

## **TOPIC : “ EMPLOYEES RETENTION STRATEGIES IN INDUSIND BANK IN PUNJAB”**

**AUTHOR NAME: GURPREET KAUR**

**GUIDE NAME : DR. NISHI BALA**

**RESEARCH SCHOLAR IN:  
I.K.GUJRAL PUNJAB TECHNICAL UNIVERSITY, JALLANDHAR**

### **Abstract**

Banking being one of the key service sectors in India has witnessed an explosive growth and expansion. Rising incomes enhanced the need for banking services which resulted in great boom in terms of advanced technology, prompt communication system and conception of various banks to cope up with multinational led environment. Committed employees create the customer stories which make the brand creditable. The research paper endeavors to identify gaps in employee engagement models in Indian banking sector. Based on study; a conceptual model is proposed to make an endearing approach towards Employee Engagement. Banks in India have undergone significant regulatory and technological changes since the Banking and Financial Reforms in 1991. The Indian Banking Sector is characterized by a large number of banks having a various category of ownership – Public Sector Banks, Old Private sector Banks, New Private Sector Banks and Foreign banks. New Private Sector Banks are those banks which came into existence after Banking Sector Reforms in 1991. With well equipped tools, technology, and financial & technological innovations, New Private Sector Banks helped to create a better competitive environment for the Indian Banking sector. Entry of the large number of Foreign Banks led to significant changes in functioning as well as in the financial environment in India. The recommendations of various committees also aimed to improve the operational and financial efficiency of Indian Banking Sector. This study primarily aims to assess the performance of select Foreign Banks and New Private Sector Banks on the basis of certain ratios. Employee satisfaction is an important success factor for all organizations. Employee satisfactions have been recognized to have a major impact on many economic and social phenomena, e.g. economic growth and higher standard of living. Companies must continuously employee satisfaction in order to stay profitable. Employee satisfaction is an important success factor for all organizations. Employee satisfactions have been recognized to have a major impact on many economic and social phenomena, e.g. economic growth and higher standard of living.

### **Key Words**

**ERS: Employee Retention Strategies in Bank**

**WEWP : Working Environment and Working Place**

**WM: Employees Perception regarding Welfare Measures**

**FWM : Family Welfare measures****RR: Reward and Recognition****Introduction**

Employee Satisfaction is measurement of an employee's "happiness" with their current job and conditions; it does not measure how much effort the employee is willing to expend and acts as foundation upon which the employee engagement can grow and thrive. Employee Engagement is a measurement of an employee's emotional commitment to an organization; it takes into account the amount of discretionary effort an employee expends on behalf of the organization and the one who is deeply involved and invested in his work. Research by Chartered Institute of Personnel Development (CIPD) has repeatedly demonstrated links between the way people are managed, employee attitudes and business performance. It is acknowledged and accepted that employee engagement is a multifaceted construct.

Engagement is different from satisfaction as it involves the heart, hand, and mind of the employee, rather than the transactional relationship brought about by satisfaction factors. While a satisfied employee only shows that he is engaged, an engaged employee strives to give his best to make the organization better. Engaged Employees perform better than their less engaged counterparts because they are more involved with their work which helps them to develop better solutions, and they are socially connected with their work. The term Driver can be related to any part of a machine that communicates motion to another part. A driver of engagement is something that drives the culture of innovation and also fosters the climate of engagement in the organization. Different studies have included diverse independent variables of organisation and individual significance. Moreover, the key drivers of engagement as identified in the existing studies indicate that 'one size does not fit all'. To strengthen the bond with employees one must invest in the development of their employees. An individual employee's intention to stay in the job is an apt measure to gauge the feeling of the employee towards the organization. Employee Engagement is much more than being content with pay and other drivers.

**IndusInd Bank Limited** is an Indian new generation bank in Pune, established in 1994. The bank offers commercial, transactional and electronic banking products and services. Indusind Bank was inaugurated in April 1994 by then Union Finance Minister Manmohan Singh. Indusind Bank is the first among the new-generation private banks in India. The bank started its operations with a capital amount of ₹ 100 crores among which ₹ 60 crores were raised by Indian residents and ₹ 40 crores were raised by Non-Resident Indians. The bank has specialized in retail banking services and continuously upgrades its support systems by introducing newer technologies. It is also working on expanding its network of branches all across the country along with meeting the

global benchmark. According to the bank, its name is derived from the Indus Valley Civilisation. As on 31 December 2018, Indusind Bank had 1,558 branches, and 2453 ATMs spread across different geographical locations of the country. It also has representative offices in London, Dubai and Abu Dhabi. Mumbai has the maximum number of bank branches followed by New Delhi and Chennai. The bank has also proposed to double the branches count to 1200 by March 2019.

