

Factors affecting Talent Retention in Banking Sector

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ABSTRACT

Employee retention has become the growing area of concern especially in the field of banking. In the proposed study the researchers have attempted to identify the requirement of a constructive mix of monetary and non-monetary factors in the package of bank employees with an intention to reinforce employee retention policy. The human resource practices actually being emphasized on the bank employees in an intention to retain them, through some of the private and public sector banks have also been highlighted in the study. This has been done by collecting secondary data from the reports of respective banks available online on their websites for fiscal year 2018-19. Also extensive review of current trends in the research in this area has been done to support the study. The private sector banks undertaken for the study were ICICI, HDFC and AXIS bank. SBI, PNB and Bank of Baroda were the public sector banks included in the study. As these banks are top rankers in the banking sector. It has been found in the study that the human resource managers need to be proactive in their field to induce employees to stay with the organization for a longer period of time. Employees come from a different background, thus their needs, expectations and motivational forces differ. It is the responsibility of the human resource managers to access these differences closely so as to initiate customization of compensation packages as well as other human resource practices for their employees. These packages need to be discussed and rehearsed with the employees at the time of selection process itself. This makes the employees feel their presence and contribution to the organization. The time is not to just check on the issues why employees leave rather it is the time to act upon the pointers that pursue them to stay with the organization in this globally competitive era. Proactiveness must supersede reactivity on the part of human resource management to gain the competitive edge in the market.

Keywords: Talent retention, Monetary incentives, Non-monetary incentives, Human resource practices, Banking sector

INTRODUCTION

Henry Ford, an American Industrialist, business magnate, founder of the Ford motor company pointed out the importance of Human resources by saying: “Take my business, burn up my building, but give me my people and I will build the business right back again”. One of the most important resource without which its impossible to continue activities in the organisation even for a single day is ‘human capital’. A special cell must be set up within every bank for managing people at the work place, and the same must be headed by an expert in the field. Banking sector is the biggest and fastest growing financial services sector. It caters to the needs of credit for all sections of the society and also provides a large number of employment opportunities. Like any other organisation, human capital plays the ultimate role towards efficient and effective utilisation of all the other resources in the banking industry. It is vital for every organization, whether public or private sector; the manufacturing or the services sector; and formal or informal, to retain and nurture its talented employees to gain competitive edge through talent management. Jim Collins, the famous American author, in his book, Good to Great, rightly pointed out, “People are not your most important asset. The right people are. Get the right people on the bus, the wrong people off the bus, and the right people in the right seats.” This signifies that no matter what kind of business you are in, having the right people determines success or failure.

Every sector needs to review their strategies to retain employees. However, despite the vast literature on employee turnover, which is aimed at identifying factors that cause employees to quit (Griffeth, Hom and Gaertner, 2000), much less is known about the factors that compel employees to stay. For example, Maertz and Campion (1998) noted “*relatively less turnover research has focused specifically on how an employee decides to remain with an organization and what determines this attachment...retention processes should be studied along with quitting processes*”. Steel, Griffeth and Hom (2002) added “*the fact is often overlooked, but the reasons people stay are not always the same as the reasons people leave*”. Every sector needs to review their strategies to retain employees, especially in the Indian banking sector, wherein employees are close to their retirement age (Jyoti and Rani, 2015). The human resource possesses skills, experience, and knowledge that add economic value to firms or organizations (Riordan et al., 2005). Retaining the employees is central to any organizational success. According to Singh and Dixit (2011), “Employee Retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the objectives”.

The organisation must focus on retaining the talented employees, as they are key to an organisations’ success. According to Peterson (2005), “It is incredibly frustrating to go through a long hiring process, employee training, providing uniforms and other necessities, and then have the employee quit after two months. Then you start over.” The turnover costs are very high. Thus, talent management is essential for every organization. Traditional HR practices are no longer sufficient to retain the young talented employees within the organization due to so many attractive opportunities available to them in the outside

