



CAUSES WHICH AFFECT EMPLOYEE RETENTION IN BANKING SECTOR: AN EMPIRICAL STUDY IN THE CONTEXT OF PAKISTAN

Waqar Akbar Khan

University of Agriculture Faisalabad, Pakistan

Muhammad Atif

Department of Sociology, Government College University Faisalabad, Pakistan

Muhammad Idrees*

Department of Sociology, Government College University Faisalabad, Pakistan

Basharat Ali

Department of Sociology, Government College University Faisalabad, Pakistan

Muhammad Roman

Department of Sociology, University of Jhang, Jhang, Pakistan

*Correspondence Author

ABSTRACT

In the 21st-century banking sector evolved to one of the fastest-growing sectors as new technologies and concepts were introduced. These changes have some effect on employees' behaviors and needs. Therefore, this study, which is constructed upon the quantitative research approach, aims towards recognizing factors that affect the retaining of employees in the Pakistani banking sector. Survey methodology was used to recognize various factors that affect employee retention. Close-ended inquiries were developed for collecting data. 130 participants were employees in different banks. SPSS 16.0 was used for data analysis. Different statistical tests were applied for identifying the relationship between dependent and independent variables. Regression and correlation analysis was conducted. The dependability of the survey technique was also checked through Cronbach's Alpha. The study findings show that the compensation & benefits along with growth opportunities play an important impact on the retention of employees. While there is no or very minimal association exists between training & development and work-life balance with retention of employees. The major limitation of

this study was lack of time and resources, small sample size, and focusing on one city respondents only. There is also a lack of expertise so this research is limited to use a quantitative research approach.

Key words: Employee Retention, Human Resource Management, Organizational Behavior, Benefit & Compensation, Motivation, Growth Opportunity, Training and Development, Work-Life Balance, Banking Sector

Cite this Article: Waqar Akbar Khan, Muhammad Atif, Muhammad Idrees, Basharat Ali and Muhammad Roman, Causes which Affect Employee Retention in Banking Sector: An Empirical Study in the Context of Pakistan, *International Journal of Management (IJM)*, 11(11), 2020, pp. 2780-2794.

<https://iaeme.com/Home/issue/IJM?Volume=11&Issue=11>

1. INTRODUCTION

For economic growth, evolving and progress of the banking sector are very important. The banking sector plays a very vigorous role in economic growth. In Pakistan, the banking sector plays a significant part and contributes to boosting the economy of Pakistan. The banking sector has huge potential to play its role in the improvement and to support the rapid economic expansion of the country. Pakistani banking industry embodies the central part of the financial sector. The financial sector shows the growth in past years and has a huge future growth prospective. Pakistan's financial sector is much smaller in contrast with different nations, particularly in Asia and generally in the world. This shows that this growing financial sector has a vital role in the economic growth of the country.

In Pakistan, the banking sector has faced drastic changes since the country's independence in 1947. The banking sector faced a lack of resources and uncertainty due to socioeconomic and political instability. Shortage of talented human resources and expertise leads to low quality of banking services. On July 1, 1948, the State Bank of Pakistan (SBP) was founded as a premier financial regulator in Pakistan. SBP has the role of the central bank in the country to organize the financial sector. According to SBP 2013, the banking sector of Pakistan consists of National and Foreign banks. A statistical report published by the State Bank of Pakistan, regarding scheduled banks in Pakistan, shows that there are 38 banks currently working in the county having 10,361 branches all over Pakistan. Out of these banks, 31 are Pakistani banks (9 banks were public sector banks and 22 were private banks) with 10,332 branches and 7 foreign banks with 29 branches in Pakistan. Being an Islamic country, Pakistan's banking sector also consists of Islamic banks. According to the above report, 19 banks are working as Islamic Banks with 1,030 branches all over Pakistan. Out of these 19 Banks, 5 banks purely operate as Islamic Banks with 661 branches while 14 banks work as both commercial and Islamic banks with 369 branches all over the country.

In the current modern century, the banking sector has evolved as one of the fastest-growing sectors as new technologies and concepts are being introduced each day such as e-banking, internet banking, and computerized accounting, etc. These hi-tech changes have some effect on employees as well. In response to these changes, employees' behavior, needs, demands, training needs, and salary. All these factors affect workers' plans to stay or leave the company (Farooq & Hanif, 2013; Mohsin et al., 2020a). According to (Hong et al. 2012; Naeem et al., 2020; Naseem et al., 2012), in the modern world, human resource is the most precious asset in any organization and is considered as the backbone of the organization. Therefore, an organization needs to retain its employees to keep the company on its path. So, organizations use different strategies to satisfy the desires of their workers to keep their best talent.

In the present era, human resource is the most valuable resources for a company. Human resource is the only asset that is difficult to duplicate and is the only asset that helps the company to achieve a viable advantage over its contestants. According to M. Heathfield (2005) keeping talented employees help the company to get a competitive advantage that is not replaced by other competitors. Kanwal & Majid (2013) says that keeping the best talent in the present era has grown to be the most important issue for many organizations due to globalization. Samuel (2008) says that due to globalization, the movement of skilled worker has been increased which result in an increase in the turnover rate of employees in a company. Armstrong (2009) stated that employee turnover hurts organizational performance. Dess and Shaw (2001) gave their point of view that due to turnover, the considerable cost has incurred such as recruitment, training, the motivation of workers.

