

# Employee Retention Strategies in Select Private Sector Banks - A Study in Greater Hyderabad

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## Abstract

Fast growing banking industry in India needs potential employees to support its progress and performance. Attracting and retaining employees is the one of the biggest challenges faced by the banking industry. Banking is in the third place in attrition levels among other industries in India with 17.7% attrition rate (KPMG survey' June 2019). Research analyzing the retention strategies and factors influencing banking industry is limited and across the private banks is not available. This study is about employee retention strategies in select private banks in greater Hyderabad Telangana state. Top five private banks rated by RBI (June, 2019) HDFC, ICICI, AXIS, KOTAK MAHINDRA and YES banks are selected for the study. It includes identifying the retention factors and strategies influencing employee's decision to stay with the bank, analyzing the similarities in retention strategies across the select private banks, grouping the banks based on similarities and interpreting the relationship between demographics and satisfaction levels towards existing retention endeavors by banks. Total 120 articles are reviewed to identify the retention strategies, factors and research gaps. Single proportion test, ANOVA, Chi square, Rank sum method, Post Hoc test and paired comparison statistical tools are used to analyze the primary data along with descriptive statistics. Salary, Training and development, Bonus, Employee relations at workplace and Medi-claim benefits are important HR strategies which influence decisions of employees stay with private sector banks to stay with the organization. Employees expect rewards and recognition for their contributions to organization, sensible targets and better communication to stay motivated and work with the bank.

**Keywords:** Banking work force challenge index, Bank pay structure, T &D at banks, Cozy Work Environment, Structured Employment Cycle, Recognition & Rewards, Bonus.

## Introduction

India's vision to be five trillion-dollar economy and third largest economy in the world is the driving force behind the government's initiatives and strategic moves to build a strong financial system in the country. In this direction Indian banking industry has undergone incredible change since government has adopted economic, financial and banking sector

reforms. Post liberalization phase after 1991 in India Govt. took aggressive steps to boost economy, financial system existing at that time was not enough to support those initiative, to fasten the growth and catch with global standards of qualitative performance Indian private sector banks were promoted. The healthy competition created by private sector banks promote improvements in quality of services by public sector banks, increase in the range of services and products offered through digitalized user-friendly platforms.

Human resources play a significant role in performance and progressive journey of banking industry. Employees act as representative of banks and build links and relationships with customers creating a strong brand identity for organizations they are working. Digitalization, automation can only complement the services offered but never minimize the role of human resources. For deeper penetration into market and wide coverage of services technological innovations are being used, but for performance-oriented functions employees are essential resources. After IT financial services specially banking industry is the second largest provider of employment (Source: 4<sup>th</sup> APRIL 2019, Report PHD Research Bureau, Job Creation: A Pan India Survey of Households) Fast changing technologies and growing competition in markets are forcing private banks to focus on developing sustainable competitive advantage which is rare and non-imitable in the market, in this direction loyal trained employees act as human capital to survive and progress in modern economic scenario. Availability of number of opportunities, changing work force expectations, virtual platforms etc., is prompting employees to search for better jobs from time to time. Banking once considered as a stable profession is in the third place among other industries in the country in attrition rates at 17.7 % (KPMG' 2018) facing challenges of employee attrition. In banking a service-based organization employee who are trained in values, policies and procedures are big assets creating a competitive advantage in the market. With a strategic approach banks are taking measures to hold employees for a longer period of time. Hence banks are identifying measures to control and reduce attrition by identifying factors and strategies influencing employee's decision to stay. This study is about employee retention strategies in select private bank.

### **Review of Literature**

Articles, Ph D thesis and reports related to employee retention in different industries are reviewed to identify the factors influencing employee retention across the industries. Few of are presented as follows:

**Ajaya Kumar C. H. & Dr. Ravindra D. Gadkar (2015)** identified 41 variables influencing retention of employees and categorized these variables in to 5 categories as per Maslow need hierarchy. Their study suggested organizations to identify and prioritize key employees. These employees should be clustered in various groups. Regular discussions should be conducted with these groups. These stay interviews can help organizations to retain and develop them.

**Teju Kujur & Mushtaq Ahmad Shah (2016)** elucidated the innovative HRM practices in various private and public sector organizations. They identified 40 innovative practices

grouped them under seven major HR functions. Innovative concepts like hiring professionals, sabbatical leaves policy, professional courses in banks, training tests, ESOPs, social networking profiles and many more are quite new to many industries. All these practices might have been implemented differently in different organizations, but their implementations have definitely contributed towards the human capital enhancements.

Organizations should depend on innovative HRM practices to gain sustainable competitive advantage in the competitive business environment in present times.

**Dr. Neha Sharma & Ms. Avni Sharma (2016)** emphasized on compensation and benefits and said employee retention is an effective mean or a way to maintain work force in the bank for stable and sustainable performance. There are certain reasons for the employee to leave an organization. Expectations play an important role to determine whether the employees are satisfied and dissatisfied with the current job. Expectations can be related to pay, working hour, holiday and bonuses. When there is a mismatch of organizational expectations from employees and employees' expectations from organization, has an impact on out come and performance from the day one of the job resulting t in unnecessary cost to the organization in the form of employee attritions and learned inefficiencies. Hence employee retention starts from employee's procurement. People should be Motivated to do the Job better, Perquisites, facilities will help the employees in doing the work in a fruitful manner. The factors which influence employee retention are Adequate and Fair Compensation, Appreciation and Stimulation, Leadership Skills, Follow Procedures, Learning Attitude, Job Satisfaction and Intention to Stay. The study also explores that in Private sector banks the leaves are limited but Monetary Benefits are good in Private Sector Bank. In public sector banks Non-Financial Benefits and recognition are better and recognition to the employees.

