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Evaluation of Employee Retention Practices to Generation Y at Cooperative Bank in the County of Nairobi, Kenya

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Abstract
There has been a problem of increase in employee turnover at the Cooperative bank. This is shown by an increase of turnover from 15% in the year 2005 to 19% ten years later in 2015. Labour market is currently being faced with a number of diverse trends. One element of this is the Generation Y type of employees. These are young employees born in the early 1980s and early 1990s who are joining the labour force with unique needs, aspirations and demands. The study utilized Herzberg two factor theory, Equity theory and Hierarchy of needs theory. The key variables for the study were: Reward and compensation practices; Career management practices; Training and development practices, and; Work-life balance practices. A stratified random sampling technique was used for the study. The researcher purposely selected the head office and Parliament branches. The target population of the study was 392 Generation Y employees. Census was conducted on employees of the head office and Parliament branch. The sample size was 89. After data had been collected, the researcher conducted data cleaning, and then the data was coded and entered in the computer for analysis using the Statistical Package for Social Sciences. Data was then analyzed using descriptive and inferential statistics. A total of 71 questionnaires were returned as correctly filled which were subsequently used in the analysis, representing response rate of 79.8%.The age group of majority of Generation Y employees at Cooperative bank lied between 28-36 years at (65.2%). Majority (58.3%) of the respondents were male while the rest (41.7%) of the respondents were female. Majority (44.0%) of the respondents had a working experience between 3 to 6 years. Regression results revealed that there was an existing linear relationship between reward and compensation and retention of generation Y employees ($\beta = 0.371$; $p = 0.002$, $\alpha = 0.05$); career management practices and retention of generation Y employees ($\beta = 0.184$; $p = 0.020$, $\alpha = 0.05$); training and development practices and retention of generation Y at Cooperative bank in the County of Nairobi ($\beta = 0.163$; $p = 0.040$, $\alpha = 0.05$).,and; work-life balance and retention of Generation Y's yielded Beta values, ($\beta = 0.498$; $p= 0.001$). All this led to the rejection of the null hypothesis and conclusion that indeed they were significant in retaining Generation Y employees. The study recommended that: there was need to have well scheduled salary review by the management; Career management methods like having career counselling facilities, career mentors, career planning and career development programs should be widely adopted by banks; Training and development opportunities should be availed to all employees and ensure there is continuous skills improvement of the work force; banks should consider more on work-life balance practices are in place, and; further study is needed also to determine the nature of reward preferred by the commercial banks employees to be able to make the system work better and achieve greater results as envisaged in the strategic plan and future plans to succeed. This study may also be replicated in other similar organizations to compare the outcomes.
Keywords: Reward and compensation practices, Career management practices, Training and development practices, Work-life balance practices and retention practices.

1.0 Introduction

According to Taylor (2002), workforce is a heavyweight component of any organization and therefore employees are always considered as the greatest asset of an organization. Without employees, organizations will not be able to produce business results, achieve organization goals, or meet its financial objectives. Most organizations recognize the importance of human resources in realizing the success of their businesses. A profit-making company may possess the strongest edge, in terms of technology, depth in funding, market location etc., but without its strong workforce to execute their respective roles and responsibilities, the company would not be able to progress to meet any of its business or organizational goals (Taylor, 2002). Unwanted employee turnover is one of the biggest and most costly business problems companies may face (Taylor, 2002).

Employee retention is an increasingly important challenge for organisations as the age of the knowledge worker unfolds (Lumley, Coetzee, Tladinyane & Ferreira, 2011). Presently the labour market belongs to employees, because talented candidates in the global job skills market have the luxury of choice (Harris, 2007). Employees, both new and experienced are realizing that they have more discretion in their choice of organisations to work with (Clarke, 2001). The dynamic business environment has brought to bear a lot of organisational challenges, a prominent one being the retention of adept employees.

Meanwhile employee turnover is costly and can negatively affect organisational effectiveness and employee morale (Kacmar, Andrews, Van Rooy, Steilberg, & Cerrone, 2006; Shaw, Gupta, & Delery, 2005).

The main purpose of employee retention is to prevent competent employees from leaving an organisation as this could have adverse effect on productivity and profitability (Samuel & Chipunza, 2009). However, the challenge of attracting, retaining and motivating people has never been greater (Punia & Sharma, 2008). Strategic staffing has become an important issue to many organisations, because the ability to hold on to highly talented core employees can be crucial to the future survival of the organisation.

