STRATEGIC EFFECTS OF EMPLOYEE MOTIVATION ON RETENTION OF STAFF IN THE BANKING INDUSTRY: A CASE OF NATIONAL BANK OF KENYA HARAMBEE AVENUE BRANCH

BY

ABDI HASSAN MOHAMED
L123/24323/2013

A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT OF DIPLOMA IN BUSINESS MANAGEMENT DEPARTMENT OF BUSINESS ADMINISTRATION UNIVERSITY OF NAIROBI

SEPTEMBER 2014
ABSTRACT

What influences one employee to stay on in a particular organization does not necessarily influence the other to stay on. For employers to maximize employee’s retention, they should determine what motivational attributes that each employee individually values. This study seeks to investigate the effect of employee motivation on retention of staff in the Kenyan banking industry, a case of the National Bank of Kenya Limited (NBK). The study will seek to achieve the following specific objectives: to establish the effect of reward systems like salaries, allowances, training and promotion on staff retention at NBK; to determine the effect of working conditions on staff retention at NBK; to find out the relationship between leadership styles and staff retention at NBK; to determine the effect of organizational culture, particularly its bearing on career advancement and staff retention at NBK; and to determine the effect of job security on staff retention at NBK.

The study will adapt a descriptive research design and the researcher will conduct a field survey across the branch network of NBK. The target population of the study comprises of 22 employees in Harambee Avenue branch of NBK. The sampling will be performed through stratified sampling. Stratified random sampling will be applied in the selection of staff to be interviewed based on the management cadre they belong to. A sample percentage of 10% will be chosen from the lower level stratum while a sample of 30% will be chosen from the upper stratum. A total of 22 staff members will be interviewed from across the three cadres of management as indicated in the sampling frame. The study relies on primary data. Data from the sampled staff from the middle and junior management cadres will be collected through administration of a structured questionnaire. The questionnaire will contain both open-ended and closed questions covering issues of each motivational factor with options of them to identify how they influence staff retention at NBK. An interview guide shall be used to collect data from key informants who shall be drawn from the top management cadre. Pilot testing will be conducted to check on the reliability and validity of the research instruments. The data from the study will be analyzed using both qualitative and quantitative techniques. Quantitative data will be analyzed using SPSS (a statistical software package). Descriptive statistics such as percentages and frequencies will be used to analyze the quantitative data. Qualitative data will be analyzed through segregation of field notes into common themes. After the data is analyzed, the research findings will be presented using frequency tables, pie charts and bar graphs where applicable.
DECLARATION

This research proposal is my original work and has never been presented for a degree in any other university. No part of this research proposal may be reproduced without prior permission of the author and/or university of Nairobi.

Signature........................................ Date........................................ 03/10/2014

HAASSAN ABDI
L123/24323/2014

This proposal has been submitted for examination with my approval as the university supervisor.

Signature........................................ Date........................................ 24/10/2014

Ms. Elizabeth Kihoro