Economic Sciences
https://economic-sciences.com
ES (2025) 21(2), 192-197| ISSN:1505-4683

Exploring Employee Retention Practices in Public and Private Banking Institutions

Vivek S[1], Reddy PVK[2]
[1]Associate Professor, Institute of Public Enterprise, Hyderabad
[2] Associate Professor, Institute of Public Enterprise, Hyderabad

Abstract

The banking system is one of the oldest aspects of the financial system, as is widely acknowledged. It is a challenge to bank management in motivating their personnel to provide quality services and satisfy the expectations of their customers. As a result, talent retention has become a critical issue for banks seeking to maintain a competitive edge. The main objective of the present study is to know the employees' retention strategies of public and private sector banks. For this, the investigator collected the data from the employees of both banks of Telangana state adopting simple random sampling technique using questionnaire tool. Appropriate statistical techniques were applied and the obtained results were interpreted in table. A significant difference was found in adequate compensation (p=.002), personal growth (p=.023), job security (p=.000), learning environment (p=.000) and facilities to work (p=.000). Further, no significant difference was found with respect to human resource policies (p=.324), brand name (p=.074), autonomy to do work (p=.510) and organization amenities (p=.127) and working conditions (p=.258). On the basis of the results, it is suggested that talent management practices in banks place a higher priority on retaining the employees.

Keywords: *Retention Strategies, Public & Private Sector banks, Amenities, Policies.*

1.0 INTRODUCTION

The dynamics of the workplace have reflected a diverse population, with different motivations, beliefs, and value structures than in the past. This variable is significant when considering economic instability, organisational downsizing, and the consequences of losing critical employees. The retention of employees has been shown to be significant to the development and the accomplishment of organization's goals and objectives especially in building competitive advantage over other organization in the phase of increased globalization. Today, changes in technology, global economics, trade agreements, and the like are directly affecting employee/employer relationships thus leading to high employee turnovers thereby affecting employee retention in an organization. According to Coff (1996)[1] outstanding employees may leave an organization because they became dissatisfied, under paid or unmotivated and while trying to retain employees within the organization they may present other challenges as well. Similarly, Obikoya (2003)[2] explained that employees may leave their organization or job for many reasons which include the reputation of the company, hours of work, the working conditions, shift work, monotony of work, lack of appropriate fringe benefits, bad recruitment and placement practices, lack of advancement and lack of proper training facilities. Cappelli (2000)[3] indicated that several factors are considered important in a well-functioning of employee retention. The determinants that are considered to have a direct effect on employee retention include: career opportunities, work environment and work-life balance. Cole (2000)[4] suggested that people stay at such companies where there is a sense of pride and will work to their fullest potential. The reasons to stay are work environment, rewards, growth and development and work-life balance.

The main purpose of the study is to find out the factors (i) amenities to work and (ii) company policies affecting the employee retention in public and private sector banks of Telangana state.

Objective:

(i) To know the significant difference between public and private sector bank employees regarding amenities to work and

(ii) To know the significant difference between public and private sector bank employees regarding company policies.

Hypothesis:

(i) There is no significant difference between public and private sector bank employees regarding amenities to work.
(ii) There is no significant difference between public and private sector bank employees regarding company policies.

Scope of the study:
The scope of the proposed research is limited to employees working in public and private sector banks of Telangana state.

2.0 REVIEW OF LITERATURE

Sachdev and Khanna (2024)[5] made research on retention strategies in private banking industry, such as HDFC and ICICI. Using different statistical techniques, the results interpreted that salary, training and development, bonuses, workplace relations and medi-claim benefits influence private sector bank employees' decisions to retain them. The employees working in the banks expect rewards for their work, reasonable goals and better communication to stay motivated and work there. Dhanabhakyam and Fahad (2023)[6] conducted a study on 100 employees of HDFC, ICICI and Axis banks of Kerala. The results indicates that the employee retention strategies are very high in the private sector banks compared to public sector. It was also revealed that among the retention strategies, compensation related strategies and personalized retention strategies of the banks have negative impact on the turnover intentions of the employees. Khurana, Rajiv Rautrao and Revati Ramrao (2023)[7] made a case study to investigate talent retention tactics. It also examines the creative methods for pay, professional development, work-life balance and organizational culture through in-depth case studies of top banks. Fathima and Uma Raman (2022)[8] examined the relationship between employee retention, employee motivation, employee training, and employee development. The researchers tried to present the amount of loss if the banks or industry loose employees of upper, middle and lower-level management (Rushank Kumar, 2021[9], Singh & Kumar, 2021[10]). Whereas, Pandey (2020)[11] opined that innovation is not much affected by the retention of the employees but productivity and market growth is highly influenced by the employee retention intention. While Patil and Ninawe (2018)[12] determined the correlation between work culture, job profiling detail, reward & recognition with employee retention strategies in private sector banks of Jalgaon District. Kavitha, Geetha and Arunachalam (2011)[13] indicated that loosing key employees in an organization can led to decline in the standard of service provision, service inconsistency and extra cost in new employee recruitment and training.