environment. O'Reilly III and Pfeffer in their book 'Hidden Value: How Great Companies Achieve Extraordinary Results with ordinary People'said, "The way to attract and retain good people is to give them interesting work to do, interesting people to do it with, and treat them like the responsible adults they are."(Glanz. B, 2002). It's high time to shift from conventional HR strategies to new policy frameworks to retain the talented employees. HR strategies should be formulated considering the individual preferences of the employees towards various monetary and non-monetary incentives. "Organisations should critically evaluate all aspects of their reward system to reflect the uniqueness of their employees" (Markova and Ford,2011). One of the important incentives for employees is compensation including other financial incentives, however this should not lead to ignorance of other HR practices adopted by the employers. A combination of both financial and non-financial benefits as well as other HR practices will motivate the employees thus leading to higher performance levels.Motivated employees act as an asset for any organization. For increasing the motivation levels of employees corrective actions should be taken after abolishing the strategies leading to low morale of the employees.This will keep their satisfaction level at the top with the corresponding jobs, ultimately pushing the employee performance and retention level upwards.By building emotional attachment to the organization and a focus on achievement of hopes and aspirations in top performers, organizations are likely to increase the effectiveness of talent programs, reducing a reliance on large salary increases and bonuses (Voigt and Hirst,2015). As cited by Khalid and Nawab(2018), other employee engagement practices like delegation and consultation in integration with employee compensation can aid in organizational success and competitive advantage (Yukl, 2010).

LITERATURE REVIEW

Burgess and Ratto(2003)in their paper focused on improving the public sector efficiency of the UK government through incentive pay structure. Also incentives for public and private sectors may differ, so the priority incentives for the public sector are investigated. It is found that performance- related incentives and especially Performance-Related Pay, is more problematic in the public sector, reason being multi-tasking, multiple principles, the difficulty of defining and measuring output and the issue of the intrinsic motivation of the workers. So, the model says the "optimal" incentive scheme for the public sector may be one based on the type of organization and its most focused aspect out of the above. For instance, task assignment could be an alternative incentive scheme in case of multi-tasking. The study says incentive schemes affect the individual behaviour, but not necessarily as imagined by the scheme designer. They may engage in dysfunctional behaviour. Only some (weak) evidence was found for incentive pay schemes not optimally set in the case of the public sector. Incentive schemes differ according to the type of organization (aspect focus) and not directly on the public and private sector.

Sturman et al.(2003) in their research, linked together turnover and compensation research to find out the effectiveness of incentive pay on employee turnover at various performance levels. The limitations of standard accounting and behavioral cost-based approaches and

the importance of considering both the costs and benefits associated with pay-for-performance plans have been highlighted through the illustrations.

Atheyand Burnside (2007) emphasized on the need for employee engagement and retention and why employees intend to leave the organizations? What is the talent challenge? Competitors can easily match high compensation packages and bonuses, so instead amore discerning response is required. Satisfaction level of employees, increasing complexity of today's job due to globalization leaves no space for thinking and creativity are some facts that lead towards focusing on employee retention. The article highlighted three assumptions to retain talent including - satisfaction of employees when employees' contribution is meaningful for the organizations' vision, engaging them into what matters most to them, learning must form a part of work through formal interventions and workplace learning. The study also gave eight approaches to meet the growing talent challenge.

Bhatnagar(2008), attempted to examine talent management, employee engagement and talent pipeline development. This paper is a case study of best practice in talent pipeline development along with interviews and archival data shared by the organization. The talent management model in the case study highlighted "talent pipeline" as its best practice indicating succession planning- preparing the future leaders to replace the old ones, transforming the current talent of the organization into the future heads/ bosses. If the retention practices are designed according to the type of business, then they will prove to be more impactful. Employee dialogue leads to employee engagement. Employee dialogue came out to be the root of organizations' leadership cultures and employee engagement. Employee dialogue is a conversation between the employee and his boss at the very start for the purpose of role clarity and performance expectations. It's the key for the conversion of business strategies into employee activities. Globalization of tasks in the industry helps groom future leaders for the organization through rotational assignments in different markets globally. Employee engagement, high retention and grooming of future leaders (talent pipeline) for the organization all prove to be positively related through the study.

Ghahfarokhiand Zakaria(2009) in their paper focused on knowledge retention in the banking sector. Retaining the knowledge of the employees who leave the organization for various reasons like retirement, switching on to another organization, transfer. Organizations must build up such an environment through their effective reward system that employees focus on non-measurable performance as well along with the measurable one. Non-measurable performance would include knowledge sharing with other employees so that even if employee's leave for some or the other reason, but their knowledge can be retained within the organization. It is in the benefit of banks to develop a simple and systematic process to apprehend the undocumented knowledge of employees nearing retirement and also for the new employees from the beginning stages.

Gberevbie(2010) empirically investigated employee retention strategies and performance in the Nigerian Banking sector (2000-2005), focusing the Zenith bank in Nigeria.