Many researchers have conducted different studies to find that factors that have an impact on employees not to leave their present organization (Sanjeev Kumar & Wei 2012; Hong et al., 2012; Ng'ethe et al., 2012; Shoaib 2009; Narang 2013; Irshad; Salamat et al., 2020; Mohsin et al., 2019), the results of these researches show that different factors such as compensation, growth opportunities, work-life balance, manager support, commitment, learning and growth, performance review, reward and organizational justice, and other factors urge the employees to leave or stay in an organization.

SHRM (2012) researched future HR challenges and talent management tactics. The research aimed to discover the challenges that HR professionals have to face in the future. In this research data was collected by HR professionals who was the member of the society of human resource management (SHRM) and the sample size was 487 HR professionals. The results of the study show that the topmost challenge that HR professional has to face over next 10 years is rewarding and retaining talented employees with percentage of 59, 52% professionals say that future leader development is the greatest issue and 36 % of professional says that creating organization culture that attracts “talented employees” is the future challenge for HR professionals. So, this research aimed towards recognizing the factors affecting employee retention in the banking sector of Pakistan. The overall purpose was to identify the importance of employees’ retaining and also a relation with the compensation & benefits, growth opportunity, work-life balance and training & development in the perspective of Pakistan.

2. LITERATURE REVIEW

Siebers et, al. (2008) highlights the importance of human resource management. Better management of an organization’s human resources plays an important role in achieving organizational growth. Researchers further stated that good HR practices by the human resource department contribute to employee retention as well as increase their productivity. According to Irshad, it is evident from the literature that human resource has a major contribution in the retention of employees. Different researches discovered various practices by the human resource department, help in retaining employees and reduce absenteeism. Such practices include training and development, workplace environment, job security, compensation, rewards, organizational justice, and supervisor supports culture. Employee retention practices started in the United States then in Europe, Asia, and Australia (Accenture,2001). According to the point of view of Osteraker (1999), key elements that lead an organization toward success are satisfaction and retention of talented employees.

Chaminade (2007) says that retention is a set of efforts made by an organization to take steps for keeping employees in a company for a longer period by creating a better workplace environment. According to Hong et.al., (2012) strategies exercised by an organization to stop talented employees from leaving the job are called employee retention. The researcher further

says that it is important to recruit talented people is important, however, it is more important to retain quality and trained employees.

Naris and Ukpere (2010) state that there are many reasons behind the decision of leaving the job. The different researcher also discovers the causes of employee decision regarding leaving the job, these causes are lack of career growth, work-life fit, payment system, relationship with the organization, workplace settings, and workload. According to the point of view of Khan, Aslam, and Lodhi (2011) compensation is the most important factor utilized by companies for hiring and retaining company's talented employees. Smith (2001) states money attracts and brings employees to the company but does not necessarily retain them. According to Fitz-enz (1990) employee retention is not dependent on only one variable there is a numerous variable that helps to increase retention of employees. Research conducted by Ihsan and Naeem (2009) on sales staff working in a pharmaceutical company shows that one of the most important variables for employee retention is compensation and benefits.

According to Sanjeev Kumar and Wei (2012) from various human resources, the practice has a positive connotation concerning retaining the employee. However, compensation shows a significant impact on employee retention.

Chiu, Luk, and Tang (2002) research Hong Kong and China. The research aim was to discover employee views regarding compensation elements that help in the retention and motivation of employees. In this research data was collected from 704 participants. 583 from Hong Kong and 121 from China. Results show that reasonable salary, incentives, bonuses, leaves, loans, and profit-sharing are the main reason for employee retention and motivation in Hong Kong. While Individual bonuses, overtime allowance, cash allowance, housing provisions, merit pay, and basic salary were the major factors to influence employee retention and motivation in China.

According to Hong et. al., (2012) an optimistic relationship exists between training and development practices, compensation, and performance appraisal system on employee retention. Meanwhile, employee empowerment found to be had no significant impact on retaining employees.

Zungbey and Mensah (2012) researched to analyze the role of money in influencing employees' behavior regarding joining, retaining, and leaving. Study shows that money has an impact on employees' behaviors regarding staying or leaving the company. Studies further demonstrate that money has a great impact to motivate employees and help the company in attracting and retaining talented employees. Research conducted by Terera and Ngirande (2014) to determine the role of reward in retention and job satisfaction of nurses. This research demonstrated that rewards have an impact on employee retention but did not show a relationship with job satisfaction.

Farooq and Hanif (2013) analyze the role of Herzberg two factor theory on retaining employees in Pakistan's banking sector. In Intrinsic factor Training & development, achievement, association, and need for power was included. while extrinsic compensation, growth opportunities, and reward were included in the research. According to results of the study, employees was more motivated with intrinsic factor as compared to extrinsic factors but extrinsic factors were also essential. Research also shows that offering opportunities, as well as training, is useful in employee retention. Growth opportunities as well compensation should increase to retain talented employees.