In an international study conducted in Tanzania banking institutions by Hanai and Pallangyo (2020)[14] recommends to the bank managers to develop and implemented retention policies that contemplate fair salaries as this is a most valued compensation attribute. Msengeti and Obwogi (2015)[15] noted a weak influence of remuneration on employee retention in Kenya. In contrast, Khoshnevis and Gholipour (2017)[16] argued that compensation had positive and significant relationship with employee retention in the Melli Bank of Iran. Mrope and Bangi (2014)[17] argued that lack of employee retention strategies can result in poor organizational performance.

3.0 RESEARCH METHODOLOGY

The primary data was collected using survey method and the data collection instrument i.e., structured questionnaire. The secondary data was from research papers, journals, articles, newspaper, university library and internet sources. For this study the investigator used the simple random sampling technique. The responses received from the respondents who are working in the public and private sector banks of Hyderabad and Secunderabad of Telangana state. A structured questionnaire regarding the research was used as data collection tool for the employees working in both type of banks. All respondents were requested to check or tick mark to the answer of every question that they think is the most suitable and right answer to every question is truthful and frank response that is very necessary to reach perfect outcomes. The sample size was 268 respondents from public sector bank and 276 from private sector bank working in different branches. The collected data was analysed using appropriate statistical techniques such as mean, SD and t value.

4.0 DATA ANALYSIS AND INTERPRETATION

In this section, it is the data was analysed and the results were interpreted on two dimensions to retain the bank employees. The two dimensions which are considered for this study are (i) amenities to work and (ii) company policies. The factors that are influenced under amenities to work dimension – adequate compensation, personal growth, job security, learning environment and working conditions, the other factors that inclines the employee are – HR policies, brand name, autonomy to work, amenities and working facilities. The SPSS output results on these dimensions are presented in Tables 4.1.1 to 4.1.5 and Tables 4.2.1 to 4.2.5.

4.1 Amenities to Work

The mean opinions of the respondents on the factor 'amenities to work' along with its student t value and significant levels are presented in following tables.

Table 4.1.1: Adequate Compensation

Sl. No.	Factor	Bank Type	Count	Mean	SD	Df	't' value	Sig.	Result
1.	Adequate compensation	Public	268	3.48	1.11	542	9.47	.002**	Significant
		Private	276	3.20	1.00				

Source: Primary data

The mean value of public sector bank employees was 3.48, standard deviation was 1.11 and the mean value of private sector bank employees was 3.20 and standard deviation was 1.00. The calculated t value is 9.47 and significance ($p=.002<0.01$) for 542 degrees of freedom. This evidence shows that there is a significant difference in the opinions of two groups (public and private sector bank employees) regarding 'amenities to work'.

Table 4.1.2: Personal Growth

Sl. No.	Factor	Bank Type	Count	Mean	SD	Df	't' value	Sig.	Result
1.	Personal growth	Public	268	3.49	1.13	542	5.203	.023*	Significant
		Private	276	3.26	1.02				

Source: Primary data

It is observed from the table that mean value of public sector bank employees was 3.49, standard deviation was 1.13, similarly the mean value of private sector bank employees was 3.26 and standard deviation was 1.02. The calculated t value is 5.203 and significance ($p=.023<0.05$) for 542 degrees of freedom. The study indicates that there is a significant difference in the opinions of two groups (i.e., public and private sector bank employees) regarding 'personal growth'.

Table 4.1.3: Job Security

Sl. No.	Dimension	Bank Type	Count	Mean	SD	df	't' value	Sig.	Result
1.	Job Security	Public	268	3.51	1.09	542	17.226	.000***	Significant
		Private	276	3.11	1.16				

Source: Primary data

The Table 4.1.3 shows the job security mean values of public and private sector bank employees which are 3.51 and 3.11, respectively, and standard deviation values are 1.09 and 1.16. The t value is 17.236 and significance ($p=.000<0.000$) for 542 degrees of freedom. As such a significant difference was found in the opinions of two groups (i.e., public and private sector bank employees) regarding their job security.