### **Literature review**

Employee satisfaction is an important success factor for all organizations. Employee satisfactions have been recognized to have a major impact on many economic and social phenomena, e.g. economic growth and higher standard of living. Companies must continuously employee satisfaction in order to stay profitable. Employee satisfaction is an important success factor for all organizations. Employee satisfactions have been recognized to have a major impact on many economic and social phenomena, e.g. economic growth and higher standard of living. Companies must continuously employee satisfaction in order to stay profitable. ). Younger employees also tend to be less satisfied with their salary. Vermon (1931) found that the need satisfaction studies emphasized that if the job failed to gratify employee's needs of various categories, need-deprivation would tend to cause absenteeism. Fair salary, pleasant working conditions, good team-work, participation, feeling of belongingness, opportunity for conversation, and ego involvement were observed as factors that affect the level of job satisfaction. Marcson (1960) presented an argument and findings suggesting that one of the best ways to increase productivity in organizations was to provide employees with jobs that are more demanding and challenging. Herzberg's (1968) theory effectively delineates the reasons job satisfaction. According to his two-factor theory, there are motivational and hygiene factors present in one's job. Rewards and benefits are hygiene factors, so if they are not present, they will bring dissatisfaction, but their presence will not necessarily bring job satisfaction. Pritchard, Dunnette, and Jorgenson (1972) indicate that feelings of underpayment lead to decreased performance and low productivity. (Hackman & Oldham (1975) Hackman and Oldham's Job Characteristic Model (JCM) has been used to determine the level of job satisfaction. The model focuses on five cores job dimensions, skill variety, task identity, task significance, autonomy, and feedback, which in turn influence three key psychological states: experienced meaningfulness of the work, experienced responsibility for the work, and knowledge of results. These psychological states then influence job satisfaction. In the recent years, banking sector has been able to attract young talents who have chosen banking profession as their preferred career. The nature of work is changing at whirlwind speed, and the factors that keep an employee satisfied with his or her job are also changing. According to Benders and Van De Looj (1994), there is no direct relation between job satisfaction and salary. Their research suggested that younger employees have a greater tendency to quit their jobs than older employees and demonstrate a greater tendency to be willing to work

overtime. Younger employees also tend to be less satisfied with their salary. Work environment appears to be one of the best predictors of job satisfaction (Rust et al., 1996). Contemporary banking business considers the job of satisfying their employees most important for retaining their valuable skilled workforce (Islam and Hasan, 2005). Information week survey reported that the challenges of the job and the responsibility associated with it tend to matter more than the salary (Hannay and Northam, 2000; Mateyaschuk, 1999). Younger employees also tend to be less satisfied with their salary. Afroze (2008) tried to examine the job satisfaction of employees, particularly staff working on the store floor level at Nandan Mega Shop. She found that the better the organization is able to meet employee expectations, the better their experiences and thereby leading to a more satisfied employee. Jagannathan and Sunder (2011) in their study of employees of the Life Insurance Corporation of India in Tamil Nadu reported that the job security, recognition for work, supervision, pay, grievance handling procedures and other financial facilities had significant impact on their job satisfaction. Shariq (2011) in study of the impact of gender and attitude in banking professionals observed that female employees showed less satisfaction as compared to male respondents. Soumendu Biswas (2011) reported that psychological climate proved to be a significant positive predictor of job satisfaction. It further underscores that support and sincerity in supervisor-subordinate and peer-related relationships enhance an individual's level of job satisfaction. Wadhwa et al. (2011) reported that factors of working conditions, fair rewarding, promotion opportunities, salary, adequate authority, supervisors influence the job satisfaction of employee. Work-life balance is a key driver of employees' satisfaction. The implementation of work-life programs has both individual and organizational benefits. Effective work-life programs facilitate a symbiotic relationship between the employee and employer for mutual benefits. Employees who are better, able to balance the demands on their time are more satisfied and content. In turn they are able to perform better. Such provisions also aid in employer branding and are emerging as retention factors. Employee engagement was greatly influenced by performance management, personal development and growth, workplace recreation and remuneration package. Individual factors predict job engagement and organizational engagement. For example: co employee support predicted both job and organization; employee development predicted job. The study supported that Social Exchange Theory (SET) can be used as theoretical framework in understanding the construction of employee engagement. This means that the employees who have perceived support from the co-employees are more likely to reciprocate with greater level of job engagement and organization engagement; employees who are provided with adequate development (training, skills and learning) are more likely to be more engaged in their job role and organization roles, and would repay with greater organization engagement (Andrew et al., 2012.) However, among the determinants, remuneration is the highest contributor of employee engagement with workplace recreation having the least influence. Low engagement and job satisfaction can contribute to multiple organizational problems and have been associated with increased levels of turnover and absenteeism, adding potential costs to the organization in terms of low performance and decreased productivity. It is important for bank management to be aware of the needs and

