

# Study on Bank Employee Retention Strategies

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**Abstract - Employee retention is a major challenge for modern businesses. This issue has repercussions in the financial industry as well. The study's primary objectives were to gain an understanding of, evaluate, and compare the retention strategies employed by the participating institutions. Two public banks (PNB and Canara Bank) and two private banks (ICICI Bank and YES Bank) were considered in the study. This study's overarching objective is to dissect the retention practises of commercial and government financial institutions to highlight their disparities. The banking industry has introduced numerous ground-breaking programmes in the areas of professional development, pay and benefits, retirement planning, and evaluation of employee performance, among others.**

**Keywords - Employee Retention, retirement benefits, creative initiatives, banking industry**

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## 1. INTRODUCTION

The health of the banking sector is crucial to the growth of any economy. In a developed economy, the banking system is essential to keeping the economy afloat. It is a cornerstone of the financial system and crucial to the health of any economy. One of the oldest parts of the financial system is the banking system, and this is a well-known fact. They're vital to the economy because of the function they play in mobilising deposits resulting from loan distribution. The financial sector is a barometer of the economy. A country's economic vitality is proportional to the soundness of its banking system, all else being equal. Financial institutions play a crucial role in the economy by facilitating the payment system, mobilising deposits, and channelling those funds into investment vehicles.[1]

### Definition Of Bank

A financial institution that accepts deposits from the public and lends those funds to individuals, businesses, and governmental entities is called a bank. Financial institutions dealing with currency are known as banks. In this sense, banks serve as money brokers; however, as a result of their own growth and diversification, modern banks do much more than just exchange currency; they also issue credit. They're doing more and different things now. As a result, settling on a single definition of "bank" that would be acceptable to everyone is incredibly challenging.[2-3]

### Banking Structure In India

Before India gained independence, the country's banking system was allowed to develop without any overarching goals or directives in mind. The Bank

Charter Act of 1876 governed the three dominant banks, and the Indian Companies Act of 1913 established minimal protections against bank failures, but neither law represented a comprehensive framework for the banking industry.[4]

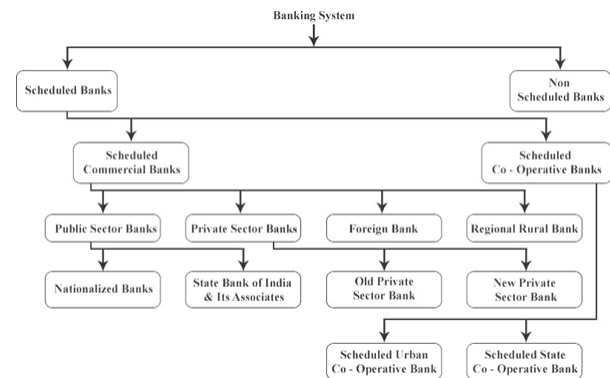


Figure 1: India's Banking Structure

The Imperial Bank of India was taken over by the government in 1935, and the new State Bank of India was established to provide financial services to underserved communities, particularly those in rural and semi-urban areas, as well as for other public uses. India's public sector banks initially consisted of only six institutions in 1980, but by 1999 there were twenty-four. When it comes to commercial banking in India, you may choose between Scheduled Banks or Non Scheduled Banks. Scheduled banks include both nationalised banks and foreign banks, as well as SBI and its subsidiaries, private sector banks, or foreign banks. Non Scheduled Banks are financial

institutions that are not included on Schedule 2 of the RBI Act of 1934."[5-7]

**Perspective Of Retention**

Employee retention is crucial to a company's growth and success. High employee turnover is a concern, but maintaining high-performing workers for an extended length of time is even more of a struggle for today's businesses. The employer should use all of his resources to reduce employee turnover. Many difficulties and obstacles arise when new industries expand and flourish, even as they provide opportunity for management and workers. Many companies in the emerging sector suffer from a persistent talent gap. In spite of the difficulties this position presents for management, it may open up several doors of opportunity for workers (job seekers). Relationships between employers and employees are symbiotic, meaning that they benefit both parties. [8]

Having a steady working relationship is crucial for any business. Nonetheless, such permanence in mutual interactions cannot be guaranteed for either the employer or the workers, for a variety of reasons that may include both parties. When the economy and the job market are steady, so too are the connections between them. Loyalty and dedication to one's employer and one's work are also fostered. However, circumstances alter in a politically unstable region or in an area undergoing rapid industrialisation.[9]

The theoretical foundation for the primary issues with employee retention will be clarified in the following paragraphs, providing context for the research. In today's world, employee/employer interactions are directly impacted by changes in technology, global economy, and trade agreements. — A long time ago, loyalty served as the foundation of that partnership. The company's long-term health might be imperilled if key staff leave. When attempting to keep workers from leaving due to dissatisfaction, underpayment, or lack of motivation, the company may face additional difficulties. They could try to negotiate for more pay, ignore established procedures, behave rudely toward other employees, and defy their superiors.[10]

In addition to these issues, a company's effort to hold on to its most valuable workers may be hampered by an information gap or a lack of insight into individual employees' levels of performance. A company may not be able to tell which employees are productive and which are not if it does not have access to sufficient data. It's very uncommon for workers to claim credit for their accomplishments while blaming others for their mistakes. A moral hazard issue describes this situation. Employees may be rewarded or punished for outcomes in the company over which they have no control. Employees may make unfavourable choices due to a lack of performance data. Some of your best workers may leave you for other companies in search of more professional fulfilment. Workers who are stuck in their current roles are more inclined to stick around. This is more likely to occur when exceptional

achievement is not recognised and rewarded because of a lack of relevant data. Management's inability to differentiate brilliant people from the rest of the labour force in the firm results in nonproductive and productive workers obtaining the same or almost the same remuneration and package of benefits. Bounded rationality compounds the difficulty of retaining high-quality employees. This occurs because of a lack of mutual understanding between the management and worker over what information is necessary from each party. Employees that are productive have no way of telling their less productive peers apart.[11-12]

