

Retaining Talents in Bank :
A Comparative Study between Private Sector Banks and Public Sector Banks

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Abstract :

Employee retention means ability of an organization to retain its best employees. Employee retention is an effective mean or a way to maintain work force in the bank which is both stable and sustainable. 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. These expectations will range from pay, working hour, holiday and bonuses. If the expectation is unrealistic from the day one of the job that would result in unnecessary cost to the organization and it would take more time to reach the goals and objectives. Employees who find the mismatch of their particular talent may decide to leave the company and go for another job in other organization.

The study explores the relationship Between the employee and the factors leads to employee retention in Banking Sector which in turn tells that the factors which are responsible for Employee Retention will lead to Increase in Productivity of the Bank and People Becomes Motivated to do the Job, Better Perquisites, Facilities will help the employees in doing the work in a fruitful manner. A Comparative Study was done in the Private Sector Banks and Public Sector Banks, where the employees have given their views on the reason of Employee retention in Banks and the Factors lead to employee retention in the Banks. The Questionnaire was distributed in the Private sector and Public Sector Banks. Research study was Primary research as well as secondary research. Some of the data was collected through Internet, Research Papers and Books. The data was collected through the questionnaire. In Questionnaire 24 questions were structured on the basis of Six Parameters of Employee Retention. Those Parameters are:-Adequate and Fair Compensation, Appreciation and Stimulation, Leadership Skills, Follow Procedures, Learning Attitude, Job Satisfaction and Intention to Stay. It has been found from the study that employee retention is stable in Public sector Banks Like Punjab National Bank, Canara Bank as compared to the ICICI Banks and HDFC Banks because employees are satisfied with the job as well as the working environment. Bank Provides Leaves to the employees as compared to private sector banks. In Private sector banks the leaves are limited. The Monetary Benefits are good in Private Sector Bank and Much Non-Financial Benefits are given in Public Sector Banks and recognition to the employees.

Key Words : Employee Retention, Factors Lead to Employee Retention, Private Sector Bank, Public Sector Bank

Review of Literature :

Robert L. Cardy Mark on March 6, 2009 conducted a study on exploring a customer oriented approach to employee retention focuses on employee retention on a customer based model which consider employee as an internal customer of management and the model provides organization's way to influence where employees decide to stay or go.

Jenifer Urchins Feb 14, 2010 in U.S.A. conducted a study on the effect of retail store image attractiveness and self evaluated job performance on employee retention defined those employees who are satisfied and committed to their current job tend to be less likely to voluntarily leave from their current position which in turn tends to increase employee retention in the store.

Jonathan P. Doh, Stephen A. Stumph on October 25th 2011 conducted a study on responsible leadership help in retain the talent in India in which survey has been to focus on the responsible leadership from the perspective of employees and their assessment of organization's inclusiveness of diverse stakeholders, fairness of HR practices and the managerial support they receive to perform effectively.

The William I. Sauser Jr in 2009 conducted a study on sustaining the employee owned companies in U.K. which defined the concept of employee participation and control. The study shows that the major advantage of employee ownership is cooperation, productivity, loyalty, flexibility and rise of taking.

W. Astley and R. Zammuto has conducted a research on The Quality Management which represents a frame of reference that the aim of frame works as well as its application context its main elements and its application in various settings.

Howard and et al. (2007) on January 20, 2008 conducted a study on Employee Retention told that the thirty two main methods of retention:- "Link pay and performance, succession, employee retention as a corporate objective, organization's vision/mission, training and development opportunities, improving compensation, specialized retention plans, new-hire orientation, monetary rewards, openness in communication, performance management system, selection practices, internal studies, increased management's accountability for retention, educate managers on how to retain the employees, tracing the impact of retention, benefits packages, team building activities.

Gbervbie (2010) on June 12, 2004 in Asia conducted the research work on strategies of employee retention suggests ten strategies of employee retention. They are as follows:- "Payment of monthly salaries to employees, relatively good monthly salaries and allowances, provision of car, housing and furniture loan facilities, health insurance scheme, job security, regular promotion, health care services to employees' families, maternity leave with full pay for employees and regular training of employees.

Thomas Zwick, Christian Global, Jan Fries in 2000 in Germany conducted a study on Age Differential Work Systems Enhance Productivity and Retention Of Old Employees told that rapid aging of workforce threaten to undermine the competitiveness of enterprises in two aspects- the productivity of enterprise might decrease when the productivity of older employees is lower than then productivity of younger employees and when the employer cannot avoid an increase in the share of old employees.

Janice LO In Europe in 1998 conducted a study on THE INFORMATION TECHNOLOGY WORKFORCE a review and assessment on voluntary turnover told that the general turnover of the IT

Professionals remain high and its impact on the well being of the organization and supply and demand on the labour.

Paddy O'TOOLE in 2011 in North America conducted a study on developing the Knowledge Retention Structures in the company. It involves the knowledge that is endorsed and accepted by the organization leaders at both collective and individual level. Data and information is transformed into knowledge retention structure are created when actively used by used by people. It must also be acknowledged that people itself are knowledge retention structures.

A Literature on Employee Retention shows that wooing existing employees through employee development and talent management programmes costs less than acquiring new talents as organization know their employee's wants and desire: while initial cost of attracting the employees have already been expanded (David; Uttal in 1989).