Being a generation that has grown up in a very dynamic and challenging environment in terms of technological changes, innovations, diversity, great revolutions in the digital world, strong family ties etc., the Gen Y has been labelled as the 'Greatest Generation' and are said to have all the gears to face the complexities of the current and future (Hershatter and Epstein, 2011). Highly technology savvy individuals with strong collaborative skills coupled with extreme self-confidence makes the GenY (Generation Y) employable in any industry today (Reed, 2014). In addition to the above, the Millennials consider themselves as high achievers and good in multi-tasking and seek immediate feedback (Cekada, 2012).Working in a transparent organizations where the mission, values, operations, problems and conflicts are open to employees is what they prefer (Reed, 2014).

Cooperative Bank of Kenya is a commercial bank in Kenya, the largest economy in the East African Community. It is licensed by the Central Bank of Kenya, the national banking regulator. The bank has the second highest customer base in Kenya with over 3.5 million accounts as of June 2016. In 2010, the bank was awarded "Best Bank of Kenya" by the London Financial Times due to their excellent growth. The bank serves the banking needs of individuals, small businesses and large corporations, focusing on the needs of cooperative societies in Kenya. Cooperative Bank is a large financial services institution. As of December 2016, its total assets were valued at approximately KSh342.5 billion.

County of Nairobi is one of the 47 counties of Kenya. The smallest yet most populous of the counties, it is coterminous with the city of Nairobi, which is also the capital and largest city of Kenya. The Nairobi City County is the creation of the Constitution of Kenya 2010 and successor of the defunct City Council of Nairobi. It operates under the auspices of the Cities and Urban Areas Act, The Devolved Governments Act and a host of other Acts. The Nairobi City County is charged with the responsibility of providing a variety of services to residents within its area of jurisdiction.

1.1 Statement of the Problem

Employee retention is one of the challenges facing many organisations both public and private. Retention of talented employees has become an even greater challenge confronting human resource practitioner because talented candidates in the global job skills market have the luxury of choice. It is even more challenging to retain Generation Y's. Among the several HRM activities which could elicit some positive employee responses, are compensation, career management, work-life balance and employee engagement which have been found to enhance employee retention (Mathis & Jackson, 2004). Also whilst studies have established the effect of job satisfaction on retention (Robinson & Barron, 2007), there are a few studies conducted in the banking industry in Kenya which appears to be grappling with the problem of labour turnover. It is evident that studies concerning employee retention have been conducted mainly in U.S., Europe and Asia with few of these studies being conducted in Africa. Furthermore, few studies have been done on effects of HRM practices on retention of generation Y. The Cooperative bank had 28% of its employees under the age of forty in the year 2005. The rate of employee turnover in the same year was recorded as 14%. In the year 2015, percentage of employees under forty years had increased to 49%. The rate of employee turnover had also increased by five percentage points to 19%. This raises questions as to why Generation Y leave the organization and what is it that must be done to retain them. The study sought to answer the questions by conducting the research in Cooperative bank of Kenya.

The study sought to test the following hypotheses:

i. H_{01}: There is no significant difference between reward and compensation and retention of Generation Y's at Cooperative bank in the County of Nairobi.
ii. H_{02}: There is no significant difference between career management practices and retention of Generation Y's at Cooperative bank in the County of Nairobi.
iii. H_{03}: There is no significant difference between training and development practices retention of Generation Y's at Cooperative bank in the County of Nairobi.
iv. H_{04}: There is no significant difference between work-life balance and retention of Generation Y's at Cooperative bank in the County of Nairobi.

2.0 Literature Review

2.1 Theoretical Review

The study was guided by three major theories namely: Herzberg Two Factor Theory; Equity Theory, and; Hierarchy of Needs Theory.

Frederick Herzberg introduced the two-factor theory, which is also known as the motivation-hygiene theory, in 1959. Herzberg's theory states that there are certain factors that are related to the content of the job and provides satisfying experiences for employees. These factors are called motivators or satisfiers and include achievement, recognition, the work itself, responsibility, advancement, and growth. The theory states that, there are non-job-related factors that can cause dissatisfying experiences for employees. These factors are known as hygiene factors or dissatisfiers and include company policies, salary, co-worker relations, and style of supervision (Steers & Porter, 1991).

The equity theory by Adams (1965) recognises that individuals are concerned not only with the rewards they receive for their efforts, but also compare their rewards with what others receive. The theory is founded on people's perception of fairness or equity which is usually subjective. The Equity theory posits that employees seek to maintain equity between the input that they bring into a job such as education, time, experience, commitment and effort and the outcome they receive such as promotion, recognition and increased pay against the perceived inputs and outcomes of other employees (Spector, 2008). Equity theory proposes that individuals who perceive themselves as either under-rewarded or over-rewarded will experience distress, and that this leads to efforts to restore equity within the organisation. Failing to find equity according to, Hellriegel, *et al* (2004) may make them behave in ways that will harm the organisation.

