

# Influencing Motivational Factors of Bank Employees Retention: A Conceptual Framework

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Submitted: 01-07-2022

Revised: 10-07-2022

Accepted: 13-07-2022

## ABSTRACT

Employees are the crucial resources for every organization and the failure and success of the companies often depend on these resources. On the other hand, skilled employees are considered advantageous sources for any organization. Employee retention is a major and vital issue faced by the bank industries in Bangladesh due to the shortage of economic growth, skilled employment, and turnover. The banking sector is the essential and significant sector to develop the economy of a country. In this regard, the banking sector should maintain rules, regulations, policies, and factors of employee retention. The main objective of this study is to determine the influencing factors of bank employee retention in Bangladesh. For the study purpose, the influencing motivational factors of bank employee retention have been adopted from the prior published studies. Also, a conceptual framework has been proposed in this study. From a future perspective, this study will give guidelines for the management of banking organizations to identify the motivational factors for retaining skilled employees in the bank.

**Keywords:** Employee Retention, job satisfaction, training and development, work-life balance, flexible time and work

## I. INTRODUCTION

Nowadays the worldwide the remarkable sector is the service sector and the economic and societal development depend on this sector (Yalley and Agyapong, 2017). Therefore, as a service sector, the banking industries play a significant role to enhance the economy of a country (Ayadi et al., 2015). Banking sector as a prominent financial institute plays a vigorous role in the development of an economy of the country (Babu, 2018). Among different financial sectors in Bangladesh, the role of banking sector is the most important which helps in channeling public savings into

productive investments (Rana, Sultana & Gazi, 2013, Rahaman et al., 2020). Human resource is a vital resource of every organization and without this resource, the organization cannot move to achieve goals and objectives like vision and mission. With this globalization, every organization especially, the banking sector is facing challenges to sustaining in a competitive and dynamic environment. The main challenge is to retain skilled employees for achieving the long-run objectives of organizations. However, every employee has the right to switch from one organization to another organization depending on his/her opportunities like attractive pay, motivation, flexible time and work, attractive working environment, career development, training facilities, recognition, attractive compensation, etc. The customers are the hurt of every organization and the profit of an organization depends on proper customer satisfaction. Basically, customer satisfaction is related to the services of skilled employees. Therefore, the organization should provide attractive and advantageous facilities to retain qualified employees. Actually, employee retention means preventing the turnover of an employee either voluntarily or involuntarily. Employee retention is defined as an organization's ability to prevent employee turnover, or the number of people who leave their job in a certain period, either voluntarily or involuntarily. As a result of turnover, the organization faces problems with new recruitment and selection processes. Due to the change in technological challenges the banks need to adopt challenges to remove employee retention. Therefore, in order to stay in the competitive market, the banking sector should identify the motivational factors which help to maintain and retain qualified employees in the bank.

## II. OBJECTIVES OF THE STUDY

The main objective of this study is to determine the influencing motivational factors of bank employees' retention in Bangladesh and to establish a conceptual model for this study.

## III. LITERATURE REVIEW

Job satisfaction is the vigorous factor in creating satisfaction levels among the employees and it is related to the retention of employees (Jaiswal, 2019). Besides, job satisfaction is a positive and significant feeling about the job that helps to retain the employees in an organization (Akhter et al., 2021). On the other hand, satisfied employees always create eagerness among themselves to achieve the goals and objectives of an organization (Sharif and Karim, 2017). However, Bangladesh is acclaimed all over the world because of maintaining a growing trend of economic prosperity with higher gross domestic product growth in the last couple of periods (Rahaman et al., 2020, organizational success is reliant on the qualified employees in this modern organization who assist to compete with one another in the competitive market (Islam et al., 2014). Therefore, employee job satisfaction is considered as the scorecard to retain skilled employees bearing duties and responsibilities by employees (Vijaya Mani (2010). Henceforth, more satisfaction brings more happiness among the employees, so that they have no ambition to switch from one organization to another organization.

Training and development are one kind of extrinsic motivation for employees of an organization that supports learning new knowledge, skills, and abilities based on their duties and responsibilities (Kalyanamitra et al., 2020). However, Training means refreshing or updating previous knowledge and skills to perform the job efficiently and effectively which helps to achieve the targeted profit of the organization (Mahmud et al., 2025). However, professional advancement is the primary concern in retaining employees which is acquired through training including on-job training and off-job training (Bassi and Van Buren, 1999). From the previous studies, it can be assumed that the training has a positive and significant impact on employee retention (Edger & Geare, 2005; Walia & Bajaj, 2012; Saba, 2011, Sohail & Delin, 2013). Another study also recommends that there is an affirmative association

between training and retention among the employees (Asma et al., (2015).