**Mrs. V. Vijaya Lakshmi & Dr. K. Uthayasuriyan (2016)** said proper planning and execution of an employee branding initiatives can create an opportunity of lively dialogues between employers and employees which lays the foundation for building mutual working arrangement. This helps organizations in attraction and retention of potential work force.

The organizational initiatives like work environment, organizational culture, workload, reputation, work life balance, symbolic benefits, training and development, brand promise and communication are important for building employee brand image. Age, job status and number of years of experience are not related to create or support brand image. There is no significant difference with regard to attributes of employee branding between public and private sector banks.

**Dr. Anjali Kalse & Ruchika Goel (2016)** discussed the importance of friendly hr policies to increase the stay of employee in the organization. Employee turnover across different industries like Banks, nursing, education, IT and ITES, manufacturing, retail, medical in different countries like India , Malaysia, USA, Ghana, Nigeria, Netherlands and Denmark was studied and it was identified that in organizational factors like- customer complaints and satisfaction, personal growth, achievement, self-control, compensation or monetary growth,

self-actualization, work motivation, social affiliation, organizational climate, culture clash, availability of better jobs, stress, burnout, job embeddedness, job characteristic, transactional leadership, business cycle, affective organizational commitment, quality of work life, non-financial gains, career growth, working hours, family reasons, welfare, working conditions, position requirement challenge, lack of advancement etc. are related to employee turnover and employee retention. It was found that not much research is carried in this area and especially HR policy is almost untouched which plays a vital role on employee retention.

They emphasized that a HR policy prioritizing the above-mentioned factors is essential to control employee turnover in organizations. Employees stay in organizations can never be linked only to monetary and non-monetary variables. Sometimes lack of awareness about existing policies also creates a gap between employee and organization prompting employees to search better opportunities. A well designed and professional HR manual stating tangible and intangible factors is available with an easy access to all employees can convince employees to stay with the organization. The employees would feel secured with written terms and conditions. Hence friendly HR policies can reduce the turnover in organizations.

**N. R. A. S. S Wijesiri & G. S. Faravanagam (2017)** analyzed the impact of HR practices on employee retention in BPO sector in Srilanka. It was concluded from the study that a potential and loyal workforce is essential to maintain smooth delivery of business process and long-term success of business.

Human resource management refers to the internal environment of organizations comprising of practices, policies, activities. Planning, implementing and evaluating these practices is done to reach organizational goals. This is best support by efficient and long-standing employees. HR practices performance management, training and development, compensation and rewards management have significant impact on employee's retention. Recruitment and selection have low impact on employee retention.

**S. Rathan Raj & Dr. G. Brindha (2017)** claimed that if one employee resigns in an organization this drives other employees to think about better options. This not only increases the cost of organization also disturbs the momentum of workflow endangering the successful accomplishment of targets. If attrition trend continues it has long term impact on organization performance and success. These aspects prompt an organization draft strategy which most of the companies include like listening to employees, respecting their opinion, rewards linked to performances, being available, assisting on career advancements. The approach of creating trust and supporting lifelong career drives talented people to stay with the organization for a longer period.

**Apoorva Akar1 & Dr. Gargi Sharma (2017)** contradicted the traditional view about banking jobs saying the bank job is considered safe and secure, but not very demanding in terms of work output. Banking is like any other business and the staffs have to carry out multifarious activities. few of them need specialized skills. At the same time some of the activities are in no way related to banking competencies and could be outsourced. Banks need to make some institutional changes to adapt to the markets. In the era of cutthroat competition banks have

started paying attention towards attracting and retaining the new and existing talented employees by offering them various growth options attractive hikes in their career. They are designing various training and leadership programs for different managerial level in order to update the skills of employees. For this purpose, various latest technologies is being used to design training modules for employees in the organization. Things have also started changing with the entry of numerous non-banking financial companies as well as private and foreign banks. Similarly, the nature of business of the banking sector has also undergone a lot of changes over a period of time. As a result, the demand for specialized manpower is also increasing. In a competitive environment attracting and retaining right kind of talents are very crucial. Banks are framing their strategies in order to manage the talent. As a result, Human Resource Management function of a bank becomes extremely significant.

According to **Subhash C Kunndu & Neha Gahlawat (2017)** retention strategies need to be evidence based grounded in to organizational and industry specific realities and reviewed periodically . Since employee attrition is costly to any organization identifying well in advance the various retention practices based on firm's nature and sector would be advantageous to any organization. The focus on employee's retention difference exists between Indian and MNCs. MNC'S share more information with employees slightly more compared to Indian companies. However, such differences were observed in case of practices like existence of the culture promoting employees stay, Pleasant work environment, Job security, greater work autonomy and clear specification of roles and responsibilities. Employers need to identify suitable retention strategies very carefully and methodically to be effective.

