

EMPLOYEE RETENTION- A CASE OF SELECTED PUBLIC AND PRIVATE SECTOR BANKS

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Abstract: Employee retention is one of the major challenges that the organizations are facing these days. Banking sector is also affected by this problem. The study is undertaken to understand, analyze and compare the retention strategies of the selected banks. For the study two public banks i.e. SBI Bank, Bank of Baroda and two private banks HDFC Bank and AXIS Bank are taken into consideration. The banks have implemented various innovative initiatives in terms of career growth, compensation, retirement benefits, performance appraisal etc. For the study and for understanding the retention strategies in a better manner the retention factors have been divided into two categories i.e. Organizational Influencers and Personal Influencers.

Index Terms: Retention, Organizational Influencers and Personal Influencers

I. Introduction:

The retention of employees is one of the significant issues of contemporary context. Employee retention is the ability of the management to retain its employees for a longer period of time. It needs favorable policies and practices, which let the key employees stick to an organization.

According to Oxford English dictionary the word retains means —keep in one's service, secure the services of a person or absorb and hold. Retaining employees mean hold of employees. So employee retention can be stated as the processes in which employees are encouraged or motivated to stay with the organization for the maximum period of time or until the completion of the project.

In a study conducted by 'Harvard Business Essentials', retention was seen as the opposite of turnover. Furthermore Waldman and Arora (2004) claimed on the other hand that retention is not just the opposite of turnover. Employee retention issues are emerging as the most critical workforce management challenges of the immediate future. Researchers have shown that in the future, successful organizations will be those which adapt their organizational behavior to the realities of the current work environment where longevity and success depend upon innovation, creativity and flexibility.

II. Research Methodology:

The primary purpose of the study is to explore employee retention in the banking industry of Rajasthan. The specific purpose of the study is to examine and analyze the employee turnover, HR practices and their relation with employee retention; and strategies for employee retention.

Retention of key employee is the main function of management. Retention refers to the methods employed by the management to convenience the key employees stay with the organization for a longer period of time. Since key employees are the brain of organization, retention of such employees should be the major concern of the management.

This study (i) contributes knowledge industry, especially in the field of retention of key employees, (ii) fulfills the gaps of previous studies, (iii) shows relationships between employee retention and HR practices like-hiring practices, compensation and benefits, participative management, training and development, opportunity for growth, motivation, etc.

The present study segregates the retention factors in two categories i.e. Organizational Influencers and Individual Influencers. Organizational influencers are the factors which are provided from the side of the organization and are necessary for employee retention. The factors are compensation policies, work environment, work recognition, training opportunities, growth opportunities etc. The Personal Influencers are the factors which measure employee's motivation levels. It includes factors such as motivation at work, friends at work, purposefulness of job etc. For studying the Personal influencers' factors, standardized Gallup questionnaire is taken into consideration.

2.1 Objectives

1. To study and compare the retention strategies of the selected public and private sector banks.

2. To establish relation between organizational influencers and employee retention in selected banks.
3. To establish relation between personal influencers and employee retention in selected banks

2.2 Hypothesis

Ho 1: There is no significant difference in the retention strategies adopted by selected public and private sector banks

Ho 2: There is no relation between organizational influencers and employee retention

Ho 3: There is no relation between personal influencers and employee retention

2.3 Scope of the Study

Banking sector occupies an important place in the lives of human beings, organisation & entire economy, so its study becomes important. The study is an effort to see a comparative analysis of Retention Strategies for Sustainability in selected Public and Private Banks. The study is conducted in four banks in Rajasthan as below:

Public Sector Banks	Private Sector Banks
State Bank of India	Axis Bank
Bank of Baroda	HDFC Bank

For this purpose with the help of questionnaires results are drawn. Aim of the study is to learn about the impact of retention strategies in Banking sector. The result which comes from the study would benefit for the Banking sector. This would ultimately help to improve the Banking industry scenario in Rajasthan.

2.4 Sampling:

Sampling is one of the major tools of research, which is concerned with collecting, analyzing, and interpreting market data. It involves the study, in considerable detail, of relatively small numbers of informants taken from a larger group. Within non probability sampling, convenience sampling is used in the study.

S.No.	Name of Banks	Sample Size
1	State Bank of India	115
2	Bank of Baroda	125
3	Axis Bank	125
4	HDFC Bank	125
	Total	490

III. Results and Discussion:

The respondents were asked questions prepared on likert scale. There were total 27 questions. Following are the factors which were included in the questionnaire for the study. As discussed above the study has been divided for studying organizational influencers, personal influencers, employee engagement factors which are directly linked with the employee retention strategies.