Economic Sciences
https://economic-sciences.com
ES (2025) 21(2), 192-197| ISSN:1505-4683

Table 4.1.4: Learning Environment

Sl. No.	Dimension	Bank Type	Count	Mean	SD	Df	't' value	Sig.	Result
1.	Learning environment	Public	268	3.93	0.88	542	42.222	.000***	Significant
		Private	276	3.39	1.04				

Source: Primary data

The mean scores regarding learning environment of both types of bank employees are 3.93 and 3.39, respectively, and standard deviation values are 0.88 and 1.04. The t value is 42.222 and significance (p=.000<0.000) for 542 degrees of freedom. It is found that there is a much more significant difference in two groups opinions (i.e., public and private sector bank employees) regarding 'learning environment'.

Table 4.1.5: Working Conditions

Sl. No.	Dimension	Bank Type	Count	Mean	SD	df	't' value	Sig.	Result
1.	Working conditions	Public	268	3.66	1.00	542	1.280	.258	Not Significant
		Private	276	3.56	0.95				

Source: Primary data

The mean value of public sector bank employees was 3.66, standard deviation was 1.00 and the mean value of private sector bank employees was 3.56 and standard deviation was 0.95. Further, the calculated t value is 1.280 and significance (p=.258>0.05) for 542 degrees of freedom. This results clearly shows no significant difference in the opinions of two groups of employees (i.e., public and private sector banks) regarding working conditions.

4.2 Company Policies

The mean, standard deviation, degrees of freedom, t-value and significance between employees working in public and private sector banks of Hyderabad district with regard to human resource policies is presented in following tables.

Table 4.2.1: Human Resource Policies

Sl. No.	Dimension	Bank Type	Count	Mean	SD	df	't' value	Sig.	Result
1.	HR policy	Public	268	3.58	1.03	542	0.974	.324	Not Significant
		Private	276	3.49	0.97				

Source: Primary data

The mean opinion value of public sector banks was 3.58, standard deviation was 1.03 and further the mean value of private sector bank employees was 3.49 and standard deviation was 0.97. The calculated t value is 0.974 and significance (p=.324>0.05) for 542 degrees of freedom. This results clearly shows no significant difference in the opinions of two groups of employees (i.e., public and private sector banks) with respect to human resource policies.

Table 4.2.2: Brand Name

Sl. No.	Dimension	Bank Type	Count	Mean	SD	df	't' value	Sig.	Result
1.	Brand name	Public	268	4.07	0.98	542	3.199	0.074	Not Significant
		Private	276	3.92	0.93				

Source: Primary data

The mean opinion value of public sector banks was 4.07, standard deviation was 0.98 and further the mean value of private sector bank employees was 3.92 and standard deviation was 0.92. The obtained t value is 3.199 and significance (p=.074>0.05) for 542 degrees of freedom. This results clearly shows there is no significant difference in the opinions of two groups of employees (i.e., public and private sector banks) regarding brand name.

Table 4.2.3: Autonomy to do work

Sl. No.	Dimension	Bank Type	Count	Mean	SD	df	't' value	Sig.	Result
1.	Autonomy do work	Public	268	3.54	1.09	542	0.436	0.510	Not Significant
		Private	276	3.49	0.98				

Source: Primary data

The mean opinion value of public sector banks was 3.54, standard deviation was 1.09 and the mean value of private sector bank employees was 3.49 and standard deviation was 0.98. The obtained t value is 0.436 and significance (p=.510>0.05) for 542 degrees of freedom. This results clearly shows there is no significant difference in the opinions of public and private sector bank employees on autonomy.

Table 4.2.4: Organization Amenities

Sl. No.	Dimension	Bank Type	Count	Mean	SD	df	't' value	Sig.	Result
1.	Organization amenities	Public	268	3.46	1.17	542	2.338	.127	Not Significant
		Private	276	3.61	1.02				

Source: Primary data

The mean opinion value of public sector banks was 3.46, standard deviation was 1.17 and the mean value of private sector bank employees was 3.61 and standard deviation was 1.02. The obtained t value is 2.338 and significance (p=.127>0.05) for 542 degrees of freedom. This results clearly indicates that there is no significant difference in the opinions of public and private sector bank employees on amenities available in banks.

Table 4.2.5: Facilities to work

Sl. No.	Dimension	Bank Type	Count	Mean	SD	df	't' value	Sig.	Result
1.	Facilities to work	Public	268	4.02	0.92	542	18.317	.000***	Significant
		Private	276	3.65	1.07				

Source: Primary data

The mean opinion value of public sector banks was 4.02, standard deviation was 0.92 and the mean value of private sector bank employees was 3.65 and standard deviation was 1.07. The obtained t value is 18.317 and significance (p=.000>0.01) for 542 degrees of freedom. This results clearly indicates that there is a significant difference in the opinions of public and private sector bank employees on working facilities.