**Munish & Rachna Agarwal (2017)** discussed different aspects of employee engagement and retention. After analyzing various research papers, a definition of engaged and retained employee came out that an engaged employee is one who is motivated, highly dedicated, and ambitious, strives to contribute more, always lead by the example to others and align his goals towards organizational goals. The studies concerned with employee engagement reveals that factors like level of employee engagement is highly correlated to the nature of job, communication ease, leadership styles, autonomy, level of trust, level of motivation, work involvement, support from organization, performance appraisal, quality of work life, level of involvement in decision making and opportunity to grow, are the strongest drivers of employee's engagement. The various studies on employee retention postulated some aspects of it mainly includes level of training & development facilities, culture of organization, leadership quality, feedbacks, compensation structures influences the tenure of the talented and dedicated employees. In this era of tough competition, it is on the card for the HR professionals to apply an innovative mix and match of employee retention & engagement strategies to motivate and hold talented workforce for longer period of time. For the future concern an Additional theory/practical approach has to be required to analyze and determines the various employee retention and engagement strategies.

**Iveta Ozoliņa-Ozola (2017)** explained employee turnover from the socio-economic perspective. Employee turnover can have both positive and negative effect on an individual, company performance, labor force situation and on the society in general. Short-term work relationships may result from the fact that the employee has accepted a better job proposal, or

the company exchanges inefficient employee for efficient ones, there is a free movement of the labor force on the labor market. Short-term employability may evoke uncertainty of the future within the individual; create additional costs to the company due to unproductive work and costs for staffing, force employers and employees to pursue immediate benefits from work. Employee turnover is recognized as an indicator assessing effectiveness of the management in general and human resource management in particular, however, calculation of employee turnover related costs is not widespread in practice. Knowledge of managers concerning direct and indirect costs of employee turnover would create a realistic view of employee turnover problem. Moreover, in order to make correct management decisions it is necessary to be aware of the company's employee retention costs. In accordance with economic interpretation of the optimal employee turnover rate, the maximum work productivity can be achieved controlling dysfunctional and functional employee turnover, should it appear due to voluntary or forced reasons. The optimal employee turnover rate allows getting better profit from human resource application. Develop human resource management strategy and propose complex human resource management plans, which would comprise staffing, training and advancement, performance rate assessment, provided benefits and internal communication, in order to achieve and maintain the optimal employee turnover rate. Introduce work performance assessment and variable compensation linked to individual work results, thus attracting and retaining efficient employees in order to control functional employee turnover.

**Rasha Mohamed; Thomas Katua Ngui & Benjamin Mulili (2017)** studied at agricultural bank of Sudan to learn about factors determining employee retention in the banking sector. They found that training contributes to employee retention in banks. This was supported by the high proportion of respondents who agreed that the bank has strengthened bond with the employees as a result of subjecting them to training and development, the bank has helped employees to develop competitive advantage, training has increased employees' commitment to the bank hence less likely to leave, employee retention has been enhanced as a result of regular seminars and workshops, subjecting employees to training and development has improved their skills and experience hence unlikely to leave, training of employees has met their work related needs thus minimal intention to leave and training rendered by the bank has motivated employees consequently enhanced employee retention as well as the fact presence of adequate resources that has promoted the implementation of training and development processes. working environment influences employee retention as was supported by majority of respondents who indicated that the bank believes that good working conditions plays a significant role in employee's intention to stay, presence of proper communication culture that has attributed to employee retention at the bank and presence of competent leadership led to the improvement in the employee retention.

**Ashish Dikshit & Trilok Kumar Jain (2017)** put forth the reasons behind the rising HR challenges in Indian banking Industry he explained measures are adopted by banks to deal with these challenges .Compared the parameters of employee satisfaction between public and private sector banks. They identified that liberalized world is creating competition to business at global level and standard of performance. Hence organizations are enhancing their abilities

to face this competition and sustain in competition. One of the challenges which organizations have to encounter is hiring right kind of employees and retaining them for longer period of time. Because building capacities are directly related to quality of human capital in the organizations. Public sector banks employees are retained by providing job security. Stable and cordial work environment. Private organizations are retaining employees by providing better remuneration, benefits and technology and infrastructure.

**Yogita V. Patil & Dr. Arundhati S. Ninawe (2018)** explained the importance of employee retention strategies in organizations. Three R's Respect, Recognition, and Reward are 3 R's which can hold employees for a longer period of time with the organizations. Authors suggested that legitimate compensation to the workers, smooth workloads and relationship among administrators and staff should be strong for effective employee retention.

**Dr. Neha Chhabra Roy & Dr. T Viswanathan (2018)**, articulated about Employee attrition and the impact of technological disruptions on work force challenges in Indian banking sector. Indian banking is growing at a faster pace managing two components first it is managing its business performance and reaching the global standards of performance by adapting to latest technological innovations and practices, second by managing the work force challenges arising due to this fast and revolutionary tech based changes with a professional edge. This study was an attempt to identify and understand the challenges, Assess the impact of these challenges using workforce challenge Index (WCI) and propose a mitigation model which suggests possible and justifiable solutions to the major concerns of today's banking environment.

In the first step work force challenges associated with Indian banking system were identified and quantified. Ten broad challenges were identified through review of literature, group discussions and expert opinions. They are skill deficiencies, work management, employee adaptability to change, career planning, performance management, training exposure, skill transformation, employee compensation to meet competency building.

In the second step applying Fuzzy logic tool Workforce Challenge Index (WCI) was estimated Public sector banks scored a WCI of 2.132 and private sector banks WCI of 2.104 .The cumulative effect of WCI across all Indian banks is estimated at 20114. Private sector banks WCI value relatively moderate.

