

# An Empirical study of factors affecting employee retention in Private Banking Sector of Jalgaon District

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## Abstract:

Indian private banking sector has seen a tremendous growth and one of the important revenue generator in service sector. Besides providing competitive pay packages and other lucrative services, employee dissatisfaction and dissent have witnessed. The purpose of the present study is to analyse whether the work culture, Job profile detailing, reward & recognition has any relationship with employee retention or not. For the purpose of this study, the technique of primary research has been used with structured questionnaire and survey method. A sample set of 120 respondents are used to determine the correlation between Work Culture, Job profiling Detail, reward & recognition with Employee retention strategies in private sector banks of Jalgaon District areas.

**Keyword:** Private Bank, Employee retention, Work culture, Job profile, Reward & Recognition.

## Introduction:

According to Deloitte survey, 20 % employee turnover rate is observed in Banking & Financial service sector. Further studied on it is found that public banks have low employee attrition rate (12%) for new hire as compared to private banks (22-20%). Public banks face high level employee attrition at 22% in middle management. Private Banks catches the talent crunch from public bank at middle level easily by facilitating best compensation & career succession planning.

More than 1,000 CEOs were asked, "How important are the following sources of competitive advantage in sustaining your growth over the long term?" The #1 response—chosen by 97 percent—was "access to, and retention of, key talent."

Talent retention is critically important for all organizations for two main reasons:

1. Turnover is expensive.
2. Top performers drive business performance.

Talent Retention refers to the techniques employed by the management to identify the key performing employees and help the employees stay with the organization for a longer period of time. Employee retention strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and contribute effectively. Sincere efforts must be taken to ensure growth and learning for the employees in their current assignments and for them to enjoy their work.

Talent retention has become a major concern for corporate in the current competitive scenario. Individuals once being trained have a tendency to move to other organizations for better prospects. Lucrative salary, comfortable timings, better ambience, growth prospects are some of the factors which prompt an employee to look for a change. Whenever a talented employee expresses his willingness to move on, it is the responsibility of the management and the human resource team to intervene immediately and find out the exact reasons leading to the decision.

Employee Retention Strategies: It is the capability of an organization to retain its employees. In other words it's the efforts taken by employers to attempt in retaining employees in their workforce and maintaining lower turnover. This can be achieved by implementing various employee retention programs. For any organization main focus is to be on employee retention.

Work Culture: it is the concept which deals with the study of Beliefs, thought processes, attitudes of the employees, Ideologies and principles of the organization. Work culture decides the functioning and interaction of employee among each other in an organization. In layman's language work culture refers to the mentality of the employees which further decides the ambience of the organization. Employees by following the rules and regulation can make the work culture stronger in an organization.

Job Profile Detailing The term "job profile" means different things depending on one's perspective or a description of a particular work function that includes the elements deemed necessary to perform the post effectively

Reward & Recognition: reward is nothing but receiving something in return for the individual performances while recognition is a token of appreciation given to an individual for his performance or an achievement.

## Literature Review:

Review of literature reveals the various facets of talent retention with respect to employee career planning, job satisfaction, motivation & responsibilities. The Researchers have identified several possible variables that may result in talent retention & gross into employee satisfaction & engagement for long time. Recruitment, hiring and retention are the major problems highlighted in many studies such as Surinder 2014; Shukla 2014; Munish & Rachna Agarwal (2017); Bidishalakar Das & Dr. Mukuleshbaruah (2013); Bidyutbijoyaneog & Dr. Mukuleshbarua (2015); Prof. Krishna Kishore, Prof. Aswathi Nair, Prof. Vasanthkiran (2014); Chitra K. (2013)

Vispute S. (2013), The results of the study shows that elements of recruitment strategy includes significantly strong relation with dedicated employees retained in the association. Relationship between recruitment strategy elements and employees with turnover intent is insignificant.

Nirmala.N, Dr.C.Sumangala(2015), The results of the study discovered various strategies and ranked them such that in Manufacturing sector job satisfaction was ranked first, employer employee relationship, Morale, Training and development, Employee engagement was ranked second, third, fourth and fifth respectively and in IT sector, Performance management system was ranked first, Training and Development, Job satisfaction ,Team building and Morale was ranked second, third, fourth and fifth respectively.

### Objective & Hypothesis:

The study is intended to deal with the following objectives-

1. To determine the relationship between employee retention strategies and Job Profile detailing.
2. To determine the relationship between employee retention strategies and Work Culture.
3. To determine the relationship between employee retention strategies and Reward & Recognition.

