



ANALYSIS OF WORK-LIFE BALANCE AND EMPLOYEE RETENTION IN NEW GENERATION PRIVATE BANKS

Dr.Smita Kochummen,

Assistant Professor and Head of the Department of Commerce, St.Cyril's College, Adoor, University of Kerala,

Rejani K R,

Research Scholar, Department of Commerce, Fatima Mata National College, Kollam, University of Kerala,

Abstract

Work-life Balance and employee retention strategies are the two important terms predicting the satisfaction of employees. Since the new generation private banks generally have a lot of pressure to sustain their stability in the market. As usual, the pressure will always affect employees. Work-life balance is the effective management of the career and personal life of an employee. An employee who lacks this balance may struggle to survive with those. It is an equilibrium point where he will get satisfaction from both. An employee should be skilled to manage both. There is a chance to drop their jobs and go to some other jobs which give satisfaction. Due to this, organizations introduced so many retention strategies. Like that private sector banks also introduced some strategies. The main objective of the study is to find out the relationship between work-life balance and employee retention.

Keywords: Employee retention strategy, Work life balance, New Generation Banks.

INTRODUCTION

Bank employees belong to a special work group who experience varying levels of mental stress at work. During the past decades, the banking sector has undergone rapid changes like policy changes due to the 1991 reforms and an increase in competition because of developed technologies. Employee retention strategy is a plan, create and use to reduce staff turnover, prevent attrition, increase retention, and increase employee engagement.

Work-Life balance is also a common phenomenon among employees. Work-Life Balance is about effective work and personal life management. The 'right' is the key to employees' success and it will lead to job satisfaction for employees. A balanced life is one where we spread our energy and effort emotionally, intellectually, and physically. Previously banking was just a service sector, with banks competing with each

other in the market. Every bank introduces various targets and ways to increase its market value. All these things have an impact on employees. They need to work overtime and find the client to complete the target etc. especially private sector banks. Achieving the target is important. These banks are technology-based and utilize technology more than public sector banks. Banks that were privatized and nationalized as per the Narasimha Rao committee recommendations in 1991 are called New Generation Banks. HDFC was the first bank to get the license to open a bank branch under new generation banks; however, ICICI is the first bank that opened its first branch in India. The newly established private sector banks established after the Second World War escaped nationalization. India has seven new-generation banks. Axis Bank, Development Credit Bank, HDFC, ICICI, IndusInd Bank, Kotak Mahindra Bank, and Yes Bank. It is worthwhile to know how these retention strategies affect employees or if this helps them to balance their career and family life. An examination of work-life balance and retention strategies is presented in this study.

LITERATURE REVIEW

Work-life balance was studied by Dash Srinibash (2018) in "Employees Work-Life Balance in Private Sector Banks: An Explorative Study". In this study, he finds out that most of the employees are not working flexible schedules. A maximum number of employees from his surveyed data say that they feel that their work life and personal life are either balanced or somewhat balanced. Those employees who are in the managerial position are working in flexible conditions.

Heena Waghmare conducted a study titled 'Employee retention strategies adopted by the banks: A case study of AXIS bank in the Kalyan city' and its results that there is a great need to recognize the importance of employee retention to keep the cost of employee turnover low.

Ann Meenu Joseph (2022), studied the occupational stress among bank employees during covid 19. It unfolds major causes of occupational stress among bank employees along with influential factors. The proximate stressors are work overload, technology, lack of training, job autonomy, customer relationship, grievance redressal, and work-home interface.

Niharika and Kiran, U.V (2014) investigate, Life satisfaction among bank employees and it reveal a difference in the level of life satisfaction between nationalized banks and Private banks, but regarding some factors like job safety, the salary of employees, benefits given to employees and work experience, the satisfaction level difference in both employees.

Sanjeev K. Sharma and Geetha Sharma (2010), did research on the "Perceived work-life balance among employees of the bank" to identify the extent to which banks are meeting the employee's expectations on the work-life balance dimensions.