Questionnaires through structured interviews were used and chi-square test as an analytical tool. Various employee retention strategies such as good organization's image, staff participation in decision making, enhanced and regular salary package and humane treatment of employees should be used as strategies for achieving organizational goals. The study also showed that employee's annual income categories and their job status are both significantly related to their views on appropriate employee retention strategies and performance. 94.23 per cent of respondents support the view that appropriate employee-retention strategies such as: the bank's counterpart contribution of 12.5 percent of employee basic salary to the mandatory 15 per cent pension fund instead of the normal 7.5 per cent provided for by the Pension Act of 2004, loans for cars and houses, extensive network of hospitals and clinics on retainer ship for the use of employees, and humane treatment of employees through words of encouragement retains staff for performance.

Markova and Ford (2011); studied the impact of various rewards on performance of knowledge workers through an empirical research. The results showed that non-monetary rewards encourage better performance and innovation, with intrinsic motivation being the mediating factor. Monetary rewards however don't influence intrinsic motivation much, as compared to non-monetary rewards.

Sandhya and Pradeep Kumar (2011) discussed through their study that employees can be retained by motivating them through- open communication, employee reward program, career development program, performance based bonus, recreation facilities, gifts at some occasions.

Khan et al. (2011) explored the important facts about compensation management and also its influence on job satisfaction and employee retention in the banking sector of Pakistan. The success factors of a leading bank in Pakistan have been examined as a case study to find out the satisfactory factors, issues and challenges relating to compensation policy of the case study bank. The study revealed a shift from financial to non-financial incentives. Also work overload, lack of practical approach towards training and seniority oriented incentive plans are some of the major issues, which need to be attended to immediately.

Jehanzeb et al. (2012) attempted to investigate the influence of reward and motivation on job satisfaction in the banking sector of Saudi Arabia. 568 employees formed the sample for the study from both the sectors. The relationship between rewards, motivation and job satisfaction was studied through regression analysis. The results of the study depicted a strong relationship between reward, motivation and job satisfaction. Rewards have positive significance on motivation; motivation is positively related to job satisfaction and rewards have a positive significant impact on job satisfaction. However the results found out to be inconsistent with the previous studies.

Aktar et al. (2012) investigated the relationship between rewards and employee performance and between extrinsic and intrinsic rewards. Various variables regulating extrinsic and intrinsic rewards and how they influence performance of employees and their

actions were also examined. Pearson's Correlation analysis showed a positive relationship between rewards and employee performance and also showed a high positive significance in the relationship between intrinsic and extrinsic rewards. Extrinsic factors studied were basic pay and performance bonus. Basic pay emerged as a more significant factor as compared to performance bonus but both affect employee performance positively. Intrinsic factors studied were recognition, learning opportunity, challenging work, career advancement. Out of these, challenging work emerged as a highly significant factor, which affects employees' performance. There is strong correlation between intrinsic and extrinsic rewards, so a combination of both is required for increasing employees' performance.

Aguinis et al. (2013) through their study offered five general principles to guide the design of successful monetary reward system: (1) define and measure performance accurately, (2) make rewards contingent on performance, (3) reward employees in a timely manner, (4) maintain justice in the reward system, and (5) use monetary and nonmonetary rewards. The article also highlights the situation when and when not to implement monetary rewards in terms of improvement in employee motivation and performance. It also provides research-based recommendations on how to effectively work on a monetary reward system so as to achieve the desired results through it and minimize the undesirable ones.

Gupta(2014) in her study found that the policy makers should consider the factors that lead to job satisfaction of employees, in order to enhance organizational efficiency. Compensation plays a vital role in the success of an organization as it helps to motivate and satisfy its employees. Fairness in compensation, treatment, competitive environment, working hours will boost up employee job satisfaction and in return employee's performance will be increased.

Kashyap and Rangnekar (2014)identified and investigated the common policies and practices used by all the industries and sectors for employee retention. Comprehensive structural equation model is applied to measure how these practices influenced employee's turnover intentions. Compensation, job characteristics, training, career opportunity and work life balance were concluded as five common best practices for employee retention. A five-factor scale with a 33-item measurement model has been validated in the study. 253 executives from different hierarchical levels formed the sample space for the study. Proactive approach towards HR practices rather than a reactive approach must be followed by the organization for employee retention. Market trends and workforce dynamics should be followed while the renewal of these policies from time to time.

Voigt and Hirst (2015),intended to develop a theory in the motivation and commitment field to investigate when employees of varying performance intend to leave their organization. Sample space was nation-wide employees of one of the largest Australian financial institutions (N=784). High performing employees focusing on promotion and affective commitment showed less intention to leave. Increase in promotion focus didn't significantly affect the relationship between affective commitment and intention to leave.