According to Rhoades & Eisenberger (2002) lack of career development opportunities provided to employees by organization increase turnover intention. Shoaib et. al., (2009) carried research in the telecom sector of Pakistan to find out the factor that affects the retention of an employee. Career growth, work-life fit, support from management, work-place environment,

and rewards have been opted as independent variables while retention of the employee was selected as the dependent variable. The results showed that there is a significant relationship between the above independent and dependent variables.

Kwenin (2013) organize research in Vodafone Ghana to analyze the association among career development, work environment, and employee retention. Findings show that work environment and career development have a major influence on employee retention. The research concluded that career development shows a strong link with employee retention. In research on the service sector of Pakistan, Saeed et.al., (2013) denied other researches stating there is no association between employee retention or commitment with training, employment, reward system, and career growth opportunities. While there is a positive relationship between the compensation system and retaining of employees. Grievance handling systems were influenced by employee commitment but not found to be influenced by turnover intention.

Narang (2013) researched the banking sector in India to discover the factors that affect employee retention. The researcher selected two banks for data collection, the sample size of this research was 60 employees. Research findings show that there is a relationship exists between employee retention and managerial practices like work-life fit, career growth opportunities, reward system, supervisory support, and work-place environment. The researcher further shows that career growth, reward, and work environment have a major role in employee retention.

According to Haar (2007), work-life fit found to be the most important factor for both workforce and managers and is proved to be a worldwide phenomenon. According to Elizabeth, Calvin, and Janice (2008) in the 21st century most difficult problem families facing is work-life balance. According to Gaan (2008) studies shows that family support activities by organization help in employee retention. Thompson and Prottas (2005) stated that support from the organization has a key part in improving employee retention. Yanadoria and Katob (2010) have also strongly supported the relationship between work-life fit and employee retention.

Babu and Raj (2013) organized research in 10 Indian IT Companies to analyze the impact of work-life fit practices on the retention of an employee. Research selects 10 IT companies in Hyderabad. 300 employees were involved in research and questionnaire were utilized for data collection. Research shows that there is a strong relationship between childcare assistance and employee retention. An increase in work-life balance practices also increases the retention of employees in organizations.

Akila (2012) researched Chennai to discover the influence of retaining practices on employee retention. Data were collected from 109 employees through a questionnaire. This study reveals that growth opportunities, rewards, work-life balance, managerial support, and workplace settings have a significant impact on retaining the employee. Hassan et.al., (2011) researched the leather industry of Pakistan. The researcher aimed to determine strategies used in the leather industry to retain employees. Data were collected from 50 managers through a questionnaire. Research findings show that career growth, management support, work-life balance, job security has a relationship with each other and also meaningfully impact employee retention.

Messmer (2000) states that investment from organizations on employee training and development is the most significant factor that contributes to employee retention. According to Accenture (2001), different organizations has become aware of that training and development and career growth is the most important variable in attraction and retention of highly skilled employees. Wetland (2003) supports this argument and says that training plays an important part in reducing turnover and retaining employees. According to Walker (2001) to increase employee retention organizations should develop and promote a learning and development environment. Hytter (2007) considers training and growth of employees as an important

element for retaining employees. (Ashar et.al.,2013; Naeem et al., 2018; Nseem et al., 2019; Mohsin et al., 2020b) also support this claim stating employees are more committed to the organization, and turnover intention decrease when they feel that training is available when they want.

Kanwal and Majid (2013) researched the banking sector of Multan Pakistan. In this research independent variables were training and development, job satisfaction, growth opportunities, communication, trust, work environment, bonus, and rewards. The research concluded that all variables were important in increasing employee retention in the organization with training and development having the most significant impact.

Govaerts et.al. (2011) used both organizational (Learning and development environment) and individual factors (age, seniority, and education) in this research. Results showed a significant relationship between learning & development and the retention of an employee. Organizations should focus on the learning of employees for retaining talented employees. For individual factors, age shows a correlation with employee retention

Samuel and Chipunza (2009) stated that training and development, reward and recognition, a competitive salary, job security, and interesting work are the most important factors in influencing employee retention.

A research was conducted in the education sector of South Africa to find the variables that have an impact on employee retention and turnover. Results show that the factors that lead to the retention of employees were compensation, recognition, and supervisor support. Factors that create turnover intention were financial compensation, promotion, dissatisfaction with career grown and pay inequity. Results showed that organizations should emphasize compensation, recognition, growth opportunities of employees for retaining talented employees (Theron, Barkhuizen and Plessis 2014).