Abraham Maslow proposed a Hierarchy of Needs Theory in 1943. According to Maslow, motivation is a function of a sequence of five basic needs which are physiological, safety, love, esteem and self-actualization. Maslow's theory was based on the premise that higher-level needs are not important and is not manifested until lower-level needs are satisfied (Steers & Porter, 1991). Once a worker's basic need for food, clothing and shelter are satisfied he/she becomes increasing concerned with ego, esteem and self-actualization. Thus the most basic needs of individuals are labelled as physiological needs and include items like food, water, sex, sleep, and other bodily needs (Cherrington, 1989). This is followed by the safety needs which include security and protection from physical and emotional harm. The third level of needs is social needs such as affection, love, and belongingness; this is followed by the esteem needs and it includes self-respect, status, prestige, and recognition (Cherrington, 1989). The highest level of need is self-actualization which is the drive to become what one is capable of becoming and achieving one's potential (Robbins & Judge, 2007).

2.2 Empirical Review

2.2.1Reward and Compensation Practices and Retention of Generation Y

Compensation is viewed as the cumulative financial and non-financial rewards payable to employees in return for their services (Mondy et al, 2005). The financial and non-financial rewards are usually based on the value of job, level of personal contributions, efforts and performance (Milkovich et al, 2005). At the organizational level, compensation is critical in attracting, retaining and motivating the employees to continue contributing towards organization's success (Philips et al, 2003). The reason being is that compensation is important to influence individuals' choice to work with an organization. Many organizations not only use the compensation system to reward and recognize employees' efforts and contributions, but also as a motivation tool (Chiu et al,2002) to improve employees' productivity through improving job performance, impeding the intention to leave and increasing career satisfaction.

Compensation systems have traditionally been designed to attract and retain employees and to motivate them to increase their effort and outputs toward the achievement of organizational goals (Bergmann et al, 2001). Compensation is also considered as one of the most significant costs to operating a business. Most importantly, compensation does not only influence hiring and retention decisions but it is also an important tool to align employees' interest with organizational goals by designing and providing rewards for meeting specific goals assigned to them.

The outcome of compensation has been widely studied and reported in the literature, for instance Trevor et al, (1997) found that salary growth and other non-salary benefits provided to employees have a significant influence on their intention to quit. Miller et al, (1992) found that employee retention is significantly affected by the total compensation package. Several studies on productivity emphasize that high talent individuals often seek for high pay. Thus, if organization able to offer an attractive compensation package for them, they might retain with the current organization (Shepherd et al, 2000; Jardine et al, 2001). On the contrary, failure by organizations to provide equitable compensation would result in employees' negative attitudes toward the organization such as unwilling to retain with the current organization.

2.2.2 Career Management Practices and Retention of Generation Y

Research has shown that the younger the employees are, the more desirous they are to move quickly upwards on the career ladder and they have greater expectations of achievement and success than a high salary. Similarly, Hewlett, Sherbin and Sumberg (2009) report that Generation Yers rate rewards like recognition from their company or boss and a steady rate of promotion at least if not more important than remuneration. This is because they are impatient to be informed that they have made a worthwhile contribution to the organization they work for.

Consequently, organizations should readily give positive feedback to this generation regarding the ways in which their work has enhanced the success of the firm (Reisenwitz & Iyer, 2009). Moreover, their level of retention is likely to be strongly positively associated with a work environment that provides job challenges as well as opportunities for taking an active role in the development of their careers and skills (Smola & Sutton, 2002) or otherwise they will choose to leave. Prokopeak (2013) points out that while baby boomers leave their employment on average after seven years and for Generation X this figure is every five, Millennials only remain at their place work for an average of two years (Prokopeak, 2013).

Regarding which, recent research shows that Millennials are inclined to leave the organization when they are not provided with new learning opportunities (Reisenwitz & Iyer, 2009). Therefore, the pathway for leadership development and the criteria necessary for leadership success should be frequently communicated to them by senior staff and line managers (Barnes, 2009).

Organizations that offer challenging opportunities (Martin, 2005) to Generation Y are presumed to enhance the individual's commitment to the organization, hence retain them. We look at the theoretical foundation of psychological contracts (Rousseau, 1990) in the relationship between career management and employee retention because of its close connection with organizational retention (Coyle-Shapiro, 2002; McDonald & Makin, 2000). A psychological contract gets formulated when a person joins the organization and there is an expectation that the organization will provide with the role and environment that is aligned to what the career expectation of the individual is and the contract strengthens when the expectations are met up with, thus leading to individuals commitment to the organization.

2.2.3 Training & Development Practices and Retention of Generation Y

With respect to training and career management, providing career opportunities and challenging meaningful assignments are perceived to be more critical to Generation Y than life-long employment (Shaw & Fairhurst, 2008). They would like to work for organizations that constantly foster their skills development, but want to keep control of planning their own careers. Fast track leadership programs should be designed for those who show promise and HR departments should make sure that Millennials have opportunities for challenging assignments, job enrichment, and even international projects.