1.	Compensation package	Organizational Influencers
2.	Flexibility in job in the overall working	
3.	Appraisal policies	
4.	Grievance Redressal procedure	
5.	Encouragement in job creativity	
6.	Responsibility and Authority	
7.	Selection and Promotion policies	
8.	Career Development of employees	
9.	Purposefulness of Job	
10.	Acknowledgement of Individual contribution in team work	
11.	Post retirement benefits	

12.	Work expectation	Personal Influencers
13.	Materials and equipments required for job	
14.	Opportunity to do best every day	
15.	Receiving recognition or praise for doing good work	
16.	Supervisor, or someone at work, seem to care	
17.	Encouragement of development	
18.	At work, do your opinions seem to count?	
19.	Mission/purpose of the company making the job important	
20.	Co-workers committed to doing quality work	
21.	Having a best friend at work	
22.	Someone at work talked to about employees' progress	
23.	Opportunities at work to learn and grow	
24.	Feeling of commitment towards duties	Employee Engagement
25.	Job has achieved a reasonable level of job satisfaction	

Statistical Comparison of the AXIS and HDFC Bank employees on the factor of Organisational Influencers

Table-3.1

Private Banks		N	Mean	Std. Deviation	Std. Error Mean	T	Df	Sig. Level
Organizational Influencers	AXIS Bank	125	41.63	4.041	.361	3.218	248	.001
	HDFC Bank	125	43.40	4.626	.414			

The table above indicates mean, standard deviation and standard error of private sector bank employees on the factor of Organizational Influencers. The mean is 41.63 and standard deviation is 4.041. According to the data, HDFC Bank employees have given more importance to organizational influence as compared to AXIS Bank. In this table the value of t-test is 3.218 and the P value is .001 which is highly significant it means that the outlook of employees on organizational influencers of AXIS and HDFC Bank is highly different.

Statistical Comparison of the AXIS and HDFC Bank employees on the factor of Personal Influencers

Table-3.2

Private Banks		N	Mean	Std. Deviation	Std. Error Mean	T	Df	Sig. Level
Personal Influencers	AXIS Bank	125	48.03	2.511	.225	1.875	248	.062
	HDFC Bank	125	47.21	4.224	.378			

The table above indicates mean, standard deviation and standard error of private sector bank employees on the factor of Personal Influencers. The mean is 48.03 and standard deviation is 2.511. According to the data, HDFC and AXIS Bank employees have given almost equal importance to organizational influencers. In this table the value of t-test is 1.875 and the P value is .062 which is not significant it means that the outlook of employees on organizational influencers of AXIS and HDFC Bank are same.

Statistical Comparison of the AXIS and HDFC Bank employees on the factor of Employee Engagement

Table-3.3

Private Banks		N	Mean	Std. Deviation	Std. Error Mean	T	Df	Sig. Level
Employee Engagement	AXIS Bank	125	8.19	.859	.077	1.344	248	.180
	HDFC Bank	125	8.04	.928	.083			

The table above indicates mean, standard deviation and standard error of private sector bank employees on the factor of Employee Engagement. The mean is 8.19 and standard deviation is 2.859. According to the data, HDFC and AXIS Bank employees have given almost equal importance to employee engagement practises. In this table the value of t-test is 1.875 and the P value is .180 which is not significant it means that the outlook of employees on employee engagement of AXIS and HDFC Bank are same.

Statistical Comparison of the Bank of Baroda and SBI Bank employees on the factor of Organisational Influencers
Table-3.4

Public Banks		N	Mean	Std. Deviation	Std. Error Mean	T	Df	Sig. Level
Organizational Influencers	Bank of Baroda	125	42.27	5.042	.451	2.806	238	.005
	SBI Bank	115	43.89	3.708	.346			

The table above indicates mean, standard deviation and standard error of public sector bank employees on the factor of Organizational Influencers. The mean is 42.27 and standard deviation is 5.042. According to the data, SBI Bank employees have given more importance to organizational influence as compared to Bank of Baroda. In this table the value of t-test is 2.086 and the P value is .005 which is highly significant it means that the outlook of employees on organizational influencers of SBI and Bank of Baroda is highly different.

Statistical Comparison of the Bank of Baroda and SBI Bank employees on the factor of Personal Influencers
Table-3.5

Public Banks		N	Mean	Std. Deviation	Std. Error Mean	T	Df	Sig. Level
Personal Influencers	Bank of Baroda	125	47.32	4.230	.378	0.312	238	.756
	SBI Bank	115	47.15	4.327	.404			

The table above indicates mean, standard deviation and standard error of private sector bank employees on the factor of Personal Influencers. The mean is 47.32 and standard deviation is 4.230. According to the data, Bank of Baroda and SBI Bank employees have given almost equal importance to personal influencers. In this table the value of t-test is 0.312 and the P value is .756 which is not significant it means that the outlook of employees on personal influencers of SBI and Bank of Baroda is same.