3. THEORETICAL FRAMEWORK

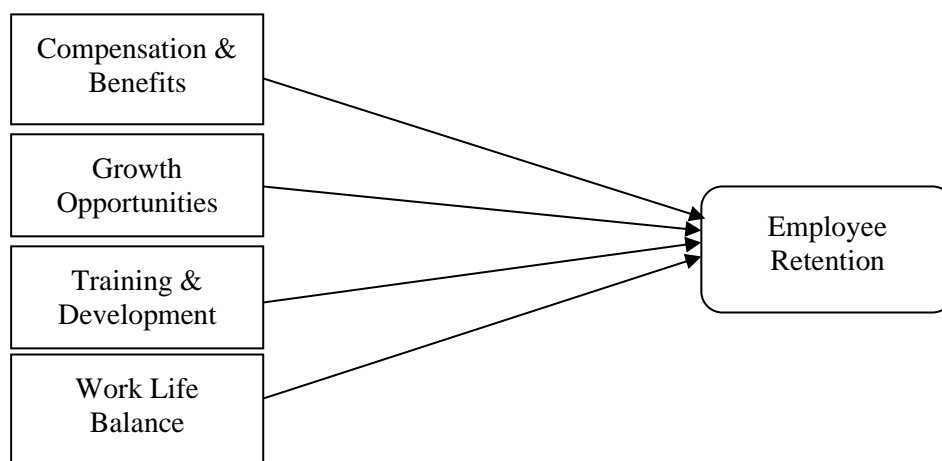


Figure 1

4. HYPOTHESIS

Ho= No relationship exists between compensation & benefits and employee retention.

H1= A strong relationship exists between compensation & benefits and employee retention.

Ho= No relationship exists between training & development and employee retention.

H2= A strong relationship exists between training & development and employee retention.

Ho= No relationship exists between growth opportunities and employee retention.

H3= A strong relationship exists between growth opportunities and employee retention.

Ho= No relationship exists between work-life balance and employee retention.

H4= A strong relationship exists between work-life balance and employee retention.

6. METHODOLOGY

In research, there are three types of the research paradigm. The following research is based on the positivism paradigm which is also called Quantitative research. In this research, our population was the employees working in the banking sector. The sample size of the research was 130 employees. The sample size was selected through non-probability sampling techniques. In this study, we use the survey method and a close-ended questionnaire was developed to collect data. The questionnaire was consisting of 30-items including demographic data and questions regarding dependent and independent variables. 26 objects were selected for scoring purposes on a Likert scale of five-points having a range of 1 “strongly disagree” to 5 “strongly agree”. Five objects for compensation & benefits were adopted from the study of Hong et al., (2012). For training & development two items were adopted from Hong et al., (2012) and four items were adopted from the study of Dockel, A. (2003). To measure the growth opportunities five items and four items for work-life balance were selected from Dockel, A. (2003) study. For the measurement of employee retention four items were adopted from Hong et al., (2012) and two items were adopted from the study of Kyndt, N., Dochy, F., Govaerts, E., & Baert, H. (2011). SPSS version 16.0 was used to analyze the data and produce the results. Descriptive and inferential analysis test was applied on data. Cronbach’s alpha test was applied to the questionnaire to check the reliability of questionnaire. Results of this test are mentioned in the below table:

Table 1

Variable	Cronbach's Alpha	No. of Items
Compensation & Benefits	.840	5
Training & Development	.833	6
Growth Opportunities	.710	5
Work-Life Balance	.711	4
Employee Retention	.874	6

7. RESULTS & ANALYSIS

7.1. Respondents Profile

	Count	Percentage
Gender		
Male	109	83.8
Female	21	16.2
Age		
Less than 25	19	14.6
25-35 Years	86	66.2
35-45 Years	21	16.2
45 Years Plus	4	3.1
Qualification		
Matric or Less	1	.8
Intermediate	6	4.6
Bachelors	53	40.8
Masters	70	53.8

Interpretation

The above-mentioned table shows the respondents profile such as gender, age and qualification. According to this table, there were 109 male and 21 female respondents who participated in this research with the percentage of 83.8% and 16.2% for male and female respondents respectively. Thus, showing that there are more male respondents than female respondents. Further, if we talk about the age of participants this shows that 19 respondents age is less than 25 with the percentage of 14.6, while 86 respondents have an age bracket of 25-35 years showing 66.2% of sample size and 21 respondents are in between 35-45 years with the percentage of 16.2%. And 4 respondents were of more than 45 years having a percentage of 3.1%. According to qualification wise, most of the respondent’s qualification is masters with the percentage of 53.8% and 70 in numbers. There were 53 participants whose qualification is Bachelors with a percentage of 40.8. Further, only 6 respondents have intermediate qualification shows 4.6% of sample size, and only 1 respondent has qualification matric or less having 0.8%.