In the third step Mitigation model was given suggesting some measures on Job training, outsourcing in value added jobs, enhanced recruitment process for employees and Compensation. Some mitigation measures are enhanced skill training through partitioning trainers or training institute's competency mapping for individual employees, hiring retired officials on contract for specific profits.

**Marwa Gaber Ahmed Fahim (2018)** said the success and competitiveness of any organization depend largely on employees who are considered as its backbone. Accordingly, SHRM has been an essential concept to enhance the strategic capabilities of organizations by ensuring the availability of committed motivated and skilled labor. Also, organizations that

invest in their people need to guarantee that these investments are not lost, through developing strategies to retain staff long enough to obtain an acceptable return on their investments in employees' skills and knowledge. Thus, SHRM policies might be regarded as a primary source of achieving staff retention in all institutions, whether public or private. In this respect, the main findings here are: The research claims that SHRM has three basic tenets: employees are viewed as major stakeholders, a focus on organizational mission and key objectives and an effective response to environmental pressures. The study establishes that by implementing SHRM practices organizations are able to retain their core talents and remain competitive; that is retention is regarded as one of the most important aspects in the success of any company. Nowadays, firms often find that they spend considerable time, effort and money to orient and train new staff, so that retaining current staff will save all of these costs. The research indicates that public sector HR professionals usually confront a variety of barriers to attract and keep qualified workforce, including increased competition with the private sector and inadequate funding. Also, they are faced with the lack of management support and the old information technology systems. Practical implications clarify that NBE suffers generally from some kind of problem concerning satisfaction levels and turnover rates, despite the good presence of most of the indicators of SHRM practices and employee retention overall, which means that there is still an urgent need to support and strengthen these concepts in the work context of the bank, specifically the set of skill enhancing HRM activities like recruitment and selection, which are almost associated with turnover and were less correlated with SHRM at NBE. Those HR practices are compatible with the humanistic goals of public organizations and aim at strengthening public employees' skills and opportunities to participate in decision-making. The results of this analysis provide evidence that SHRM has contributed to the retention of employees at NBE (by 31.8 per cent), as demonstrated by the positive linkage between the independent and dependent variables; that is it was proven that the extent of adopting various SHRM practices is positively related to employee retention, although the impact rates are way low. This indicates the poor compatibility between SHRM strategies and employee retention policies at the bank, along with the existence of other influence factors. In addition, it was emphatic that the relationship between SHRM and employee retention is moderated by some demographic and professional traits, but this influence is contradictory, as noticed through the negative and lower effects in this regard.

**Niharika Singh and Shashikumar Sharma (2018)** examined the effect of two groups of determinants which drive employees to continue to stay with an organization. The respondents approached for the study were lower and middle level managers working for the same bank for two or more years. The first group of determinants i.e., internal variables consist of nine (9) variables, viz., monotonous job, training and development, work-life balance, job stress, pay and benefits satisfaction, career advancement opportunities, job satisfaction, satisfaction with supervisor and organizational commitment. The second group of determinants, i.e., external variables consists of four (4) variables, viz., perceived alternative employment opportunities (PAEO), perceived organizational prestige, perceived competitiveness of pay and perceived occupational prestige. The determinants found significant were then compared across selected demographic characteristics of the respondents. The individual characteristics include gender, marital status, level of management, age, number of dependents, qualification and salary.

The outcome of the study was second group of variables were having high influence on employees trust and loyalty towards organizations and there by retention. First group of variables are organizational efforts to convince employees managements intention to retain employees, they also have a positive relationship with employees' retention but less when compared to second variables.

**Niharika Singh1 & Shashi Kumar Sharma, L (2018)** human resources are crucial for organizational performance. They tried to establish a relationship between how some demographic factors can influence significant retention variables. According to them Employee turnover has been a vital issue of concern to organizations, researchers and managers continues to interest them as a result of its impacts on performance of organizations and workers. A relative concept to turnover is employee retention concerns with those who stay in the organization. Employee retention is one of the important parameters used to examine the health of an organization. The factors which effect employees to stay in the organization should be studied. They studied the relationship between Individual demographic variables like. Age, Gender, Marital status, level of management, number of dependents qualifications and salary do they have impact on significant variables perceived other employment opportunities, organizational prestige perceived competitiveness of pay work life balance, pay and benefit satisfaction, career advancements and satisfactions and jobs satisfaction.

**Dr. R. Arumugam (2019)** explained employee attrition from employees and employer's perspective and suggested how organizations can improve employee retention. When a business losses employee, it loses skills, experience and corporate memory. The magnitude and nature of these loses is critical management issue affecting productivity, profitability and product and service quality. For employee's high turnover can negatively affect employment relationship morale and workplace safety. Thus, there is the need to provide career counseling, training, and career development to the employees. For employers the cost of hiring and accommodating is very costly. It takes years for a new employee to accommodate with organization culture and practices because when a employee walks away he also takes his knowledge and acquired skills which are very hard to get replaced by another individual.

Thus, the human resource managers are in the charge of formulating and implementing the employee's retention polices in the bank. This will help the management to know their employees mind towards their job. The study focuses the retention strategies adopted by the banks for retaining their employees in the banks. In the present scenario, employee's talent is essential in every organization. So talented employees remain the banks is very important. Skilled employee plays very crucial role in the service sector. Therefore, it is essential for finding the retention strategies adopted by the banks and give suggestion for retaining the employees.