Giving personal acknowledgement, on-going training and consistent frequent feedback as well as recognition of achievement are other crucial key factors that drive employee engagement and retention. In general, the less the organization is bounded by strict vertical hierarchies and training programs, the easier it will be to hire Millennials (Behrens, 2009) as they have an aversion to traditional HR practices. Another important recommendation is to use "reverse mentoring", whereby young Millennials who have less overall experience owing to their youth, play the role of trainer for senior and more experienced employees in particular areas, such as computer technologies, viral marketing, cutting-edge design and the like. In so doing, Millennials, who also have an expectancy of rising faster in their career than previous generation cohorts (Barnes, 2009), will be provided with the chance to participate and contribute from day one at work (Behrens, 2009). Training and development are processes that attempt to provide an employee with information, skills and understanding of the organizations and its goals. Training and development is designed to help a person continue to make positive contribution in the form of good performance.

Training is defined as any attempt to improve employee's performance on a currently held job or one related to it. This usually means changes in specific knowledge, skills, attitudes or behavior. It is the method used to give new or present employees the skills they need to perform their job. It may mean job orientation, showing employees how to use new equipment or showing a sales person how to sell. It is a systematic process of altering the behavior of employees in a direction that will achieve organizational goals.

Development refers to learning opportunities designed to help employees grow. Such opportunities do not have to be limited to improving employee's performance on their current job. The focus on development is on the long term to help employees prepare for future work demand while training often focuses on the immediate period to help fit any current deficit in employees' skills (Cole 2004; Graham & Bennett 1998). Training is designed to provide learners with the knowledge and skills needed for their present job (Fitzgerald 1992) because few people come to the job with the complete knowledge and experience necessary to perform their assigned job. Becker (1962) provides a systematic explanation of investment in human capital and associated productivity, wages, and mobility of workers. Such investment not only creates competitive advantages for an organization (Salas &Cannon-Bowers 2001), but also provides innovations and opportunities to learn new technologies and improve employee skills, knowledge and firm performance. In fact, there is an increasing awareness in organizations that the investment in training could improve organizational performance in terms of increased sales and productivity, enhanced quality and market share, reduced turnover, absence and conflict (Huselid 1995, Martocchio & Baldwin 1997, Salas & Cannon-Bowers 2000). In contrast, training has been criticized as faddish, or too expensive (Salas & Cannon-Bowers 2000, Kraiger, McLinden & Casper 2004), and there is an increasing skepticism about the practice and theoretical underpinning of linking training with firm performance (Alliger, et al. 1997, Wright & Geroy 2001).

2.2.4 Work-life Balance practices and Retention of Generation Y

Work–life balance has come to the forefront of policy discourse in developed countries in recent years, against a backdrop of globalization and rapid technological change, an ageing population and concerns over labour market participation rates, particularly those of mothers at a time when fertility rates are falling (Organization for Economic Co-operation and Development [OECD], 2004). Within the European Union the reconciliation of work and family has become a core concern for policy and encouraged debate and policy intervention at national levels.

From as far back as the 1960s studies have proliferated (Lewis and Cooper, 2005) on the linkages between work and family roles, originally concerned mainly with women and work–family stress. New concepts emerged, such as work–family conflict or interference, work–family accommodation, work–family compensation, work–family segmentation, work–family enrichment, work–family expansion and, of course, work–family balance (Greenhaus & Singh, 2003; Burke, 2004). This last concept preceded that of work–life balance and implies 'the extent to which individuals are equally involved in- and equally satisfied with their work role and family role' (Greenhaus & Singh, 2003), thus suggesting that by giving equal priority to both roles, work–family conflict mutually incompatible pressures from the two domains could be rapidly resolved. By focusing on employees with family responsibilities, however, the notion of work–family balance was considered in practice as triggering off a backlash in the workplace among non-parents (Haar & Spell, 2003). The term 'work–life balance' gained widespread use in English language research and policy arenas, enabling a wider understanding of non-work concerns to be encompassed in employment research.

As Alan Felstead and his colleagues note (Felstead et al., 2002), work–life balance can be defined as 'the relationship between the institutional and cultural times and spaces of work and non-work in societies where income is predominantly generated and distributed through labour markets'. Work–life balance practices in the workplace are therefore those that, intentionally or otherwise, increase the flexibility and autonomy of the worker in negotiating their attention (time) and presence in the workplace, while work–life balance policies exist where those practices are intentionally designed and implemented. Work–life balance is, however, a contested term. For some, the term 'balance' suggests that work is not integral to life, and implies a simple trade-off between the two spheres.