7.2. Correlation Analysis

Table 2

Correlations						
		Compensation & Benefits	Training & Development	Growth Opportunities	Work-Life Fit	Employee Retention
Compensation and Benefits	Pearson Correlation	1				
	Sig. (2-tailed)					
Training and Development	Pearson Correlation	.410**	1			
	Sig. (2-tailed)	.000				
Growth Opportunities	Pearson Correlation	.574**	.431**	1		
	Sig. (2-tailed)	.000	.000			
Work-Life Balance	Pearson Correlation	-.119	-.103	-.133	1	
	Sig. (2-tailed)	.179	.241	.132		
Employee Retention	Pearson Correlation	.606**	.305**	.515**	-.100	1
	Sig. (2-tailed)	.000	.000	.000	.259	

** . Correlation is significant at the 0.01 level (2-tailed).

Interpretation

The above-mentioned table shows the results of correlation tests. Where dependent variable was employee retention while independent variables were compensation and benefits, training and development, career growth chances, and work-life fit. Results show that all the independent variables have a relationship with each other except work-life fit. And the strength of the relationships among all variables is moderate excluding work-life balance. If we talk about the relationship among dependent and independent variables, correlation results show that compensation and benefits, training and development, and growth opportunities have a relation with employee retention while results predict that work-life balance has no relation with employee retention. Moderate relation found among compensation & benefits and growth opportunities with employee retention whereas weak affiliation between training and development and employee retention.

7.3. Multiple Regression Analysis

Table 3

Variables	B	t-value	Significance
(Constant)	1.355	3.283	.001
Compensation & Benefits	.404	5.350	.000
Training & Development	.010	.120	.905
Growth Opportunities	.284	2.800	.006
Work Life Balance	-.012	-.168	.867
Adjusted R Square	.390		
F	21.649		
Significance	.000		
N = 130			
Dependent Variable: Employee Retention			

Multiple Regression Equation:

Employee Retention = Constant + Compensation & benefits X₁ + Training & development X₂ + Growth Opportunities X₃ + Work life balance X₄

$$\text{Employee Retention} = 1.355 + .404 X_1 + .010 X_2 + .284 X_3 - .012 X_4.$$

Interpretation

Multiple regression test was applied to identify the best predictor of employee retention. In this table employee retention is dependent and compensation & benefits, training and development, growth opportunities, and work-life balance are the independent variables. According to the above table compensation & benefits, and growth opportunities has a relationship with employee retention. While training and development and work-life balance show no relation with employee retention. According to the ANOVA table, the p-value is .000 indicate that model is a good fit. The adjusted R square value is .309 which shows the positive contribution of independent variables on the dependent variable. Compensation & benefits, training and development, growth opportunities and work-life balance have 30.9 % contribute to employee retention and the rest of 69.1 % is contributed by other factors.

8. DISCUSSION

This research is aimed at identifying factors that affect employee retention. For this purpose, the relationship of compensation & benefits, training & development, growth opportunities, and work-life fit are analyzed with retention of an employee. Amongst these variables, employee retention is dependent and compensation & benefits, training & development, career growth chances, and work-life fit are independent. The various test has also been conducted to carry out this research to analyze association among independent and dependent variables. 83.8 % of participants were male while 16.2 % were female, which shows a higher number of male respondents. In this study 66.2 % participants are of 25-35 years old, 16.2% are of 35-45 years, 14.6 % are less than 25 years and only 3.1 % age are greater than 45 years. Further 53.8% of respondent's qualification was masters, while 40.8% was bachelors, 4.6% was intermediate and only 0.8% qualification was matric.

The results of the Pearson correlation confirm the existence of relationships amongst all variables other than work-life stability. The Pearson correlation results demonstrate that all variables have a moderate relationship excluding work-life balance. If we talk about the relation between dependent and independent variables. Pearson correlation predicts that the compensation & benefits and employee retention shows a relationship as significance value is

less than 0.05 which is .000. The Pearson value of these variables is .606 which shows that compensation & benefits and employee retention have a moderate relationship. Further, there is also a relationship between employee retention and training & development as P-value is .000 less than 0.05. According to Pearson's value, the strength of the relationship between each variable is weak because the Pearson value is .305. According to the Pearson correlation test growth opportunities and employee retention has also relation because the p-value is less than 0.05 which is .000. The Pearson value (.515) suggests that the relationship between each variable is moderate. According to the Pearson correlation test, work-life balance and employee retention have no association as the significance value is .259. So finally, we say that according to the results of the Pearson correlation employee retention is positively and considerably associated with independent variables that are compensation & benefits, training and development, and growth opportunity while the work-life balance has no relation.

The multiple regression test was also conducted to find the connection of independent and dependent variables and as per the test, the model is a good fit. As we speak of the involvement of the independent variable on the dependent variable, the adjusted R square value is .309. R square value suggests that independent variables have a positive contribution toward the dependent variable. The independent variables have a 30.9 % contribution towards the dependent variable which employee retention and the rest of 69.1 % is contributed by other factors which are not included in the model. Multiple regression test shows that compensation & benefits have a relationship with employee retention. The coefficient of compensation & benefits is .404 which means that compensation & benefits and employee retention has positive relation. The p-value between growth opportunity and employee retention is .006 which shows that there is a relation between both variables. The coefficient of growth opportunities is .284. This indicates the positive association between growth opportunity and retention. Furthermore, no association was found amongst training & development and retention as the significance value of these variables is .905 greater than 0.05. According to multiple regression, no relation exists between work-life fit and employee retention as the significance value is .867 which is greater than 0.05. The results of Pearson correlation envisage that retaining of employee has a positive and moderate association with compensation & benefits and growth opportunities and shows a weak but positive relationship with training and development. While Pearson correlation predicts no association amongst work-life fit and retention of an employee. When numerous regression tests are applied on variables, it clarifies that compensation & benefits and growth opportunities is an important factor which is crucial for increasing retention of employees and has an actual relationship with employee retention but these numerous regression tests cannot discover any association amongst training & development with retaining employees and work-life fit with retention of employees.