## Statement of Problem

Fast growing banking industry is the backbone for Indian economy. Public sector banks could not substantiate the needs of vast Indian economy; hence Private Banks along with public sector banks are complementing the financial services in India. Banking Industry today has two major challenges, risks related to investment and returns and work force related issues. Technological disruptions, work force diversity, growth of other job opportunities, entry and expansion of foreign and new private banks, growing fin tech companies, Non-banking financial institutions growth, etc., are few reasons for human resource challenges faced by banking industry in India. Banking professionals are getting attracted towards better pay, benefits, technically advanced working environment, better infrastructure, and work life balance options offered by other financial institutions giving a way for rising attrition rates in the banking sector. Employee turnover is a costly challenge it not only increases the cost of operations but also has impact on organization performance. In service sector employees have direct relationship with customer's employee turnover has impact on customer relations, morale of existing employees, and hassles of hiring and on boarding of new employees to replace the leaving employee. Thus, organizations should invest time and effort to deal with the challenge of employee turnover. Organizations are already working on this they are proactively designing better compensation and benefits, training and development techniques, leadership support systems etc. still studies to authenticate existing retention methods and identifying the changing needs in these initiatives is always required. Also banking industry specific research initiatives are very limited. Studies understanding the relationship between demographics and employee retention and retention strategies across banks are also not available.

The research gaps identified include studies related to retention strategies in banking is limited, studies related to only private banking are not available, studies analyzing the factors influencing the private bank employees are very limited, specified geographical area studies are not available.

## Objectives of the Study

- To identify the factors influencing “employee retention” in private banks.
- To study Demographics and its impact on levels of satisfactions towards retention endeavours in selected private banks.
- To analyse the perceptions of employees towards retention factors.
- To identify top 3 retention strategies preferred by employee across the banks.
- To study banking employee expectation from their organizations.

## Research Methodology

This study is an exploratory study using both qualitative and quantitative information. Data from Primary and secondary sources are used for the study. A structured questionnaire is prepared for collecting data from employees of select banks.

Top five private banks rated by RBI (June, 2019) HDFC, ICICI, AXIS KOTAK MAHINDRA AND YES banks are selected for the study. Stratified sampling is used to collect data from total 750 respondents is collected from 48 branches across Hyderabad six geographical zones. Among 750 responses 159 are collected from HDFC, 185 from ICICI, 120 from AXIS, 152 from Kotak Mahindra, and 134 from YES bank. Questionnaire has four sections, section 1 personal information of respondents, section 2 employees satisfaction towards various Hr practices measured on 5 point likert scale, section 3 employees rating towards retention factors identified from review of literature, ranking of these strategies and fourth section open ended questions. Single proportion test, ANOVA, Chi square, Rank sum method, Post Hoc test and paired comparison statistical tools are used to analyze the primary data along with descriptive statistics.

### **Hypothesis for the Study**

**H<sub>0</sub> 1:** There is no significant difference between banks with reference to Retention Strategies.

**H<sub>1</sub> 1:** There is difference between banks with reference to retention strategies.

**H<sub>0</sub> 2:** Proportion of employees agrees to retention strategy as a motivator is equal to 50%.

**H<sub>1</sub> 2:** Proportion of employees agree to retention strategy as a motivator is not equal to **50%**.

**H<sub>0</sub> 3:** Demographics are independent of Employee satisfaction levels towards retention endeavors by banks.

**H<sub>1</sub> 3:** Demographics are dependent of Employee satisfaction levels towards retention endeavors by banks.

### **Data Analysis**

Cronbach's Alpha test results 0.908 value authenticated the questionnaire adequacy. Kaiser-Meyer-Olkin Measure of Sampling Adequacy value is 0.694 authenticated sample adequacies.

Factor Analysis is used to identify the factors influencing employee retention in private banks. The results for 6, 7, 8, 13 and a6 constructs were calculated. Thirteen constructs outcomes could be given factor names optimally. Thirteen factors identified factor along with their factor loading are shown in Appendix-2.

Rank sum method helped in identifying top five strategies influencing employee retention in private banks. Across the banks among twenty-one factors, Salary is ranked at first place as motivating factor by all five banks followed by training and development. Bonus, Rewards and recognitions are preferred in three banks. Results across banks are as follows:

Table 1: Top Five Retention Strategies Across the Banks

RETENTION STRATEGIES	HDFC	ICICI	AXIS	KMB	YES
	SALARY	SALARY	SALARY	SALARY	SALARY
	BONUS	BONUS	BONUS	REWARDS & RECOGNITION	EMPLOYEE RELATIONS
	MEDICLAIM BENEFITS	ESOPS	JOB SECURITY	STAY INTERVIEWS	TRAINING & DEVELOPMENT ACTIVITIES
	TRAINING & DEVELOPMENT ACTIVITIES	FLEX TIME OPTION	TRAINING & DEVELOPMENT ACTIVITIES	ESOPS	RESPECT AT WORK PLACE
	EMPLOYEE RELATIONS	TRAINING & DEVELOPMENT ACTIVITIES	FLEX TIME OPTION	TRAINING & DEVELOPMENT ACTIVITIES	REWARDS & RECOGNITION

Source: Primary data

Banks are grouped based on top 5 retention strategies rated by primary source of data

Post Hoc tests helped in grouping the banks based on these top five strategies. ICICI and YES bank where similar to great extent.