make up of their workforce, as well as the impact of environmental factors, when developing their programmes and policies that have implications on engagement (Mokaya, 2014) In a survey conducted by Netsurvey to analyze responses from 200,000 employees across 40 companies in 60 countries, several troubling trends were found, including engagement scores decline with employee tenure, meaning that employees with the deepest knowledge of the company typically are the least engaged. (Kaufman 2014) .Job satisfactionJob satisfaction reveals a mediating relationship between employee work engagement and employee turnover intentions. So, it can be concluded that the “Job satisfaction do mediates and intensify the impact of employee work engagement on turnover intentions among employees in Banking Sector of Pakistan.” (Imam et al., 2014) There is a variation in engagement level based on gender, age, experience and qualification of the employees in Indian settings. There is significance of the variations for overall employee engagement but individual constructs are also subjected. Gender based differences have been found insignificant but still few constructs are found to have insignificant differences and are also subjected to statistical introspection. (Garg, 2014) Work life programs offer a win-win situation for employers and employees. (Garg2015) Based on analyse of employee engagement criteria of existing employee engagement of targeted manufacturing industries. The study found the connection between employee engagement and organization culture and its impact on organizational performance in terms of productivity and profitability. It reveals the direct connection between employee engagement and organization culture and organization performance and proves that employee engagement is crucial for job satisfaction and employee loyalty and retention in the organization. (Saxena., 2015)

Employee engagement was greatly influenced by performance management, personal development and growth, workplace recreation and remuneration package. However, among the determinants, remuneration is the highest contributor of employee engagement with workplace recreation having the least influence.

### **HYPOTHESES**

H0: There is no relationship between different variables factors in employee’s retention in Indusind Bank in Punjab State

H1: There is a significant relationshipbetween different variables factors in employee’s retention Indusind Bank in Punjab State

### **Research objectives**

To find out the relationshipbetween different variables factors in employees retention in Indusind Bank in Punjab State

### **Research Methodology**

The study will be explanatory in nature and based on descriptive cum analytical approach. The survey will be carried out in Indusind Bank in Punjab State. The study will be based upon a sample drawn from employee in IndusindBank. Convenience sampling procedure will be used in collection of data. Both primary and secondary data will be taken for the study.

The Primary data will be collected by serving structured questionnaire to different employee at different ranks The questionnaire will be based on questions related to different aspects of job satisfaction such as various job characteristics, quality of work life, organizational climate characteristics, union, salary, working hours, transfer policy, job security etc. The questions will be comprised of open ended, close-ended, and multiple- choice statements. Secondary data will be collected from various books, journals, college magazines, college prospectus, newspapers and websites.

The data collected will be tabulated and analyzed by means of simple statistical tools, Correlation and Regression and for finding out the workers perception regarding various retention strategies being practice by Indusind Banks and to compare employee's perception regarding various retention strategies. Likert type statements, weighted averages scores will calculate for each factor. For this purpose the data will be collected from the Indusindbanks presently function in Punjab. The sample units thus account for roughly taken 62 employees working in the banks. The data collected for the present study will be primary as well as secondary in nature. For analyzing and compiling the data the following sophisticated statistical tools will be used .The different tests will be used to identify the employees perception regarding various retention strategies being practice by Indusind Banks In order to analyze the objective to study the employee retention in selected IndusindBanks in Punjab Descriptive statistics- Mean & S.D. & One way ANOVA will be considered as one of the most relevant statistics. This section dealt with the multiple comparisons of multiple factors will be included in the study. Data will be entered, edited and analyze by using software SPSS version 16 and Microsoft excel by applying the following techniques; Croon Bach's alpha, correlation and Regression .SPSS stands for "Statistical Package for the Social Sciences" as SPSS is one of the most popular comprehensive statistical software packages used in the social sciences. SPSS is the most widely used statistics program in the social sciences and humanities.