Statistical Comparison of the Bank of Baroda and SBI Bank employees on the factor of Employee Engagement
Table-3.5

Public Banks		N	Mean	Std. Deviation	Std. Error Mean	T	Df	Sig. Level
Employee Engagement	Bank of Baroda	125	8.16	.797	.071	0.121	238	.904
	SBI Bank	115	8.17	.985	.092			

The table above indicates mean, standard deviation and standard error of public sector bank employees on the factor of Employee Engagement. The mean is 8.69 and standard deviation is .797. According to the data, Bank of Baroda and SBI Bank employees have given almost equal importance to employee engagement practises. In this table the value of t-test is .121 and the P value is .904 which is not significant it means that the outlook of employees on employee engagement of AXIS and HDFC Bank are same.

IV. Results & Discussion

The research was conducted in consideration of hypothesis and objectives. The sample was collected with the help of structured questionnaire which included questions related to employee retention practices in banking sector.

In research 490 samples were collected out of which 240 were from Private sector banks and 250 were from Public sector banks. After analyzing data the result reveals that the perception towards retention of public and private sector employees is different. The objective of the study was to recognize and rank the employee retention factors in public and private sector banks. In the research the employee retention factors have been divided into two categories i.e. Organizational influencers and Personal influencers. It can be summarized that for public and private sector banks the influencers work differently. Another major objective of the research was to compare the retention strategies of public and private sector banks For the study ANOVA has been used to analyze the comparison. It can be concluded that the retention strategies of the public and private sector banks are different.

4.1 Organizational Influencers

- At AXIS Bank on the factors of Organizational Influencers the employees are more satisfied and are retained with the organization as the bank helps in career development of employees, the selection and promotion policies are fair, there is purposefulness of job.

- At HDFC Bank on the factors of Organizational Influencers the employees are more satisfied and are retained with the organization as the employees feel that their job is purposeful, bank helps in career development of employees, individual contribution is acknowledged in team work,.
- In data analysis it can be found that employees of Bank of Baroda from amongst the Organizational influencers are more satisfied on the purposefulness of job and career development etc and have given their least satisfaction on the compensation packages offered.
- SBI Bank from amongst the Organizational influencers the employees are more satisfied on the factor of Individual contribution is acknowledged in team work and career development of employees and have given their least satisfaction on the factor of employees being allowed to take responsibility and authority.

4.2 Personal Influencers

- In terms of Personal Influencers AXIS Bank employees are more satisfied on the factors such as having good friends, having opportunities to work, learn and grow and co-workers committed to doing good work.
- In terms of Personal Influencers HDFC Bank employees are more satisfied on the factors such as employees know what is expected from, employees are retained in the organization as they feel that their supervisors care about them as a person and also they are being encouraged at work for development.
- It can also be observed from the data analysis that Bank of Baroda employees from amongst the Personal influencers are more satisfied on the factor of having a best friend at work and have given their least satisfaction on the factor of receiving recognition or praise for doing good work.
- At SBI Bank from amongst the Personal influencers the employees are more satisfied on the factor that the mission and vision of the company makes the employee's job feel important, and the co-workers are committed to doing quality work.

4.3 Scope for further research

- As this study has covered only commercial banks, it does not cover other banks, financial institutions and other sectors of the economy. There is scope of further research by comparing the non-commercial banking sector as well.
- Further study can be conducted on the same topic and same areas after the certain time duration to measure the changing behavior of employees so that researchers can conduct whether there is any changes in response on retention factors and employee retention, relationships between employee retention and demographic characteristics, correlation between employee retention and retention factors and employee retention predictability of the retention factors or not.
- The present study has employed quantitative research method. Therefore, further studies can be conducted on qualitative research method or on mixed research methods.

4.4 Limitations of the Study

1. The study is confined to the bank employees of Rajasthan.
2. The present study is based on the sample size of 500 bank employees.
3. Few respondents hesitated to respond openly to the questionnaire.
4. Respondents may be biased and may not have sincerely responded to the questionnaire.

V. Conclusion:

The study helps in understanding the retention practices practiced in the selected banks. It can be observed that though the banking sector is taking several initiatives for retaining the talent but still there is a lot of scope to improvise on it. The research work has been successful in meeting the purpose of the study. It has examined and evaluated the response of employees on retention factors, determined the relationships between employee retention.

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