ANOVA test results observed all banks are different in retention strategies.

**(H<sub>0</sub>) 1:** There is no significant difference between banks with reference to Retention Strategies.

**(H<sub>1</sub>) 1:** There is difference between banks with reference to retention strategies

Table 2: ANOVA across banks for all retention strategies

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7877.829	4	1969.457	33.305	0.000
Within Groups	44054.550	745	59.134		
Total	51932.379	749			

Table 3: Means across the banks for all retention factors

Bank	N	Mean	Std. Deviation	Std. Error
HDFC	159	61.4465	9.56698	0.75871
ICICI	185	69.9405	7.55572	0.55551
AXIS	120	64.4250	7.29068	0.66554
KOTAK MAHENDRA	152	66.5066	5.63574	0.45712
YES	134	69.3806	7.73994	0.66863
TOTAL	750	66.4613	8.32680	0.30405

ANOVA table value at  $\alpha=0.05$  is 0.000 depicts that retention strategies across the banks are significant and differ across the bank (Table 2) . Further Table 3 means across banks are also different hence retention strategies across the banks are different. Null hypothesis is rejected.

Single proportion test conducted at 95% confidence level and  $\alpha= 0.05$  for retention factors identified in literature review revealed employees across the banks consider Salary and training and development as motivating factor in the present bank they are associated with hypothesis is accepted and rest all other 19 retention factors hypothesis is rejected. Results are shown in Appendix-1

Interdependencies between Demographics and level of satisfaction towards retention endeavors in select banks they are working are tested using Chi square test at 0.05 % level of significance

All are demographics are significant and level of satisfaction towards retention endeavors by banks is dependent on demographics.

Table 4: Satisfaction Levels Towards Retention Endeavors Vs Demographics

S No	Demographic	Chi Square value	df	Significance
1	Age	113.953	12	0.000
2	Gender	25.458	4	0.000
3	Education	97.536	8	0.000
4	Job Grade	126.054	12	0.000
5	Years of services	130.086	8	0.000

Source: Primary data

Table 5: Pair wise comparisons across the banks for all Retention Strategies

BANK		Difference of Means	Std. Error	Z-VALUE	Sig.	RESULT
HDFC	ICICI	-8.494	0.8316	-10.214	0.000	There is significant difference
	AXIS	-2.97846	0.92989	-3.203	0.001	There is significant difference
	KMB	-5.06004	0.87232	-5.800	0.000	There is significant difference
	YES	-7.93406	0.90178	-8.798	0.000	There is significant difference
ICICI	AXIS	5.51554	0.90134	6.119	0.000	There is significant difference
	KMB	3.43396	0.84183	4.079	0.000	There is significant difference
	YES	0.55994	0.87232	<b>0.641</b>	0.521	<b>ICICI &amp; YES Banks are similar in retention strategies.</b>
AXIS	KMB	-2.08158	0.93905	-2.216	0.027	There is significant difference
	YES	-4.9556	0.96648	-5.127	0.000	There is significant difference
MAHE NDRA	YES	-2.87402	0.91123	-3.154	0.002	There is significant difference

### Findings of the Study

- Extraction of principal component analysis for questions was above 0.8 for all strategies identified in literature review authenticates that all identified factors are significant. Total variance explained thirteen factors had cumulative factor loading of 92.0824 and were influencing to a significant extent on employees intention to stay in private banks they are associated with at present. These thirteen constructs were grouped in the descending order of their factor loading in to thirteen groups and each group was given name. The names of the factors identified are as follows 1) **Structured employment cycle**, 2) **leadership support** 3) **Learning Organization**, 4) **Performance managements systems** 5) **Training and development** 6) **Complementary Hr practices** 7) **Hiring practices** 8) **Cozy work environment** 9) **Flexibility in work place** 10) **Job security** 11) **Job assignment** 12) **Career Progression** and 13) **Belongingness**. All these factors have influence on employee retention in private sector banks.

- Respondents were asked to rank the retention strategies in the order of priority to stay in any organization. For all 750 responses together Using rank sum method ranks are assigned for the strategies. Top five strategies rated by respondents which they look for in any organization they work are 1) Salary 2) Bonus 3) Training and development 4) Employee relations at work place and 5) Medi claim benefits. These strategies in Private banking industry are important in attracting and retaining workforce. Ranks of all retention strategies are shown in Appendix-3
- Across the banks ranking of retention factors was observed. Salary is ranked in first place in all five banks. Followed by T&D in five banks, next by Bonus and rewards and recognition in three banks, then by ESOPS, flexi-time in two banks, job security in one bank. Salary and T & D are important factors influencing employee's preference to work in private banks.
- Performance management, reward and recognition, Respect at work place, Flexi time options and leave patterns are also important for consideration while designing policies of employee retentions in private sector banks in India. These five strategies were ranked by respondents from 6-10 with little variation regarding their rank.

It can be considered that Salary; Training and Development and Bonus have major influence on employee's decision to stay in a private bank.