Gurunatha N. Naidu, Kalyan Parle Chakravarthy, and Touhid Patan studied work-life balance and job satisfaction among working women in the banking sector. Due to additional responsibilities, women are suffering from work-life imbalance and work-life conflict which ultimately affect their life satisfaction. By identifying these main factors, the study can provide better insights into the family members.

Kandasamy C and Indirani C. (2013) investigate the performance level of new-generation banks. As we know private sector banks have an important role in developing the economy. It finds that there is stress on the social responsibility of the banks, the significance of liquidity and profitability is not to be neglected. The financial viability of the banking system is certainly essential.

STATEMENT OF PROBLEM

In the current financial environment, there is increasing anxiety among bank representatives. Eventually, the work pressure will lead to stress and burnout as a result. Because of the changing innovative technologies, the employee needs to care more in the work field. Especially after Covid 19 pandemic, implementation of work from home and time management. Both are very difficult to manage. Much of the time, ongoing exhaustion, stress, and burnout are the result of higher targets and other things. It makes them feel extremely tired and forced to leave their job. This study aims to find the relationship between work-life balance and employee retention.

SIGNIFICANCE OF THE STUDY

The study is conducted to find out the factors, reasons, and level of occupational stress and work-life balance of the new generation of bank employees. Like we already said it is a very common phenomenon in employees. The new generation of private banks puts more pressure on their employees. The purpose of any transaction in private sector banks is only profit motive. It will lead to an increase in working hours and more hard work. Banks also set targets for their employees. They will be stressed out at this point because achieving the target is a big task.

OBJECTIVES OF THE STUDY

1. To investigate the level of work-life balance according to the working hours
2. To understand the impact of work-life balance on employee retention in new-generation private bank employees
3. To analyze the different retention strategies offered by ICICI Bank and HDFC bank

WORK-LIFE BALANCE AND EMPLOYEE RETENTION

Every organization needs to retain top-performing employees for smooth business operations. To create a positive work environment that keeps employees there, firms need the ability to create policies that address work-life balance, including flexible work schedules and hybrid arrangements. Work-life balance is essential for employee retention. If the organization gives control over their work schedule and workspaces it will help them balance their personal life too. If they feel it is easy to balance their official work with their personal lives, they will be more productive.

Achieving work-life balance means separating work-life and personal life. If they feel that they are unable to manage both they may think about leaving the job and trying to find another one that will allow them to balance both elements. Additionally, Kronos' Employee Engagement Series found that 95% of HR leaders admitted employee burnout contributes to workforce turnover. A healthy work-life balance will lead to higher job satisfaction.

In the case of the banking sector, it is clear that employees in the private sector face much more competition. They need to meet the targets set by management to keep their jobs secure. So they take an effort. It will affect their personal life and it may impact their job satisfaction level also. Employees are the key elements of every organization. Many banks do not have HR managers so it will affect employees. They didn't have the space to deal with their work environment-related problems.

NEW GENERATION BANKS

The post-independence era witnessed the banking industry attaining several milestones. Banks were nationalized to usher in social changes by improving the material life of the downtrodden people and through the removal of regional economic imbalances and disparities. The banking sector in India remained regulated even after the nationalization of major commercial banks in 1969. The most important regulation imposed was the restriction on establishing new private-sector banks in the country. For a quarter century (1969-1993), no private bank was allowed to set their business in the private sector. The necessary guidelines were issued by the RBI in this connection on January 22, 1993.

During the year 1992-93, RBI granted in-principle approval for the setting up of nine private sector banks. All these banks will be required to raise 60 percent of their equity capital from the market. In principle, approvals were given to the following institutions: ICICI, UTI, HDFC, Jayanta Madhab & Associates, The 20th-century finance corporation Ltd, Bennet Colman & Co. Ltd, Indus Ind Enterprises & Finances, Gujarat State Fertilizer Corporation, and IDBI.