Research Methodology :

Research is a common parlance refers to search for knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic. In fact research is an art of scientific investigation. The advance learner's dictionary lays down the meaning of research as "a careful investigation on enquiry especially for search of new facts in any branch of knowledge from known to unknown." (Kothari.CR; 2004)

Objective of Study :

- 1) To identify the reason of employee retention.
- 2) What are the motivating factors for an employee to retain in the bank?
- 3) To identify the employee retention strategies used in the bank

Importance of Study :

- 1) The importance of the study reveals in order to get the work done from employees the employees need should be fulfilled so bank should able to retain the key employees in the organization. Since the key employees are the brain of organization then only organization can perform well.
- 2) In banking sector, there are more employment opportunities for employees to do the job so it is the responsibility of organization to retain its best employees so that retention is stable and sustainable.

Findings of Study :

It has been found from the study that the employee retention is stable in Public Sector Bank. Following factors lead to the Employee Retention like:- Work Life Balance, Job Satisfaction through Managing The work, Less Overload of the work On Employees, Leadership Skills are strong of the Team Members to do the project, Communication Network is strong. If communication is strong among the employees of the Banks then any problem can be handled easily and can be solved with in the Bank's Premises, Following the rules of the banks as well as appreciation and Stimulation given by the managers to the employees of banks motivate the employees to do the work. Some Human Resource Techniques implemented in the Banks to retain the employees. Staff Members Cooperation and Healthy Working Environment are the reason of Employee Retention in Bank. In Private Sector Banks much importance

was given to the making profit. The Banks executive members appreciate the employees and understand the problem of employees that they face in their work but the target is necessarily to be finished otherwise it will affect their promotion as well as Pay Scale in the bank while in public sector bank the target needs to be completed but it will not affect their promotion because the promotion criteria is on the basis of seniority system in public sector banks. In terms of learning attitude: - The employees of Public Sector Bank are less capable in learning the new technology on the other hand employees of private sector banks are flexible. From their point of view they easily use New Software implemented in doing work Like usage of software's :- oracle, SAP, People -Soft in doing the Human Resource Work as well as Finance Work. Training is provided to the employees of public sector bank as well as private sector bank employees so that they will be able to get the knowledge of new technology and can make their work easier. Geographical location gives job satisfaction in the bank. The motivating factors in both the bank i.e. public sector bank and private sector bank that lead to employee retention is

Job security : In private sector bank employees disagree that there is no job security while in public sector bank employees agree that there is job security. Employees retain more in the bank because there job is secure and they are getting fixed salary every month.

In private sector bank employees are working to make the profit of the bank. There is no job security though the employees are more satisfied with the salary and the compensation provided to the employees.

Status wise Good : In private sector bank the employees has given the designation as per their skills and knowledge. In private sector bank employees have to clear the exams to go to the next position

Maternity benefit leaves are provided to the female employees for 4 months by the policy of the bank

In private sector bank no special provision for the female employees. They have the fixed leaves that is Sunday and other leaves which have been given to the employees.

Other retention strategies used in the banks. Good Package, Timely promotion in public sector bank, Non monetary rewards like family get together with the manager, Transfer of female employees to the home town and Liberal leave policy and Intention to Stay:-It has been found that the employees who are working in public sector bank do not want to want to do job in IT Company. It shows that the employees retain more in public sector bank. Many employees those who are working in public sector bank do not want to change the job in the foreseeable future. Because many of the employees are above age of forty years and the new youth those who are joining the public sector bank they join because there is job security in the bank.

Conclusion :

Employees are the reliable vehicle and employees are the asset of organization. The employees should get satisfaction in their job by providing salary and good compensation to the employees so that they can earn their living .As the government policy changes the employees get the benefit in their salary and it provide satisfaction to the employees. The leadership skills used in the bank does not harm the employee's interest. Good team work should be used in the banks so that employees will get encouragement to do the work. Career and development opportunities are available to the employees in

the bank. In public sector bank employees get training to do their work while in private sector bank employees get training and promotion after one year on the basis of performance. In both the bank response regarding work life balance does not vary so much. Employees have to work for long hours in the bank. In public sector bank the employees have some balance in personal and professional life. Employee job is secure so he works same hours daily but in private sector bank there is no work life balance. Employees rarely do not maintain the balance in the professional and personal life. In private sector bank more salary gives more job satisfaction while in public sector bank incentives given to the employees like LTC, House rent allowance; D.A. maternity benefits are given to the employees along with the fixed salary to the employees. The pension provided to the employees once the employees get retire. In private sector bank no pension is give to the employees. According to study public sector banks conduct more training programs for the employees. It shows that employees want to learn more and want to increase their skills and knowledge. Training and rewards given to the employees show more retention benefits. Employees in public sector bank the employees should be given fringe benefits so that employees in public sector bank do not feel inferior to the employees working in private sector bank. Public sector bank employee's promotion criteria should be on the basis of merit and performance basis. In the private sector bank more employee retention strategies should be provided to the employees so that employees will stay more .Employees in public sector bank are not comfortable with the IT related work and they do not want to look the job in future related to IT. While in private sector bank employees are comfortable to work in IT Company

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