**2. MATERIAL AND METHODS**

The banking industry is vital to the functioning of our society, businesses, and economy as a whole, making it a subject worthy of study. The purpose of the research is to compare and contrast the effectiveness of public and private banks' retention strategies for long-term success. Six different Jhansi banks were surveyed for this article:

Public Sector Banks	Private Sector Banks
Punjab National Bank	ICICI Bank
Canara Bank	YES Bank

In the present study sample collection is done with utmost care. Probability sampling is being done using the Stratified sampling method. In probability method there are equal chances of all samples being selected. This reduces the bias in the sample selection procedure. A sample of 490 employees will be selected from selected six public & private sector banks in Jhansi by stratified random sampling technique.

Information Collection is the procedure for social event and surveying the information or elements of energy, in a set up systematic way that engages one to react to communicated look into inquiry, test hypothesis and evaluate results.

In the current investigation crucial data is acquired via a structured survey. Bankers from both the public and private sectors filled out the samples. A total of 490 people were polled, and their responses provided some very useful data.

Information from other studies that is relevant to the current inquiry is included in the category of "additional data." Several related studies have been accepted. Statistics gathered from

secondary sources like print media. Also included are online resources.

Once data was collected, it was examined using statistical software to draw conclusions. Data in this research were analysed using statistical methods including percentage breakdowns. A table is made out of the information and pie charts are made.

**3. RESULT**

The following table summarises employee opinions on the relative importance of organisational and personal factors in determining job satisfaction.

**Table 1 : Employees from YES and ICICI Bank are compared statistically based on the organisational influencer factor.**

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

On the organisational influencers factor, the private sector bank workers' means, SDs, and SEs are shown in the table above. The standard deviation is 4.041 and the mean is 41.63. The study shows that ICICI Bank workers value organisational impact more than YES Bank employees do. This table's t-test result is 3.218, and the P value is .001, which is extremely significant and indicates that ICICI Bank and YES workers have very different perspectives on organisational influences.

**Table 2: Comparison of YES and ICICI Bank workers statistically based on the influence of personal factors.**

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

Data on the mean, standard deviation, and standard error for workers of private sector banks on the dimension of Personal Influencers are shown in table 2. Average is 48.03 and SD is 2.511. The research shows that workers at ICICI and YES Bank place almost identical value on organisational influencers. The t-test value in this table is 1.875, which is not statistically significant given the P value of .062. This indicates that YES and ICICI Bank employees have the same perspective on organisational influencers.

**Table 3: Employee Engagement: A Statistical Comparison of ICICI Bank and YES employees**

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

Mean, SD, and SE for Employee Engagement among private sector bank workers are shown in table 3. Standard deviation is 2.859, while the mean is 8.19. Employees at ICICI and YES Bank have placed almost the same value on employee engagement practises, the report shows. The t-test result in this table is 1.875, and the P value is only .180, therefore there is no statistically significant difference between the two companies' workers' perspectives on employee engagement between YES and ICICI Bank.

**Table 4: Employees from Canara Bank and Punjab National Bank were statistically compared with regard to the influence of organisational factors.**

Public Banks	N	Mean	Std. Deviation	Std. Error Mean	T	Df	Sig. Level	
Organization Influencers	Canara Bank	125	42.27	5.042	.451	2.806	238	.005
	Punjab National Bank	115	43.89	3.708	.346			

Table 4 displays the means, standard deviations, and standard errors for workers in the public sector banking industry on the dimension of Organizational Influencers. Mean value is 42.27 and the standard deviation is 5.042. Statistics show that at Punjab National Bank, workers value organisational influence more than they do at Canara Bank. Employees' perspectives on organisational influencers at Punjab National and Canara Bank are significantly different, as shown by the table's t-test value of 2.086 and P value of .005, which are both statistically significant.

**Table 5: Employees at Canara Bank and Punjab National Bank were statistically compared with regard to the influence of personal factors.**

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

Table 5 displays the mean, standard deviation, and standard error of workers in the private banking industry on the dimension of Personal Influencers. The average is 4.73 and the standard deviation is 4.2. Personal influences have been accorded about equal weight by staff at Canara Bank and Punjab National Bank, the research shows. The t-test result of 0.312 and the corresponding P value of .756 in this table are both too low to be statistically significant, meaning that Punjab National and Canara Bank workers have the same view on personal influences.

**Table 6: Employee Engagement: A Statistical Comparison between Canara Bank and Punjab National Bank Staff**

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

Average, SD, and SE for Employee Engagement among public sector bank workers are shown above. There is a mean of 8.69 and a standard deviation of .797. Employees at Canara Bank and Punjab National Bank have placed almost the same value on employee engagement practises, the research shows. The t-test result in this table is .121, and the P value is .904, therefore there is no statistically significant difference between YES and ICICI Bank in terms of employee engagement.

#### 4. CONCLUSION

The report clarifies the plethora of elements and strategies used by companies today to retain workers. If the banking sector wants to obtain a competitive advantage in these challenging times, it should take into consideration the study, which is highly complete. The sample was gathered with the use of a standardised questionnaire that included questions on the banking industry's staff retention policies. A total of 490 samples, including 240 from private sector banks and 250 from public sector banks, were gathered for the study. The analysis of

the data shows that there are differences between public and private sector workers' perceptions on staff retention. According to the analysis, there is a statistically significant difference in employee retention between Punjab National and Canara Bank. It suggests that talent management practises in private sector banks place a higher priority on retaining employees.

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