- Single proportion test is conducted assuming fifty percent of select private bank employees are satisfied with retention factors and practices identified in literature review.
- It was observed that for Salary and Training and development, **null hypothesis was accepted.**
- For Bonus, Education allowance, Insurance, separation benefits childcare centres, challenging.
- job opportunities, performance management, reward and recognition, employee relations at workplace, Flexi time option, and respect at workplace, ESOPS, stay interviews, Exit interviews and work environment **null hypothesis was rejected.** i.e., More than 50% are not satisfied with the above-mentioned strategies at select banks.
- It was hypothesised that there is no difference between banks with reference to retention strategies and ANOVA test was conducted, it is observed that banks differ with reference to retention strategies. Post Hoc test was conducted to group the banks to observe the similarities on the basis of top five retention factors rated by respondents. Select private banks are grouped into homogenous subsets on the basis of top five retention strategies selected by primary sources.

### Post Hoc Test Results Showed

- On the basis of Salary ICICI and YES bank are observed to form a Homogeneous subset rest three banks are different.
- On the basis of Bonus ICICI bank and Kotak Mahindra bank are similar and rest three e banks are significantly different.
- On the basis of Training and Development ICICI and YES bank are similar and rest three are different.
- On the basis of employee relations at workplace HDFC bank and AXIS bank are similar and Yes bank, Kotak Mahindra bank and ICICI bank are similar.
- On the basis of Medi claim benefits KOTAK and HDFC banks are similar.
- Interdependencies between Demographics and level of satisfaction towards retention endeavours in select banks they are working is tested using Chi square Pearson test.
- Age, Gender, Level of education, Job grade and
- years of service in bank are significant to
- Influence the level of employee satisfaction
- towards retention endeavours by banks.

### Expectations from Organization By Employee Towards Their Career Goals

- In respondent's preference towards getting recognized towards their contributions Rewards, Salary increments, and appreciation shared major share at 85.5% of total preferences.
- Targets, work stress and over lapping of targets, no proper communication about some works, low leadership support, non-considerate environment and timings were some of the reasons which de motivate them in the organization.
- Organized Work Allotment & Peaceful Work Environment, Award & appreciation every quarter, Equal compensation, advanced training, Team & fun activities, recognition for working in critical hours, clear career paths and targets, relations at work place, remuneration, Reward and recognition, knowledge of growth prospects, Performance appraisal, clear career paths, work life balance, remuneration training, Sensible targets, better training, role clarity, timely promotion, performance, work from home, Work life balance, education, benefits, employee relations are the expectations from banks in relation to their career goals and work life.
- Reason for changing previous organization and joining in present private bank respondents expressed salary increments, followed by career growth prospects as two important reasons as together accounted for 86% of justification of all reasons mentioned by primary sources. **Hence salary and career progression are two important components which need consideration by Hr manager while crafting hr policies and strategies.**

To sum up the major findings are Salary, Training and development and Bonus are three important retention factors in private sector banks. All retention strategies across the banks are not similar. In pair wise comparisons between banks ICICI bank and Yes banks are similar remaining three banks differ towards retention strategies. Rewards, recognition, sensible targets good communication and career progression is expected as important factors influencing employee retention in private sector banks. Thirteen retention factors identified in factor analysis are important while designing employee retention strategies and policies.

### Further Scope for Study

This study is limited to only greater Hyderabad this can be extended to other geographical areas. This was done across only five selected banks. This can be extended and a greater number of banks can be included. A comparative study between pre independence and post-independence private banks study can be done. A study comparing HR trends and practices before 2015 and after 2015 can be done. because 2015 many private banks were given permission for expansion and growth. As study comparing private banks and foreign banks is also useful in identifying policy reforms and changes. A study on employee retention in private banks in urban and rural branches is also very useful.

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#### APPENDIX-1

Table 6

CRITERION	N	Observed Prop.	Test Prop.	Z VALUE	RESULT
Salary	339	0.45	0.5	1.76755	<b>H<sub>0</sub></b> Accepted
Bonus	256	0.34	0.5	-5.07733	<b>H<sub>0</sub></b> Rejected
Education Allowance	423	0.56	0.5	2.632571	<b>H<sub>0</sub></b> Rejected
Medi-claim Benefits	215	0.29	0.5	-6.25616	<b>H<sub>0</sub></b> Rejected
Separation Benefits	38	0.05	0.5	-5.53975	<b>H<sub>0</sub></b> Rejected
Child Care Centers	166	0.22	0.5	-7.18074	<b>H<sub>0</sub></b> Rejected
Challenging Job Opportunities	136	0.18	0.5	-7.43252	<b>H<sub>0</sub></b> Rejected
Career Progression	519	0.69	0.5	8.748123	<b>H<sub>0</sub></b> Rejected
Training & Development Activities	375	0.50	0.5	0	<b>H<sub>0</sub></b> Accepted
Performance Management	292	0.39	0.5	-3.78215	<b>H<sub>0</sub></b> Rejected
Rewards & Recognition	507	0.68	0.5	7.925864	<b>H<sub>0</sub></b> Rejected