It encourages quick-fix solutions that do not address fundamental inequalities, and that therefore shift responsibility for balancing work and home life onto individuals (Burke, 2004; Lewis et al., 2007). Other terms that suggest the mutual reinforcement of the two spheres, such as work–personal life integration, work–life articulation, or work–personal life harmonization, are therefore preferred (Crompton and Brockmann, 2007; Lewis & Cooper, 2005; Rapoport et al., 2002). However, this terminology too remains contentious: 'integration', while creating the image of more positive organizational change, nevertheless implies the two spheres must be merged, leading to fears of a contamination or the domination of personal life by the demands of paid employment (Lewis & Cooper, 2005). The popularity of work–life balance research was confirmed at the 2005 conference of Gender, Work and Organization, when we received more than double the expected number of paper submissions for a stream under that title. The presentations and discussions in the 2005 conference stream demonstrated the vitality of research in this area, as well as the breadth of methodological approaches (qualitative and quantitative, comparative and single-country case studies, sectoral and organizational studies, individual and organizational perspectives).

Work–life balance policies are predicated on perceived or recorded employee preferences for certain types of work arrangement, relating to their time and presence, and in policy discourse today it is often taken for granted that the work–life balance should be formulated in terms of a win–win situation, where employees' preferences coincide with their employers' desire for greater flexibility of working practices, particularly working time. However, many of the papers presented in 2005 raised questions about such assumptions; whether in relation to entrenched gender attitudes in organizations (notably, the choice between male career patterns or the 'mommy track': see also Smithson and Stokoe, (2005), gendered sectoral cultures, the advantages and disadvantages of particular work–life balance measures, or cultural attitudes and the negotiation of gender roles in the household and at work.

2.2.5 Concept of Retention of Generation Y

Organizations are becoming increasingly dynamic as older members of the workforce approach retirement and younger members start their careers. This is because the older generational cohort worked during an era when people usually had a job for life, which certainly is not the case nowadays. Firms and their internal marketers should therefore be aware of the needs, wants and work preferences of different generations by undertaking comparative benchmarking studies across these generations (Reisenwitz & Iyer, 2009). Strauss and Howe (1991) have defined a generation as "the aggregate of all people born over a span of roughly twenty years or about the length of one phase of life: childhood, young adulthood, midlife, and old age." So, a generation is a group sharing an "age location in history", such that they face key historical events and social trends during the same period of life. Each generation that experiences the same events within the same time span having similar values and world views, shring cultural, political and economic experience, is called a generational cohort.

The oldest generational cohort still in the workplace today is the baby boomer generation, being those who were born between the years 1946 and 1964, but they are nearing retirement age, if they have not already left the workforce. The generation following the baby-boomers is called Generation X, being born between 1965 and 1980 and who generally prospered in their careers. The next generation, those born between 1981 and 2000, is known as the Millennium Generation, Net Generation or Generation Y. This is the group who have already or are about to start their careers, depending on their year of birth.

Members of Generation X and the Millennium Generation have been exposed to different historical, economic and social events than older cohorts and therefore have different characteristics and expectations (Reisenwitz & Iyer, 2009). It is argued that members of the Millennium Generation are different from preceding groups both as employees and as consumers (Shaw & Fairhurst, 2008). That is, this generation possesses distinctive characteristics with respect to their expectations from the employment experience with regards to learning requirements, attitudes to career and self-development, work orientation, and engagement. In particular, it has been observed that with its recent entrance into the workforce, employee turnover rates have become higher than before (Kelleher, 2011; Westerman & Yamamura, 2007).

3.0 Research Methodology

The study adopted a descriptive type of research design. The study used Cooperative Bank of Kenya. The study targeted all the staff of Cooperative Bank in the County of Nairobi. There were forty eight Cooperative bank branches within the County of Nairobi. The bank's departments are: Information technology; Customer service; Credit service; Cash officers; Marketing; Operations, and; service champions. These departments had a total population of 980 staff. According to the Human resource office of Cooperative bank, Generation Y employees added up to 392 in population size. This was about 40% of the entire population. The study targeted this Generation Y's. The target population of the study was, therefore, 392.

The research study purposely selected staff of the Cooperative Bank of Kenya, head office and parliament branch in Nairobi. There were 96 staffs in the head office and 52 in Parliament branch. Of all these, Generation Y's accounted for 89. The study used a sample of 89. This was because all staff, who were Generation Y, of the head office and Parliament branch were used.

The study used a questionnaire to collect primary data for analysis. The study used both open ended and closed ended questions. Likert scale was included in the questionnaire.

In conducting the pilot study, the researcher presented the questionnaire to Kenya Commercial Bank, Menengai branch, Nakuru. Cronbach alpha coefficient was computed to confirm validity and reliability of the instrument. According to the rule of thumb on validity and reliability, any item above 0.7 is reliable. Therefore, a Cronbach value of 0.7 or above was acceptable.