Then another bank called Kotak Mahindra Finance Ltd also got the license in 2003 and was included in the second schedule of the RBI Act 1934. Finally, 7 new-generation private banks are operating in India. AXIS Bank was established in 1994, HDFC Bank in 1994, ICICI Bank in 1996, Development Credit Bank in 1995, IndusInd Bank in 1994, Kodak Mahindra Bank in 2003, and Yes Bank in 2005.

ICICI BANK- PROFILE

ICICI was formed in 1955 at the initiative of the World Bank, the Government of India, and representatives of Indian industry. The principal objective was to create a development financial institution for providing medium-term and long-term project financing to Indian businesses. In October 2001, the Boards of Directors of ICICI and ICICI Bank approved the merger of ICICI and two of its wholly-owned retail finance subsidiaries. ICICI Bank enables work culture, meritocracy, and care and thereby a successful organization. Provide many employee benefits like health insurance, career opportunities, training, etc....

1. **Capability Building:** ICICI Bank believes in building talent by identifying individuals with potential and attitude for growth, and providing them with opportunities to acquire necessary knowledge and skills. This focus is across levels, from those beginning their journey with ICICI Bank to various levels up to the senior management.

There are several capacity-building academies:

- Retail Academy
 - Wholesale banking Academy
 - Operations Academy
 - Risk Academy
 - Digital Academy
 - Transaction Banking Academy
 - Credit Academy
 - Audit Academy etc.
2. **Empowering Employees:** The Bank encourages its employees to experiment and innovate to create services and solutions for customers within the guardrails of risk and compliance.
 3. **Building a Digitally Capable Workforce:** The Bank has curated a learning plan to cover technology, data, information security, and design skills ensuring the right combination of functional, technical, process-based, professional, and cultural anchors. During fiscal 2022, the Bank started a new program, PRISM, to train and develop young talented engineers who wish to pursue careers in the areas of technology and data sciences in the Bank.
 4. **iWork@home:** The Bank launched iWork@home which allows women employees to work from home by providing access to their work applications safely and securely. To assist women managers who travel on business, the Bank has introduced a policy that covers the cost of travel and stay of young children and their caregivers along with the women employee. The Bank has a supportive leave policy to meet the diverse life stage needs of the employees

HDFC BANK – PROFILE

The Housing Development Finance Corporation Limited or HDFC was among the first financial institutions in India to receive an "in principle" approval from the Reserve Bank of India (RBI) to set up a bank in the private sector. As of March 31, 2023, the Bank had a nationwide distribution network of 7,821 branches and 19,727 ATMs / Cash Deposit & Withdrawal Machines (CDMs) across 3,811 cities/towns. Employee benefits offered by HDFC banks are given below:

1. **Employee Stock Option Scheme ('ESOS')**: The Bank provides options to acquire equity shares to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period.
2. **Provident fund, Pension, and Gratuity.**
3. **Higher Medical cover:** the organization aids by offering a flexible medical insurance package at concessional rates. The Bank also offers a unique Mediclaim policy for the employee which provides coverage for up to 6 people in one policy.
4. **Awareness of Health:** Apart from medical benefits, the Bank also organizes health talks for employees on various topics. In FY 2018-19, health talks were conducted across the Bank's offices on the below-mentioned topics:
 - Diabetes- Its Prevention and Management
 - Work-Life Balance
 - Laughter Therapy for Healthy Heart
 - Basic Emergency Life Support Awareness Session
 - Aerobics for Fitness
 - Life-Style diseases with 'ALTERNATE' Medicine-Homoeopathy

5. The Bank has a Prevention of Sexual Harassment (POSH) Policy in place.

METHODOLOGY OF THE STUDY

To study the relationship between employee retention and work-life balance, convenience sampling method were used. The study was limited to 2 new generation banks namely, ICICI Bank & HDFC Bank in Kottayam district. Almost 100 employees were taken as samples. The data was collected through primary and secondary data. Primary data was collected through structured question air and secondary data was collected through articles, journals, etc.