### Primary Data

The primary data will be collected by serving questionnaire to different categories of Banking employees. The questionnaire will be a structured and non-disguised type. The questionnaire will related to different aspects of retention such as various job characteristics, quality of work life, organizational climate characteristics, influence of management, working hours, transfer policy, job security etc. The questions included will be close-ended and offering multiple choices. Likert type scale will be used in the questionnaire. The sampling technique will be used convenience sampling and Personal interviews will be conducted.

### Secondary Data

Secondary data will be collected from various magazines, books, journals, web sites and annual reports. Data collected will be tabulated and analyzed by means of simple statistical tools like the computation of percentages for the finding out the retention strategies of IndusindBanks in Punjab.

### SCOPE OF STUDY

The study will be restricted to the state of Punjab. The study aims at enquiring to study the impact of organisation structure on employees and its impact on employee's retention. The survey will be carried out in Punjab state. The questionnaire will be a structured and non-disguised type. Primary data will be collected by serving questionnaire to different designation of Indusind Bank of 63 employees out of which 38 are males and 25 are females within Punjab.

### Analysis

**Table 1**

#### Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	38	60.3	60.3	60.3
Female	25	39.7	39.7	100.0
Total	63	100.0	100.0	

**Table 2****Correlation**

Mean_ERS	Pearson Correlation	1	.652**	.500**	.377**	.468**
	Sig. (2-tailed)		.000	.000	.002	.000
	N	63	63	63	63	63
Mean_WEWP	Pearson Correlation	.652**	1	.584**	.443**	.490**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	63	63	63	63	63
Mean_WM	Pearson Correlation	.500**	.584**	1	.471**	.474**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	63	63	63	63	63
Mean_FWM	Pearson Correlation	.377**	.443**	.471**	1	.578**
	Sig. (2-tailed)	.002	.000	.000		.000
	N	63	63	63	63	63
Mean_RR	Pearson Correlation	.468**	.490**	.474**	.578**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	63	63	63	63	63

**Table 3**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	8.391	4	2.098	12.623	.000 <sup>b</sup>
Residual	9.638	58	.166		
Total	18.029	62			

a. Dependent Variable: Mean\_ERS

b. Predictors: (Constant), Mean\_RR, Mean\_WM, Mean\_FWM, Mean\_WEWP

### **Implication**

SPSS Techniques are applied for finding the retention strategies with relation to Organisation Culture. Different test are applied in order to find out the different factors affecting the employees in organisation. Likert type scale will be used in the questionnaire. The sampling technique will be used convenience sampling and Personal interviews will be conducted. Pearson Correlation Test and Regression Test are applied in different factors.

### **Conclusion**

Satisfactory Organisation culture directly related with employees retention and organization growth and survival. The purpose of studying the organization structure is to find out its impact on organization and on employees retention. This study will highlight various retention strategies of Indusind Bank with relation to organisation structure which reduced the turnover by avoided dissatisfaction at their work place which directly affects their performance. This finally indicates to increase the working situations and the working relationships among employees in the banks. If the employees are having dissatisfaction in the job, they desired to leave it. The relation with the employees and Supervisor should be positive, close and good. Organisation must make a friendly environment for holding and developing the employees. Development of employees is the ultimate development of Organization.

### **Refernces**

Kevin MM, Joan LC, Adrian JW (2004). "Organizational change and employee turnover"

Arabi, M. 2007. The design of organizational structure. Tehran. Cultural research office.

Samuel M.O. and Chipunza, C. (2009). "Employee retention and turnover: Using motivational variables"

Bosh, T. 2013. The theories of leadership and educational management. Translated by Nima Sh. et al., Tehran. Sharh publications.

The Indian banking sector: recent developments, growth and prospects, 2013, IBEF ie India brand equity foundation

Johatch, M. 2014. Organization theory. Translated by Dr. Danayifard.H, Tehran. Mehban publications. Daft, R. 1998. Theory and design of organization. Translated by Parsian and Arabi. Tehran. Cultural research office.

**List of Websites**

Reserve Bank of India (RBI) : Report on Trend and Progress of Banking in India : 2008-09,  
2010-11, 2012-13,

rbi bulletein

[www.rbi.org.in](http://www.rbi.org.in).

[www.master circulars.rbi.org.in](http://www.master_circulars.rbi.org.in)