Research questionnaires were presented to the respondents for filling. The researcher gave the respondents time to read understand and fill the questionnaire. The researcher was available for any queries that the respondents had.

Once the questionnaires have been collected back, the mass of raw data collected must be systematically organized in a manner that facilitates analysis. If empirical or quantitative analysis is anticipated, the responses in the questionnaire should have been assigned numerical values (Kothari, 2004). After data had been collected, the researcher conducted data cleaning, and then the data was coded and entered in the computer for analysis using the Statistical Package for Social Sciences. Data was then analyzed using descriptive statistics such as frequency counts, percentages, and means. Regression analysis was used as to analyse inferential statistics.

The study used regression analysis. The regression equation was as follows:

$Y= \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \varepsilon$

4.0 Research Findings and Discussions

4.1 General information

A total of eighty nine (89) questionnaires were distributed, and seventy one (71) copies were returned as correctly filled which were subsequently used in the analysis representing response rate of 79.8%. A total of 14 questionnaires were obtained from Generation Y employees of Kenya Commercial Bank. Cronbach's alpha of; 0.804, 0.759, 0.712, 0.747 and 0.762 for rewards and compensation practices, career management practices, training and development practices, work life balance practices and retention practices of Generation Y's were above the threshold value of 0.7. A crobanch alpha of more than 0.7 indicates that the data collection instrument is reliable (Sekaran, 2003). It was therefore concluded that the research instruments were reliable and hence could be used in the study.

The results revealed that the age group of majority of Generation Y employees at Cooperative bank lied between 28-36 years at (65.2%), another (29.8%) represented the age group of 18-27 years, while (3%)

represented the age between 37-44 years. None was over 45 years. This implies that the workforce in the organizations was youthful. A possible reason for having the majority of the employees in the 28-36 age group is the automation of banking services such as internet banking. This group is most techno savvy.

Majority (58.3%) of the respondents were male while the rest (41.7%) of the respondents were female. The statistics show that majority of Generation Y employees at Cooperative bank in the County of Nairobi were Male. The distribution however represents a fair gender balancing, an indication of successful efforts of various gender mainstreaming campaigns. This is also consistent with the Kenyan constitutional provision that no gender should be less than one third (33.3%) of the total population

The study sought also established the length of time which the respondents had been working with the bank and the findings are as shown in Table 4.5.

Majority (44.0%) of the respondents had a working experience between 3 to 6 years, 25.3% had less than 2 years, 11.4% had between 7 to 9years, a significant 19.3% of the respondent's worked for more than 9 years as shown in table 4.5.

4.2 Hypothesis Testing

The first objective of this study was to examine the effect of reward and compensation practices on retention of generation Y at Cooperative bank in the County of Nairobi. This objective was analyzed under the hypothesis *H0: There is no significant difference between reward and compensation and retention of generation Y at Cooperative bank in the County of Nairobi.* A P value below 0.05 means that the variable is significant to retention of Generation Y's while a P value above 0.005 means that the variable is not significant to retention of Generation Y's. Regression results revealed that there was an existing linear relationship between the two variables ($\beta = 0.371$; $p = 0.002$, $\alpha = 0.05$). This result led to the rejection of the null hypothesis and suggesting that reward and compensation practices were indeed significant to retention of Generation Y at Cooperative bank in the County of Nairobi. It must therefore be taken into account in banks and other banks when considering retention of Generation Y workforce.

The results on the second objective which was analyzed under the hypothesis *H0: There is no significant difference between career management practices and retention of generation Y at Cooperative bank in the County of Nairobi.* A P value below 0.05 means that the variable is significant to retention of Generation Y's while a P value above 0.005 means that the variable is not significant to retention of Generation Y's. Results showed that a significant relationship existed between the two variables, hence, leading to the rejection of the null hypothesis. Multiple regression results ($\beta = 0.184$; $p = 0.020$, $\alpha = 0.05$) revealed that it was the third most important factor as per the study.

The third objective of the study was to assess the effect of training and development practices on retention of generation Y at Cooperative bank in the County of Nairobi.