The results of multiple regression related to the relationship between compensation & benefits and growth opportunity with employee retention are supported by many types of research. The Research conducted by Sanjeev Kumar and Wei (2012) shows that compensation and career opportunities influence the retention of employees. Shoaib et. al., (2009) researched on the telecom sector shows that growth opportunities have an association with employee retention. Further another research by Hassan et.al., (2011) on the leather industry supports the results of the relation among compensation and benefits and growth opportunities with employee retention. Another research conducted on the Indian banking sector by Narang (2013) also supports the findings.

According to some researchers, results of various regression tests shows inconsistent association amongst training & development and work-life fit with retention of employees. Research by Sanjeev Kumar and Wei (2012) shows an association between work-life fit and the retention of employees. Another research by Hong et. al., (2012) in the education sector

reveals positive relation exists amongst training & development and retention of employees. There is a contradictory connection between work-life fit and employee retention (Shoaib et. al., (2009), Hassan et.al., (2011). This finding was also inconsistent with research by Babu and Raj (2013) on Indian IT business to determine, which was conducted to find the effect of work-life fit practices on employees' retention. This research shows a strong association among these variables. According to the results of multiple regression, we can say that in our research compensation & benefits and growth opportunity has a significant relationship with employee retention in the banking sector. While training & development and work-life fit have no real effect on employee job satisfaction.

9. CONCLUSION

This research study was focused on identifying factors that affect the retention of employees in the banking sector of Pakistan. To carry out this study, a quantitative research method was used and data collection was conducted through a questionnaire. Various tests were applied to discover any association amongst dependent and independent variables. According to the correlation test compensation & benefits, training and development and growth opportunities have a relationship with employee retention and with the help of the effect size table, the strength of variables is defined. Compensation & benefits and Growth Opportunities have a moderate relationship while training & development was found to have a feeble association with retention of employees. While work-life fit and retention of employees have no relationship. After carrying out regression, a definite relationship between compensation & benefits and growth opportunities with employee retention. Whereas no correlation exists among training & development and work-life fit with retention of employees. The model of the research was found to be a good fit due to the values of the ANOVA table. From the above analysis, we conclude that compensation & benefits, and growth opportunities are important factors to increase employee retention in the banking sector. All these influences have a considerable role in employee retention. Therefore, without giving importance to these factors, employees cannot be retained in an organization.

10. FUTURE RESEARCH DIMENSIONS & RESEARCH LIMITATIONS

The main limitation is lack of time and resources, small sample size, and only focus on one city respondents. There is also a lack of expertise so this research is limited to use a quantitative research approach. Many participants were also found to be hesitant in providing factual situations of their organization due to the fear of harm to organizational reputation. More future studies can be conducted using a more representative sample selected from all types of banks such as the public sector and private sector e.g. There is no mediating variable was between independent and dependent variables so further research may be conducted using mediating variables. Also considering other determinants of employee retention may include in the research.

REFERENCES

- [1] Accenture, (2001). The high-performance workforce: separating the digital economy's winners from losers. In the battle for retention accenture's study. pp:1-5.
- [2] Akila, R. (2012). A Study on Employee Retention Among Executives at BGR Energy Systems Ltd. Chennai. International Journal of Marketing, Financial Services & Management Research Vol.1 No 9, September 2012.
- [3] Armstrong, M. (2009). Armstrong's handbook of human resource management practice. London: Kogan Page.

Causes which Affect Employee Retention in Banking Sector: An Empirical Study in the Context of Pakistan