5.0 FINDINGS

(i) It is found that there is a significant difference between public and private sector bank employees regarding various dimensions under amenities: Adequate Compensation (p=.002), Personal Growth (p=.023), job security (p=.000) and learning environment (p=.000) and no significant difference was found with respect to working conditions (p=.258).

(ii) The findings of the study shows that there is no significant difference between public and private sector bank employees regarding various dimensions of company policies. They are: human resource policies (p=.324), brand name (p=.074), autonomy to do work (p=.510) and organization amenities (p=.127) and a significant difference was found with respect to facilities to work (p=.000).

6.0 CONCLUSION

The present research elucidates the number of elements and tactics used by banks today to retain their employees. If the banking sector desires to obtain a competitive challenge, the banks should take attention the study, which is highly complete.

Based on the findings, it is concluded that there is a difference between public and private sector bank employees' perceptions on their retention. As per the results, there is a difference between public and private sector banks on adequate compensation, personal Growth, job security, learning environment and facilities at work place. The study suggests that talent management practices in private sector banks place a higher priority on retaining employees.

REFERENCES

[1] Coff, R.W. (1996). Human Assets and Management Di lemmas: Coping with Hazards on the Road to Resource-Based Theory. *Academy of Management Journal*, 22: 374-402.

[2] Obikoya (2003). Human Resource Management. 1st edition. Ogun, *Vebric Publications*.

[3] Cappelli, P. (2001). A market-driven approach to retaining talent, Harvard Business Review on Finding and Keeping the Best People, *Harvard Business School Press*, Boston, MA, pp.27-50.

[4] Cole, C. L. (2000). Building loyalty in Workforce, 42-47.

[5] Sachdev, N. and Khanna, N. (2024). Retaining Employees in Indian Private Banking Sector. *Asian Journal of Economics, Business and Accounting* 24 (9): 85-97.

[6] Dhanabhakyam, M. & Fahad, K.P. (2023). Impact of Employee Retention Strategies in Private Sector Banks on Turnover Intentions. *METSZET Journal*, 8(2): 1-14.

[7] Khurana, Rajiv Rautrao & Revati Ramrao (2023). A Case Study on Talent Retention Strategies in Indian Banking. *Journal of Scholastic Engineering Science and Management*, 2(9): 12-22.

[8] Fathima, N. & Uma Raman, M. (2022). A Study on Factors Affecting Employee Retention in Private Sector Banks with Reference to Chennai District. *International Journal of Multidisciplinary Innovative Research*, 2(3): 27-37.

[9] Rushank Kumar (2021). A study on the effectiveness of employee retention strategies in Banking and insurance sector. *International Journal for Research in Engineering Application & Management*, 7(2): 157-160.

[10] Singh & Kumar (2021). Study on Bank Employee Retention Strategies. Journal of Advances and Scholarly Researches in Allied Education, 18(4): 1407-1411.

[11] Pandey (2020). Impact of employee retention intention on banking success. *Journal of Emerging Technologies and Innovative Research*, 7(8): 923-932.

[12] Patil, Y.V. & Ninawe, A.S. (2018). An Empirical study of factors affecting employee retention in Private Banking Sector of Jalgaon District. Paper presented at *5th National Conference Entrepreneurship; Innovation & Economic Growth in Digital Era* Proceeding conducted by by G. H. Raisoni Institute of Business Management & IJCRT during March, 2018.

[13] Kavitha, S.R., Geetha, S.R. & Arunachalam, V. (2011). An empirical study on employee retention strategies in a biscuit manufacturing company in India. *Interdisciplinary Journal of Contemporary Research in Business*, 3(4): 762 -772.

[14] Hanai, A. E., & Pallangyo, W. A. (2020). The Contribution of Compensation in the Employee Retention of the Banking Institutions in Dar es salaam, Tanzania. *European Journal of Business and Management Research*, *5*(4): 1-8.

[15] Msengeti, D.M. & Obwogi, J. (2015). Effects of Pay and Work Environment on Employee Retention: A Study of Hotel Industry in Mombasa County. *International Journal of Scientific and Research Publications*, 5(4): 2250 –3153.

[16] Khoshnevis, M. & Gholipour, A. (2017). Exploring the Relationship between Employer Brand and Employees' Retention. *International Journal of Scientific and Engineering Research*. 8(10): 141 –151.

[17] Mrope, G. & Bangi, Y.I. (2014). Examining the Influence of Management Practice and Attitudes on Employee Turnover: A Case of Kibaha District Council. *The International Journal of Business and Management*, 2(9): 11 –18.