The results on this objective were also analyzed under the hypothesis, *H0: There is no significant difference between training and development practices retention of generation Y at Cooperative bank in the County of Nairobi.* A P value below 0.05 means that the variable is significant to retention of Generation Y's while a P value above 0.005 means that the variable is not significant to retention of Generation Y's. The result on the multiple regression analysis showed that relationship between training and development practices and retention of generation Y at Cooperative bank in the County of Nairobi was indeed significant. Testing the model coefficients gave, ($\beta = 0.163$; $p = 0.040$, $\alpha = 0.05$) which was lower than the other beta values in the model and suggesting that it was the least important variable in the study. This implies that training and development was not so much considered by generation Y working in the banking industry as compared to other variables such as reward and compensation and work-life balance

Finally, the study explored how work-life balance practices affect retention of generation Y at Cooperative bank in the County of Nairobi. The relationship was tested under the hypothesis *H0: There is no significant difference between work-life balance and retention of generation Y at Cooperative bank in the County of Nairobi.* A P value below 0.05 means that the variable is significant to retention of Generation Y's while a P value above 0.005 means that the variable is not significant to retention of Generation Y's. Regression results yielded Beta values, ($\beta = 0.498$; $p = 0.001$) that was significant. This led to the rejection of the null hypothesis and implied that this was a major factor worth to count when considering retention of Generation Y in banks.

4.3 Multiple Regression Analysis

Multivariate regression analysis was used to determine the significance of the relationship between the dependent variable and all the independent variables pooled together. This analysis was used to answer the questions; how do the independent variables influence the dependent variable collectively; to what extent does each independent variable affect the dependent variable in such a collective set-up, and which are the more significant factors?

The results are given in the model summary in Table 4.11.

Table 4.11: Multiple linear regression analysis model summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.814[a]	0.662	0.612	1.248

a. Predictors: (Constant), Reward & Compensation practices, Career management practices, Training & Development practices, Work-life balance practices
b. Dependent Variable: Retention practices to Generation Y
Significance level (α) is 0.05

The results in Table 4.11 show that the value obtained for R, which is the model correlation coefficient was r = 0.814 which was higher than any zero order value in the table. This indicates that the model improved when more variables were incorporated when trying to evaluate retention practices to generation Y at Cooperative bank in the County of Nairobi. The r square value of, r = 0.662, also indicates that the multiple linear regression model could explain for approximately 66% of the variations in the retention practices to generation Y at Cooperative bank in the County of Nairobi.

To answer the question about which of the independent variables had more effect on the retention of generation Y at Cooperative bank in Nairobi, the beta value was used and the results of this are as summarized in Table 4.12.

Table 4.12: Multiple linear regression analysis correlation coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	25.254	3.327		7.650	.000
	Reward & Compensation	.306	.058	.371	2.960	.002
	Career Management	.170	.061	.184	0.742	.020
	Training & Development	.153	.047	.163	1.126	.040
	Work-life balance	.487	.081	.498	2.075	.001

a. Dependent Variable: Retention of Generation Y

The researcher conducted a multiple regression analysis so as to determine the relationship between retention practices to Generation Y at Cooperative bank and the four variables. As per the SPSS generated table above, the equation ($Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \varepsilon$) becomes:

$Y= 25.254 + 0.306X_1+ 0.170X_2+ 0.153X_3+ 0.487X_4$

Where Y is the dependent variable (retention practices to Generation Y), X_1 is the reward and compensation practices variable, X_2 is career management practices variable, X_3 is training and development practices variable and X_4 is work-life balance practices variable. The data findings analysed also showed that taking all other independent variables at zero, a unit increase in reward and compensation practices will lead to a 0.306 increase in retention of Generation Y; a unit increase in career management will lead to a 0.170 increase in retention of Generation Y, a unit increase in training and development will lead to a 0.153 increase in retention of Generation Y and a unit increase in work-life balance practices will lead to a 0.487 increase in retention of Generation Y. This infers that Work-life balance practices followed by rewards and compensation contributed more to retention of Generation Y at the cooperative bank in County of Nairobi. At 5% level of significance and 95% level of confidence, Work-life balance practices had a 0.001 level of significance, rewards and compensation practices showed a 0.002 level of significant, career management practices showed a 0.020 level of significant, and Training and development practices showed a 0.040 level of significant hence the most significant factor is Work-life balance practices.

5.0 Summary, Conclusions and Recommendations

5.1 Summary of the Study Findings

The first objective of this study was to examine the effect of reward and compensation practices on retention of Generation Y at Cooperative bank in the County of Nairobi. The results indicated that reward and compensation had a positive and significant influence on retention of Generation Y. Reward and compensation had the second highest influence on organization performance after work life balance practices. The element that measured reward and compensation practices included, whether the banks give equal pay for equal work, fringe benefits enjoyed by employees encourages retention, banks pays for its employees hard work and achievement, whether monthly salaries are reviewed from time to time, and whether banks pays and benefits are equal to responsibilities of employees. Majority of the respondents agreed with the statements and this was supported by regression results which indicated that the relationship between rewards and compensation practices and retention of Generation Y was positive and significant. The null hypothesis was rejected by regression results and this implied that reward and compensation practices had a significant relationship with retention of Generation Y.