### Hypothesis:

1. H0: There is no correlation between employee retention strategies and Job Profile detailing.  
H1: There is correlation between employee retention strategies and Job Profile detailing.
2. H0: There is no correlation between employee retention strategies and work culture.  
H1: There is correlation between employee retention strategies and work culture.
3. H0: There is no correlation between employee retention strategies and Reward & Recognition.  
H1: There is correlation between employee retention strategies and Reward & Recognition.

### Research Methodology:

Primary data is collected directly from the Private sector banks. It has been collected through a structured questionnaire. The research design is Descriptive research design and Stratified Random Sampling Method. The sample size for research is 120 respondents from 8 private banks.

### Data Analysis & Interpretation:

A reliability analysis was carried out on the work culture, job profile detailing, reward & recognition and Employee retention strategies related questions. Cronbach's Alpha showed that the questionnaire reach the acceptable reliability,  $\alpha=0.923$ .

Table No 1: Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.923	38

A Pearson's product-moment correlation was run to access the relationship between –

1. Employee retention strategies & Job Profile detailing
2. Employee retention strategies & work culture.
3. Employee retention strategies & Reward & Recognition

The Table no. 2 represents descriptive statistics for Employee Retention Strategies and Job profile Detailing vis-à-vis mean, standard deviation and total number of respondents of the private sector banks.

Table No 2: Mean & standard Deviation of Employee Retention Strategies and Job profile Detailing

Descriptive Statistics			
	Mean	Std. Deviation	N
Employee Retention Strategies	5.1588	.56834	120
Job Profile Detail	5.1271	.77581	120

Table No 3: Correlation between Employee Retention Strategies and Job Profile Detailing

Correlations			
		Employee Retention Strategies	Job Profile Detailing
Employee Retention Strategies	Pearson Correlation	1	-.026
	Sig. (2-tailed)		.774
	N	120	120
Job Profile Detail	Pearson Correlation	-.026	1
	Sig. (2-tailed)	.774	
	N	120	120

It can be observed from table no. 3,  $r(118) = -0.026$ ,  $p$  value = 0.774,  $p$  value is greater than 0.05. Thus, null hypothesis is retained. Thus we can conclude that there is no correlation between the Employee Retention Strategies & job profile detailing of the bank.

The Table no. 4 represents descriptive statistics for Employee Retention Strategies and work culture vis-à-vis mean, standard deviation and total number of respondents.

Table No 4: Mean &amp; standard Deviation of Employee Retention Strategies and Work Culture

Descriptive Statistics			
	Mean	Std. Deviation	N
Employee Retention Strategies	5.1588	.56834	120
Work Culture	5.1127	.78422	120

Table No 5: Correlation between Employee Retention Strategies and Work Culture

Correlations			
		Employee Retention Strategies	Work Culture
Employee Retention Strategies	Pearson Correlation	1	.016
	Sig. (2-tailed)		.866
	N	120	120
Work Culture	Pearson Correlation	.016	1
	Sig. (2-tailed)	.866	
	N	120	120

It can be observed from Table No. 5,  $r(118) = .016$ ,  $p$  value = 0.866  $p$  value is greater than 0.05. Thus, null hypothesis is failed to reject. Thus we can conclude that there is no correlation between the Employee Retention Strategies & work culture of the bank.

The Table no. 6 represents descriptive statistics for Employee Retention Strategies and Reward & Recognitions vis-à-vis mean, standard deviation and total number of respondents of the private sector banks.

Table No 6: Mean &amp; standard Deviation of Employee Retention Strategies and Reward &amp; recognitions

Descriptive Statistics			
	Mean	Std. Deviation	N
Employee Retention Strategies	5.1588	.56834	120
Reward & Recognitions	5.0592	.73810	120

Table No 7: Correlation between Employee Retention Strategies and Reward &amp; recognitions

Correlations			
		Employee Retention Strategies	Reward & Recognitions
Employee Retention Strategies	Pearson Correlation	1	.009
	Sig. (2-tailed)		.921
	N	120	120
Reward & Recognitions	Pearson Correlation	.009	1
	Sig. (2-tailed)	.921	
	N	120	120

It can be observed from Table No. 7,  $r(118) = 0.009$ ,  $p$  value = 0.921.  $p$  value is greater than 0.05. Thus, null hypothesis is retained. Thus we can conclude that there is no correlation between the Employee Retention Strategies and Reward & Recognitions of the bank.

### Conclusion:

Retaining a talent is a major problem in all the sectors of industry and finance is one of them. The present study focuses on the analyses of relationship between work cultures, Job profile detailing, reward & recognition with employee retention whether related or not related. The objective of achieving the relationship between work culture, Job profile detailing, reward & recognition with employee retention proved null hypothesis and hence it is concluded from the analysis that there is no correlation between work culture, Job profile detailing, reward & recognition with employee retention strategies.

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