HYPOTHESIS

1. There is no significant relationship between gender and work-life balance satisfaction
2. There is no significant relationship between the level of work-life balance and flexibility in working hours in new-generation banks.
3. There is no significant relationship between Growth opportunities and employee retention

ANALYSIS AND INTERPRETATION

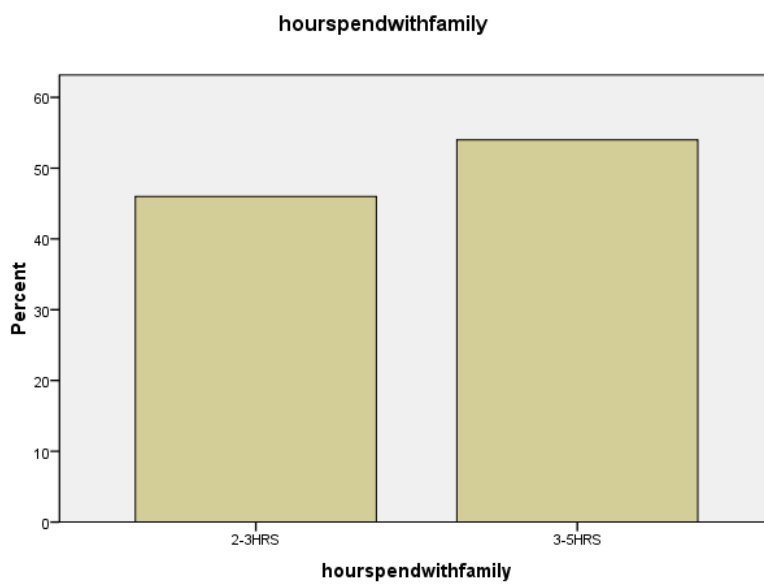
Hypothesis testing is done by using regression and ANOVA tests. The results were presented through the use of frequency distribution, mean, median, and mode. The Likert scale will be used to analyze the intensity of respondents toward the selected attributes.

1. Demographic factors analysis

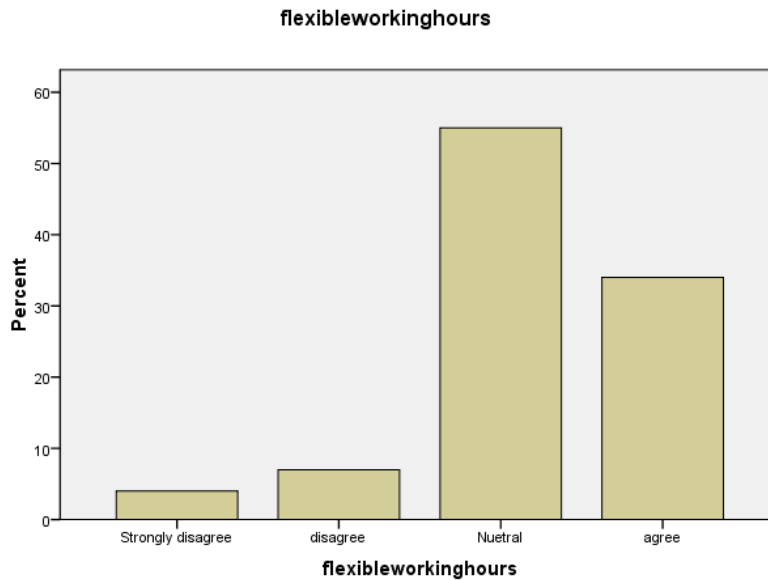
Variables	Category	Frequency	Percentage
Gender	Male	55	55
	Female	45	45
Marital Status	Married	21	21

	Single	79	79
Education	UG	85	85
	PG	7	7
	Others	8	8
Experience in current job	0-2 years	88	88
	Above 2 years	12	12
Post	Managerial	19	19
	Non-managerial	81	81
Income	Less than 10,000	21	21
	10,000-20,000	72	72
	Above 20,000	7	7

2. Quality time to get with family in a day.



3. Opinion regarding the Availability of flexible working hours



HYPOTHESIS TESTING RESULTS

1. H₀: There is no significant relationship between gender and work-life balance satisfaction
 H₁: There is a significant relationship between gender and work-life balance satisfaction

Gender	Satisfied with work-life balance			Total
	Yes	No	May be	
Male	39	3	13	55
Female	40	0	5	45
Total	79	3	18	100

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.624 ^a	2	.060
Likelihood Ratio	6.853	2	.033
N of Valid Cases	100		

Note: Calculations are done using SPSS software.