The second objective was to determine the effect of career management practices on retention of generation Y at Cooperative bank in the County of Nairobi. The results indicated that career management practices had a positive and significant influence on retention of Generation Y. Career management practices had lower influence on retention of Generation Y than work life balance practices and reward and compensation practices. Career management practices was measure by whether the bank assigned mentors, provided opportunities for staff career development on yearly basis, provided better career and learning opportunities, supervisors took an interest in employees professional growth. Majority of the respondents agreed with the statements and this was supported by regression results which indicated that the relationship between career management and retention of Generation Y was positive and significant. The null hypothesis was rejected by regression results and this implied that career management practices had a significant relationship with retention of Generation Y.

The third objective was to assess the effect of training and development practices on retention of Generation Y at Cooperative bank in the County of Nairobi. The results indicated that training and development had a positive and significant influence on retention of Generation Y. Training and Development had the lowest influence on retention of Generation Y as compared to the rest of the variables. Focusing on the indicators, It was found out that majority of the respondents were of the view that ccompanies with strong career development programs generally attract more talented employees. Similarly, majority of the respondents were of the opinion that Training and development improved succession Planning. The study also sought to establish whether training and development helps achieve higher achievement and majority of the respondents supported the statement. Consequently, the study found out that majority accepted that banks training ensures enhancement in performance. The study further sought to establish from the participants if banks training leads to enhanced productivity. Results showed majority of the respondents either agreed or strongly agreed to the statement. Majority consented to the view that banks training helps in employee satisfaction. Banks training improves employee morale. This was indicated by majority response by the respondents who either agreed or strongly agreed to the statement. Additionally, most participants agreed that training keeps the staffs up to date with latest trends and knowledge in their specific area. A closer observation showed that majority of the participants disagreed with the statement that well trained employees have been jumping to other organizations which offer good perks and salary. In general, majority of the respondents agreed to the statement and this was supported by regression results which indicated that the relationship between training and development retention of Generation Y was positive and significant. The null hypothesis was rejected by regression results and this implied that training and development had a significant relationship with retention of Generation Y.

To explore how work-life balance practices affect retention of Generation Y at Cooperative bank in the County of Nairobi. The result indicates that work-life balance practices had a positive and significant influence on retention of Generation Y. Work-life balance practices had the greatest influence on retention of generation Y as compared reward and compensation practices, career management practices, training and development practices. The study showed that the majority of the respondents agreed that they used to get annual leaves, holidays, and flextime schedules such as flexible working hours. These findings were supported by regression results which indicated that the relationship between work-life balance and retention of Generation Y was positive and significant. The null hypothesis was rejected by regression results and this implied that work-life balance practices had a significant relationship with retention of Generation Y.

5.2 Conclusions for the Study

The study findings revealed that reward and compensation practices were indeed significant to retention of Generation Y and they affected Generation Y at cooperative bank in the County of Nairobi. The practices must therefore be taken into account in banks when considering retention of Generation Y.

It was also revealed that career management practices were very important to the bank and often presented Generation Y with better career and learning opportunities. It is, therefore, advisable that organizations should have favourable career management practices so as to increase employee retention.

The results on the effect of training and development on retention of Generation Y at Cooperative bank revealed that the relationship was indeed significant leading to the conclusion that organisations with strong career development programs generally attract more Generation Y workforce and that management of banks should devote adequate time in training and development practices to retain Generation Y employees.

Finally, it was established that work-life balance practices were important in retaining Generation Y employees at Cooperative bank in County of Nairobi since flexi-time leads to increased feeling of personal control over schedule and work environment and also helps to reduce employee burnout due to overload.

5.3 Recommendations for the Study

This section made recommendations in line with the findings of the study. The recommendations are put as per the objectives and one for further study.

There is need to have well scheduled salary review by the management, however, they should also seek other means of compensating generation workforce which are not necessarily monetary but are agreed upon by both parties such as day-offs, and possibilities of contract extensions.

The study recommends that career management practices like having career counselling facilities, career mentors, career planning and career development programs should be widely adopted by banks as doing so would lead to retention of Generation Y workforce.

It is of paramount importance that Human Resource Managers take an initiative in identifying future leaders for their teams by taking keen interest in assisting young potential leaders to grow in their careers. Training and development opportunities should be availed to all employees and ensure there is continuous skills improvement of the work force. This will ensure that there are no skill gaps especially when there is an abrupt loss of an employee through death, early retirement or family commitments.

It is recommended that banks should consider more on work-life balance practices like annual leaves, regular holidays, and flextime schedules are in place because the study found a high influence of work-life balance practices on retention of Generation Y.

Research is needed to establish how the commercial banks employees perceive their work experience. Further study is needed also to determine the nature of reward preferred by the commercial banks employees to be able to make the system work better and achieve greater results as envisaged in the strategic plan and future plans to succeed. This study may also be replicated in other similar organizations to compare the outcomes.

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