- [4] Ashar, M., Ghafoor, M., Munir, E., & Hafeez, S. (2013). The impact of perceptions of training on employee commitment and turnover intention: Evidence from Pakistan. *International Journal of Human Resource Studies*, 3(1), Pages-74-88.
- [5] Babu, S. S., & Raj, K. B. (2013). Impact of Childcare Assistance (A Work-Life Balance Practice) on Employee Retention in Indian IT Sector. *Global Journal of Management and Business Research*, Vol.13 No. 6.
- [6] Boachie-Mensah, F. O., & Zungbey, O. D. D. (2012). The Impact of Money on Joining, Continuing and Leaving Behaviours of Employees of Selected Ghanaian Organizations. *International Journal of Business and Management*, Vol. 7 No. 21.
- [7] Chaminade, B. (2007). A retention checklist: how do you rate. Retrieved, 11(25), 2011.
- [8] Chiu, R. K., Luk, V. W. M., & Tang, T. L. P. (2002). Retaining and motivating employees: Compensation preferences in Hong Kong and China. *Personnel Review*, Vol.31 No. 4, pg 402-431.
- [9] Dess, G.D. & Shaw, J. D. (2001). Voluntary turnover, social capital, and organizational performance. *Academy of Management Review*, 26 (3), 446-456.
- [10] Dockel, A. (2003). The Effect of Retention Factors on Organizational Commitment: An Investigation of High Technology Employees. Master of Human Resource Thesis. University of Pretoria.
- [11] Farooq, S., & Hanif, N. (2013). A Descriptive Study of Intrinsic and Extrinsic Motivational Factors and Their Role in Employee Retention in Banking Sector (Lahore) Pakistan. *Int. Journal of Innovative and Applied Finance – IJIAF*, Vol. 1No. 1. Retrieved from <http://cls.irp.edu.pk/index.php/ijiaf/article/view/44>
- [12] Fitz-enz, J. (1990). Getting and keeping good employees. In *personnel*. 67(8): 25-29.
- [13] Gaan N. Stress, (2008), Social Support, Job Attitudes and Job Outcome Across Gender. *The ICAI University Journal of Organizational Behavior*.;52:34-44.
- [14] Govaerts, N., Kyndt, E., Dochy, F., & Baert, H. (2011). Influence of learning and working climate on the retention of talented employees. *Journal of Workplace Learning*, Vol.23 No.1, pg. 35-55.
- [15] Haar, J. (2007), “Exploring the benefits and use of flextime: similarities and differences”, *Qualitative Research in Accounting and Management*, Vol. 4 No. 1, pp. 69-82.
- [16] Hassan, M., Hassan, S., Din Khan, K. U., & Naseem, M. A. (2011). Employee Retention as a Challenge in Leather Industry. *Global Journal of Human-Social Science Research*, Vol.11 No. 2.
- [17] Hong, E. N. C., Hao, L. Z., Kumar, R., Ramedran, C., & Kadiresan, V. (2012). An effectiveness of human resource management practices on employee retention in institute of higher learning: A regression analysis. *International Journal of Business Research and Management*, Vol.3 No. 2, pg. 60-79.
- [18] Hytter, A. (2007), “Retention strategies in France and Sweden”, *The Irish Journal of Management*, Vol. 28 No. 1, pp. 59-79.

- [19] Irshad, M., Factors Affecting Employees Retentions: Evidence from Literature Review, *Abasyn Journal of Social Sciences*; Vo. 4 No.1, pg.84-102.
- [20] Kanwal, A., and Majid, M., (2013). Retention management in banking system an evidence from Multan, Punjab Pakistan, *interdisciplinary journal of contemporary research in business*, Vol. 5, No. 1, may 2013.
- [21] Khan, R. I., Aslam, H. D., & Lodhi, I. (2011). Compensation Management: A strategic conduit towards achieving employee retention and Job Satisfaction in Banking Sector of Pakistan. *International Journal of Human Resource Studies*, 1(1), Pages-89.
- [22] Kwenin, D.O. (2013). Relationship Between Work Environment, Career Development Opportunities And Employee Retention In Vodafone Ghana Limited, *Global Journal of Human Resource Management*. Vol.1, No. 4, pp. 1-9.
- [23] M. Heathfield. (2005) Effects of pre-interview beliefs on applicant's reactions to campus interviews. *Academy of Management Journal*, 40(4), 947-966.
- [24] Messmer, M. (2000). Orientations programs can be key to employee retention. In *Strategic Finance*. 81 (8):12-15.
- [25] Mohsin, M., Naseem, S., Muneer, D. S., & Salamat, S. (2019). The Volatility of Exchange Rate Using GARCH Type Models with Normal Distribution: Evidence from Pakistan. *Pacific Business Review International*, 11(12), 124-129, <http://www.pbr.co.in/>.
- [26] Mohsin, M., Naiwen, L., Zia-UR-Rehman, M., Naseem, S., & Baig, S. A. (2020b). The volatility of bank stock prices and macroeconomic fundamentals in the Pakistani context: an application of GARCH and EGARCH models. *Oeconomia Copernicana*, 11(4), 609-636.
- [27] Mohsin, M., Naseem, S., Zia-ur-Rehman, M., Baig, S. A., & Salamat, S. (2020a). The crypto-trade volume, GDP, energy use, and environmental degradation sustainability: An analysis of the top 20 crypto-trader countries. *International Journal of Finance & Economics*.
- [28] Narang, U. (2013). HRM Practices–Its Impact on Employee Retention, *IRC’s International of Multidisciplinary Research in Social & Management Sciences*, Volume:1, Issue:4, pg. 48-51.
- [29] Naris, N.S., and Ukpere, I.W., (2010), Developing a retention strategy for qualified staff at the Polytechnic of Namibia, *African Journal of Business Management* Vol. 4(6), pp. 1078-1084, June 2010.
- [30] Naseem, S., Fu, G. L., Mohsin, M., Rehman, M. Z. U., & Baig, S. A. (2020a). Semi-Quantitative Environmental Impact Assessment of Khewra Salt Mine of Pakistan: an Application of Mathematical Approach of Environmental Sustainability. *Mining, Metallurgy & Exploration*, 37, 1185-1196.
- [31] Naseem, S., Mohsin, M., Hui, W., Liyan, G., & Penglai, K. (2021). The Investor Psychology and Stock Market Behavior During the Initial Era of COVID-19: A Study of China, Japan, and the United States. *Frontiers in Psychology*, 12, 16.
- [32] Naseem, S., fu, G. l., Mohsin, M., Rehman, M. Z.-u., & Baig, S. A. (2018). Volatility of pakistan stock market: A comparison of Garch type models with five distribution. *Amazonia Investiga*, 7(17), 486-504, <http://www.udla.edu.co/revistas/index.php/amazonia>.