- 2 cells (33.3%) have an expected count of less than 5.
- The minimum expected count is 1.35.

Interpretation: Since the significant value or p-value (.06) is greater than .05 the null hypothesis is accepted. It means there is no significant relationship between work-life balance and the gender of employees.

2. H0: There is no significant relation between the level of work-life balance and flexibility in working hours in new-generation banks.
 H1: There is a significant relation between the level of work-life balance and flexibility in working hours in new-generation banks.

Test Statistic: Regression Analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.325	1	1.325	2.221	.139 ^a
	Residual	58.465	98	.597		
	Total	59.790	99			

Note: Calculations are done using SPSS software.

a. Predictors: (Constant), flexible working hours

b. Dependent Variable: Satisfaction level of Work-Life Balance

Interpretation: Since the sig value (.139) is greater than .05, the null hypothesis is accepted. That means, there is no relationship between flexible working hours and satisfaction level of work-life balance. Working hours are not only an element to evaluate the satisfaction level.

3. H0: There is no significant relationship between Growth opportunities and employee retention

H1: There is a significant relationship between Growth opportunities and employee retention

Test Statistic: Regression Analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.376	1	6.376	11.699	.001 ^a
	Residual	53.414	98	.545		
	Total	59.790	99			

Note: Calculation is done using SPSS software

a. Predictors: (Constant), growth opportunity

b. Dependent Variable: employee retention

Inference: Since the sig. value is less than .05 (.001<.05), the null hypothesis is rejected. That means there is some relationship between growth opportunities and employee retention. If an organization tried to make some policies or plans for the development of the employees' careers they will try to work hard.

FINDINGS

1. As per this study, it is found that the majority of the respondents are graduates. And they are included in the income category of 10000-20000
2. The majority of the respondents say that their working hours are 7-8 hours a day.
3. When asked about their flexibility in working hours their opinion is the neutral way.
4. 54% of the respondents say that they got only 3-4 hours in a day to spend with their family.
5. 58% of the employees say that they didn't have enough leave as per their necessity.
6. 55% of respondents say that they felt like there is not an effective performance appraisal system.
7. 57% of respondents say that they are getting adequate promotions.
8. The majority of the respondents say that there are enough growth opportunities and facilities.
9. The majority of the employees say that there are big targets they need to be achieved.
10. Based on the theoretical framework we can understand that many retention programs or employee benefits are offered by both banks. Through this, employees are able to work stress free and it will cause a positive work-life balance.

SUGGESTIONS

1. If there is a clear system of performance appraisal, it will encourage employees to give their best.
2. If the targets are fixed according to the ability of each one it will be beneficial and it will help to avoid employee turnover
3. Implementation of effective career development programs/training will help to retain the employees.
4. Effective follow up is also essential.

CONCLUSION

In this study, we found out that there is a certain relationship between work-life balance and employee retention in private banks. In these modern times banking sector had wonders due to the use of online transactions. There are some mobile applications derived to reduce the workload. But the job of a bank employee is still in the same state. They need to look after everything as before. Due to the coming of online work possibility they need to do work from home also. So it affects them very much and it also made a negative effect on their work-life balance. There is several benefits or perquisites are offered to employees to retain them in the bank and tried to provide different training programs to increase their ability according to the changing technology. It will increase their work-life balance and they will continue in the organization in the long run.

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Causal research design has been used in this paper. Statistical tools used here are chi-square and regression analysis.