Work-life balance is the crucial fact to sustaining competitive advantages through retaining employees in the organization. Besides, the balance between personal life and professional life is one of the important factors which maintain the stress in the work that helps to retain employees in their work (Rashmi, 2016). However, the satisfaction toward work-life balance leads to low turnover in the organization and bridges the gap between employers and workers (Noor and Maad, 2008). Therefore, the work-life balance is considered an indicator to retain employees in the working place (Rahman, 2019). Henceforth, the main goal of work-life balance is to provide quality work with quality life for employees in their working environment. A previous study also explained that work-life balance creates job satisfaction levels among the employees and it has a positive and significant relationship with employee retention (Rehman and Roomi, 2012).

Compensation is a financial and non-financial benefit for employees where the employer gives such types of facilities to exchange the work of employees. Besides, compensation is defined as monetary and non-monetary benefits that help to encourage employees and improve organizational performance. However, compensation is considered the monetary and non-monetary benefits given to the worker by the organization in exchange for his/her contribution to the work for achieving the goals of the organization (Heathfield, 2012). According to Tremblay et al., (2006), an attractive compensation package creates eagerness among the employees in the organization. The previous study also recommends that there is a positive and significant relationship between attractive compensation and retention (Onyango, 2014). Another study also suggested that compensation and other benefits contribute to retaining competent employees (Hytter, 2007).

## IV. CONCEPTUAL MODEL

Based on the extensive previous literature the model is proposed here (Figure 01).

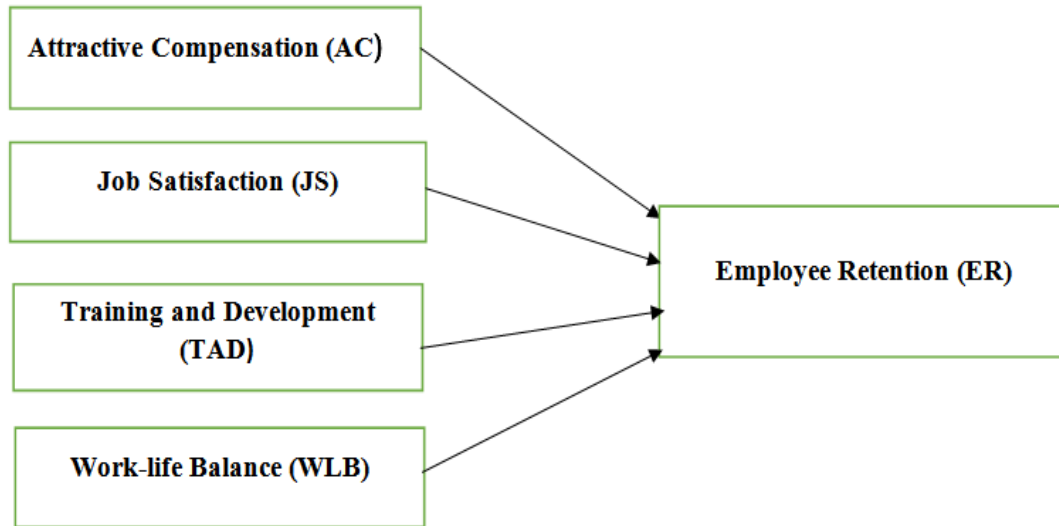


Figure 1-Conceptual framework

## V. METHODOLOGY OF THE STUDY

The study has collected data from a few financial sector and schedule bank in Bangladesh, which have various service and research departments. From these financial sector, entry level, mid-level and top-level employees have participated in this research as samples. To survey the financial employees, a systematic questionnaire has been developed, which has been self-administered. 400 questionnaires have been distributed among the employees who were performing at various departments such as Administration, Human resource management, Client relation, SME sector, Loan sector, Branding, Promotion, and 352 survey responses were duly collected; out of which 300 responses were valid and duly complete. Along with data have been also collected from various sources like the Scopus database, google scholar, research gate, ABDC database, etc.

The final sample size of the research is  $n = 300$ . The research has used a questionnaire that incorporated basic and generic questions about employees such as their gender, which year they were performing, their organizational discipline, income, and employment level; a five-point Likert scale was used to measure the study variables. To identify whether these variables are reliable, the study used Cronbach's Alpha of at least 0.7 or more, and for validity purpose, loading value of 0.5 or more is considered as acceptable. SPSS was used to analyze the study data.

## VI. DISCUSSION AND CONCLUSION

Motivation is the process to create inspiration to do something. Nowadays the

employees are considered the heart of the organization, especially in banking institutions. The major financial services of a country are bank industries and this sector plays an important and significant role to enhance the economy of a country. In this competitive era, the banks are competing with one another to stay in the market for carrying their business. In this regard, the banks should identify the influencing factors to retain qualified employees to maintain customers' needs and demands. From the previous studies, it can be said that many researchers have focused on employee turnover. In another respect, retention is not the side of the turnover. The present study shows that influencing factors of employee retention that help to retain skilled employees in banks to stay in the fierce market. This study will help to create awareness and consciousness among the management of the bank to identify the influencing factors of employee retention. The study identified that the attractive compensation package, employee job satisfaction, training and development, and work-life balance have positive and significant impacts on employee retention. Future researchers might identify emotional intelligence, cultural intelligence, etc. as motivational influencing factors to retain qualified employees for the banking sector.

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