<b>Employee Relations</b>	511	.68	0.5	8.198192	<b>H<sub>0</sub></b> Rejected
<b>Leave Patterns</b>	204	.27	0.5	-6.51298	<b>H<sub>0</sub></b> Rejected
<b>Flex Time Option</b>	143	.19	0.5	-7.39818	<b>H<sub>0</sub></b> Rejected
<b>Respect At Work Place</b>	521	.69	0.5	8.886699	<b>H<sub>0</sub></b> Rejected
<b>ESOPS</b>	116	.15	0.5	-7.43871	<b>H<sub>0</sub></b> Rejected
<b>Stay Interviews</b>	85	.11	0.5	-7.12978	<b>H<sub>0</sub></b> Rejected
<b>Exit Interviews</b>	161	.21	0.5	-7.24095	<b>H<sub>0</sub></b> Rejected
<b>Job Security</b>	481	.64	0.5	6.199364	<b>H<sub>0</sub></b> Rejected
<b>Leadership Support</b>	473	.63	0.5	5.683625	<b>H<sub>0</sub></b> Rejected
<b>Work Environment</b>	526	.70	0.5	9.235035	<b>H<sub>0</sub></b> Rejected

<b>APPENDIX-2</b>			
<b>Table 7: List of components and factor identified</b>			
<b>FACTOR (%VARIANCE EXPLAINED)</b>	<b>DESCRIPTION</b>	<b>FACTOR LOADING</b>	<b>FACTOR NAME</b>
<b>FACTOR 1 (17.927%)</b>	Recruitment & Selection process at bank is systematic	0.799	<b>Structured Employment cycle</b>
	Retirement Benefits offered by bank are optimum	0.782	
	Performance appraisal is regular	0.757	
<b>FACTOR 2 (13.720%)</b>	My manager delegates me Sufficient authority to work	0.869	<b>Leadership support</b>
	I have got effective mentoring from My manager	0.791	
	My manager supports me in my career paths/goals	0.767	
<b>FACTOR 3 (12.265%)</b>	Bank encourages Innovative and Creative ideas about work.	0.872	<b>Learning Organization</b>
	My salary is on par with Industry standards	0.771	
	Learning opportunities are good	0.786	
	Performance appraisals are based On predetermined standards	0.767	
	My work Culture motivates me to stay in the organization.	0.740	
<b>FACTOR 4 (11.043%)</b>	Fair performance Appraisals are important for retaining employees	0.947	<b>Performance Management Systems</b>
	My bank assigns me challenging tasks	0.738	
	Leadership support is essential to encourage employees to stay with organizations	0.716	
	A fair hiring process can help to retain employees in organizations	0.689	
<b>FACTOR 5 (7.074%)</b>	Training for professional development are encouraged in bank	0.893	<b>Training Development (7.074%) &amp;</b>
	Work environment is important factor to retain people	0.743	
	Training opportunities	0.628	

	offered enhance employee potential needed higher post.		
FACTOR 6 (6.335)	Health care and medical benefits to me and my family are sufficient	0.867	<b>Motivating Hr practices</b>
	Bank's leadership encourages teamwork	0.688	
	Performance appraisal is unbiased	0.666	
	I am very happy with the strategies of banks to retain me	0.606	
FACTOR 7 (5.754%)	Selection procedure is unbiased	0.818	<b>Hiring practices(5.754%)</b>
	I refer to my friends to join this bank	-0.814	
FACTOR 8 (4.6825)	My personal values match with banks values	0.731	<b>Cozy Work environment</b>
	Feedback of my performance Is provided by my manager	-0.592	
	I have pleasant working conditions	0.657	
	I am happy with my work life balance	0.558	
FACTOR 9 (3.968%)	Option to work from home Should be made possible	0.799	<b>Flexibile in work place</b>
	My colleagues are supportive	0.773	
FACTOR 10 (3.055%)	Job security is important to work for an organization	0.859	<b>Job security</b>
	Job security is good in the organization	0.811	
FACTOR 11 (2.267 %)	Job assignments in banks is based On capabilities of employees	0.881	<b>Job assignment</b>
FACTOR 12 (2.074 %)	I have very bright future with this bank	0.890	<b>Career Progression</b>
FACTOR 13 (1.921 %)	I am not thinking for another job	0.544	<b>Belongingness</b>
<b>Identified 13 Factors Total variation explained 92.083 %</b>			

## APPENDIX -3

Table 8: Employee Ranking Towards Preference of Retention Strategy

S. No	RETENTION STRATEGY	N	Sum	Rank
I.	SALARY	750	1658	1
II.	BONUS	750	3572	2
III.	TRAINING & DEVELOPMENT ACTIVITIES	750	3797	3
IV.	EMPLOYEE RELATIONS AT WORK PLACE	750	3886	4
V.	MEDICLAIM BENEFITS	750	4277	5
VI.	PERFORMANCE MANAGEMENT	750	5350	6
VII.	RESPECT AT WORK PLACE	750	6511	7
VIII.	LEAVE PATTERNS	750	6527	8
IX.	FLEX TIME OPTION	750	7073	9
X.	REWARDS & RECOGNITION	750	7661	10
XI.	SEPARATION BENEFITS	750	7945	11
XII.	LEADERSHIP SUPPORT	750	7970	12
XIII.	ESOPS	750	8044	13
XIV.	CAREER PROGRESSION	750	9066	14
XV.	EDUCATIONAL ALLOWANCES	750	9313	15
XVI.	WORK ENVIRONMENT	750	9811	16
XVII.	STAY INTERVIEWS	750	11333	17
XVIII.	EXIT INTERVIEWS	750	12745	18
XIX.	JOB SECURITY	750	12945	19
XX.	CHILD CARE CENTERS	750	13246	20
XXI.	CHALLENGING JOB OPPORTUNITIES	750	13367	21