Causes which Affect Employee Retention in Banking Sector: An Empirical Study in the Context of Pakistan

- [33] Naseem, S., Fu, G. L., ThaiLan, V., Mohsin, M., & Zia-Ur-Rehman, M. (2019). Macroeconomic variables and the Pakistan stock market: exploring long and short run relationship. *Pacific Business Review International*, 11(7), 621-72.
- [34] Ng'ethe, J.M., Iravo, D.M.E., & Namusonge, G.S., (2012). Determinants of Academic Staff Retention in Public Universities in Kenya: Empirical Review, *International Journal of Humanities and Social Science*, Vol. 2 No. 13; July 2012.
- [35] Osteraker, M.C. (1999), Measuring motivation in a learning organization, *Journal of Work Place Learning*.
- [36] Peer Olaf Siebers et al (2008), "Enhancing Productivity: The Role of Management Practices". A/M Working Paper Series – 062- February 2008 – ISSN 1744-0009.
- [37] Rhoades, L., & Eisenberger, R. (2002). Perceived organizational support: A review of the literature *Journal of Applied Psychoanalysis*, 87(4), 698–714.
- [38] Saeed, R., Hameed, R., Tufail, S., Zameer, H., & Shabir, N. (2013). The Impact of HRM Practices on Employee Commitment and Turnover Intention; a Case of Service Sector in Pakistan. *Journal of Basic and Applied Scientific Research*. Vol. 3, No.10.
- [39] Samuel, M. (2008). Using motivational strategy as panacea for employee retention and turnover in selected public and private sector organizations in the Eastern Cape Province of South Africa. Master of Commerce in Industrial Psychology in the Faculty of Management and Commerce, University of Fort Hare.
- [40] Samuel, M. O., & Chipunza, C. (2009). Employee retention and turnover: Using motivational variables as a panacea. *African Journal of Business Management*, Vol.3 No.8, pg. 410-415.
- [41] Salamat, S., Lixia, N., Naseem, S., Mohsin, M., Zia-ur-Rehman, M., & Baig, S. A. (2020). Modeling cryptocurrencies volatility using GARCH models: a comparison based on Normal and Student's T-Error distribution. *Entrepreneurship and Sustainability Issues*, 7(3), 1580-1596
- [42] Sanjeev Kumar, V. and Wei, W. (2012). A case study on determinants of human resource practices influencing retention of employees in Kedah State Development Corporation, Malaysia. *International Journal of Business and Social Research*, Vol. 2 No. 2, 42-53.
- [43] Shoab, M., Noor A., Tirmizi, S., & Bashir, S. (2009). Determinants of employee Retention in Telecom Sector of Pakistan. *Proceedings 2nd CBRC, Lahore, Pakistan, 14 Nov. 2009*.
- [44] SHRM, (2012), Retrieved on July 21, 2014 available at www.shrm.org/Research/.../SHRM-Challenge-HR-2022-Spotlight.pdf
- [45] Smith, M. K. (2001) 'Young people, informal education and association', the informal education homepage, www.infed.org/youthwork/ypandassoc.htm. Last updated: Dec. 2001
- [46] State Bank of Pakistan (2013) Retrieved on July 21, 2014, Available at www.sbp.org.pk/publications/schedule_banks/June-2013/Title-Review.pdf
- [47] Terera, S. R., & Ngirande, H. (2014). The impact of rewards on job satisfaction and employee retention. *Mediterranean Journal of Social Sciences*, Vol.5 No. 1.
- [48] Theron, M., Barkhuizen, N., & du Plessis, Y. (2014). Managing the academic talent void: Investigating factors in academic turnover and retention in South Africa. *SA Journal of Industrial Psychology*, Vol.40 No. 1.

- [49] Thompson CA and Prottas DJ (2005). Relationships among Organizational Family Support, Job Autonomy, Perceived Control, and Employee well-being. *Journal of Occupational Health Psychology*. 11(1):100-118
- [50] Walker, J.W. (2001), "Zero defections?", *Human Resource Planning*, Vol. 24 # 1, pp. 6-8.
- [51] Wetland, D. (2003). The strategic training of employee's model: balancing organizational constraints and training content. In S.A.M. *Advanced Management Journal*, winter, Cincinnati. pp: 103-107.
- [52] Yanadoria Y, Katob T. Work and Family Practices in Japanese Firms: Their Scope, Nature and Impact on Employee Turnover. *The International Journal of Human Resource Management*. 2010;20(2):439–456.