the staff and hence they will not be willing to leave the organisation.

Furthermore, job characteristics should also be considered fully by the managers of MFIs in Embu County as one of the strategy to enhance credit officers' retention. The managers should ensure that credit officers enjoy autonomy in their job as well as defining working hours of the employees. The credit officers have to be imparted with variety of skills to enable them perform their duty diligently. More so, the MFIs managers should define tasks and responsibilities appropriately among the staff. This way the staff will have clear way of doing things and performance will be measured more easily. Again the managers should always aim, at making the job to be less challenging. Some employees will stay in an organisation just because they don't have any where to go, but if the job is made easier for them they will be encouraged and will even start performing well and remain in the same organisation.

The study again recommends that supervisors of microfinances have to support decisions made by the employees. This will motivate them since they will feel like they are part of the organisation. Employees should further be given a chance to make important decisions in the organisation. Furthermore, management team of MFIs have to establish a stable and effective communicative system between the supervisor and their subordinates, by so doing

the information will have a smooth flow in the institution hence pleasing the employees. Apart from that, supervisors of the MFIs in Embu County are advised to develop a habit of appreciating their staff whenever they do something recommendable. This motivates employees; they feel appreciated and are more willing to stay in an organisation

Again career growth aspects such as providing incentives for education advancement to the employee, offerings mentoring program to credit officers, structured job promotion policy in their company as well as offering opportunities for skills development for their credit officers should be highly employed in the organisation because this promotes employee retentions.

The study finally recommends that managers of MFIs in Embu County should promote proper working conditions of their credit officers. Working group in the administrative unit should be encouraged in the organization as well as giving more powers to the staff commensurate with the size and responsibilities .The study recommends to managers of MFIs to emphasis the principle of teamwork and participation in their organization.

All MFIs should fully adopt the factors in their organisations fully in order to reduce turnover.

5.5 Suggestion for Further studies

The study suggests a study to determine whether poaching of credit officers in MFIs improves performance in the organisations.

The study also suggests a study on whether the challenging work of credit officers in MFIs leads to high turnover hence affecting the stability and performance of the organisations

The study suggests another study to be done on a wider coverage apart from Embu County, since the study was limited itself in Embu County.

Also future researchers should consider evaluating the relationship between retention factors and the employees' performance of Microfinance institutions in Embu County.

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APPENDICES

Appendix I: Letter of Introduction

The research will use the following letter of introduction which will also accompany the questionnaire.

Serah Kageni Kibera

P. O. Box 269

ATHI-RIVER

10th OCTOBER 2016

Dear respondent

I am a student at the University Of Nairobi, Reg. No. D61/75532/2012, carrying out a research partial fulfilment of the requirement of the award of the degree of master of business administration. My title is **PERCEIVED FACTORS INFLUENCING RETENTION OF CREDIT OFFICERS IN MICROFINANCE INSTITUTIONS IN EMBU COUNTY**

Kindly, fill in the questionnaire attached so that the researcher can get the information required and also make this proposal a success.

All the information submitted is only for academic purpose and will be treated in outmost confidence.

Thank you.

Yours faithfully,

Serah Kageni Kibera

Appendix II: Questionnaire

The questionnaire aims at helping the researcher to gather information on the factors influencing retention of credit officers in microfinance institutions in Embu County. The information you will give will be treated in outmost confidentiality. You are kindly requested to complete the form giving your opinion in the spaces provided.

SECTION A: DEMOGRAPHIC INFORMATION

Tick where appropriate

- 1 Your gender Male Female
- 2 Your age in years
18 – 30 31 – 40 41 – 50 51- 60
- 3 Indicate the number of years you have worked with this MFI
< 1 year 1 – 5 years 6– 8 years
9 – 12 years 13 – 16 years 16 – 20 years
20 – 24 years 24 – 28 years
- 4 What is your highest level of education?
Secondary
College diploma
Degree
Masters
PhD
Any other (specify)

SECTION B: FACTORS INFLUENCING RETENTION OF STAFF

- 1) What has been the trend of the rate of employee turnover for the last five years?
Greatly Improved Improved
Constant Decreasing
- 2) In your honest opinion, given 5 reasons why you believe employees stay your MFI
(i) _____
(ii) _____
(iii) _____
(iv) _____
(v) _____

3) To what extent do you agree on the following regarding factors affecting employee retention at your MFI?? Use 1- Strongly Disagree, 2- Disagree, 3- neither agree nor disagree, 4- Agree and 5-strongly agree.

	1	2	3	4	5
Realistic Job Preview					
Employees having been exposed to both negative and positive characteristics of a job demonstrate a greater degree of commitment to success in their new position					
The real nature of the job when exposed to the credit officer during orientation serve to discourage those who are less likely to survive on the job from accepting extended job offers					
There is honest disclosure of information relevant to a given job before employees are hired, thus making them feel that the organization is being honest and up-front,					
The disclosure of both positive and negative information during orientation serves to increase the probability that the employees hired are actually capable of coping with the demands of the job or the culture of the organization					
Disclosure of both positive and negative information reduces turnover and hiring and training costs by weeding out people who do not want the kind of work micro finances offer					
The information presented is that which is the most important for the applicant to know before deciding to accept the job offer.					
Human Resource Training And Development					
My organisation organises frequent Seminars of different cadres of credit officers					
There are frequent and continuous on job training					
Our company allows and encourages the credit officers to attend workshops					
There are frequent exchange programs organised by our organisation					

Rewards Management					
Basic pay is commensurate to the amount of work					
There are several allowances in the company that make me stay					
Our company has retirement benefits					
All credit officers are provided insurance cover by the company					
There are annual bonuses in the company that encourage me to remain in the company					
Job Characteristics					
My job has well defined working hours					
My job is challenging and I enjoy working					
My organisation allows for delegation of responsibilities					
My job requires a variety of skill					
My tasks and responsibilities are well defined					
I enjoy autonomy in my job					
I have conducive working conditions					
Supervisor Support					
My supervisor challenges me					
My supervisor supports decisions I make					
My supervisor gives me the chance to make important decisions					
When I do well my supervisor appreciates me.					
If I decided to quit, my supervisor would try to persuade me to stay					
There is effective communicative system between the supervisor and his subordinates					
Career Growth					
There is a structured job promotion policy in my company					
The company provides incentives for education advancement					
There are many opportunities for skills development in my company					
The company has mentoring systems for its credit officers					

Working conditions					
I enjoy autonomy in my work					
Our organisation support social relations among the employees					
The company emphasizes the principle of teamwork and participation					
There is cooperation and coordination in the work among the working group in the administrative unit.					
More powers is given to the staff commensurate with the size and responsibilities of each job					
Our company constantly reviews the internal working procedures					
Employees participate in decision-making related to their work					
We use of modern technical means which help in the completion of the work accuracy and fast					
There is mutual trust between the parties of the organization, enrich career					
There is a sense of security and career stability					
The work load and scheduling is flexible					

THANK YOU FOR PARTICIPATION!!