Jyoti and Rani (2014) targeted at identifying and investigating the talent retention practices by managers in the Indian banking sector. It is based on qualitative study done through interview based semi-structured questionnaires. Data was collected from both public and private sector banks. Both managers and employees' outcomes were recorded. Business strategy, management commitment, employee branding, talent development and talent engagement were revealed to be the five major drivers to retain talent. Going beyond the formal procedure to retain talent, that is, create a friendly working environment, guide them, make them aware about advancement opportunities such as bank promotion exams and so on. Top management should also consult branch managers for succession planning within their particular branch.

Goel and Rana (2014) conducted a study with a purpose to identify the work of HR managers at the Indian Bank, so as to enhance employee retention and to facilitate a growth friendly environment. It reveals the transformation of the working environment of Yes bank through refined HR practices. The paper also covers how the Indian bank has addressed various HR issues, and it is shown how the bank responded to changes and challenges in the internal and external environment. For high attrition problems, the bank starts working from the hiring stage. Apart from looking for highly skilled employees they gauge the candidate's personality and experience from the culture of their previous workplace. This helps in differentiating employees with a get-up and go or a can-do attitude.

Ibidunn et al. (2016) emphasized on the best practices an organization can carry out to retain and manage talented employees to ensure survival and growth in the banking industry. The descriptive research design was adopted. 185 participants were included for the study. Self-administered questionnaire was adopted in order to obtain adequate and valid data for the study. Data was analyzed through the use of Statistical Package for Social Sciences (SPSS) AMOS 21, with the adoption of Structural Equation Modeling (SEM). However, the results from the survey indicate that pay has positive significant implications on employees' commitment and involvement. So, the policy makers should include these variables (salary, bonus, incentives, reward, and profit sharing) into their employment relation strategies and policies, which ultimately lead to increase the level of commitment and involvement among the employees.

Anand et al. (2016) studied the various factors influencing employee engagement based on demographic and individual variables. Employee Engagement is an important factor for the efficient performance of employees. Employee Engagement is a linkage between employees and management. The results showed that factors like Job, Rewards and Recognition, Opportunities, Teamwork, and immediate supervisor and Communication surely influence the employee engagement. Employee Engagement is an important factor leading to employee retention and also for the success of any organisation.

Němečková (2017) attempted to study the role of benefits in employee motivation and retention in the financial sector of the Czech Republic. The paper showcases the basic theoretical background from the classical to the contemporary theories relating to this

issue. Empirical research was conducted along with the roundtable method, to throw some light on the significance of the benefits for employee motivation and retention. Also the shifts in employee preferences from 2011- 2013 were examined. The demographics of the respondents were gender, education, age and job. The study concluded that employees have individual preferences for benefits, so the same should be considered while formulating the employee benefit policies so as to be cost effective.

Iqbal and Dastgeer (2017) through their study attempted to analyze the mediating effects of motivation to transfer between self-efficacy, training retention and transfer of training. Training benefits employees through optimizing their efficiency and thus improving their competency. Quantitative techniques were used to test the research hypothesis. 300 employees from 2 cities of Pakistan (Rawalpindi and Islamabad), formed the sample for conducting the study through self-administered questionnaires, 215 questionnaires were used to test the hypothesis. It was found that employees with higher self-efficacy and retention exhibit higher motivation to transfer, which ultimately leads towards a higher transfer of training. An effective and efficient training plan can be developed through an understanding of the influence of self-efficacy and training retention on motivation to transfer.

Potgieter and Snyman (2018) analyzed the influence of personal factors on job retention in a banking services sector setting. South African banking sector employees ($n = 262$) participated in the study (age range = 18–45 years; female = 62%, white = 57%). The participants were equally distributed in the different geographical locations (metropolitan areas = 53%, inland areas = 47%). Through regression analysis, personal factors were found out to be the composite variable to estimate the talent retention factors of job characteristics, supervisor support, career opportunities, and work/life balance. However no significant difference was found in personal factors and retention factors in geographical location. The study highlighted the importance of the personal attributes and demographic differences of employees. They recommended that human resource practices focusing on employee-self esteem and emotional intelligence in line with organizations' strategic objectives should be optimized in the banking industry.

Khalid and Nawab (2018) in their paper investigated the relationship between types of employee participation (delegative, consultative, worker director and worker union) on employee retention and modernization of employee compensation in this relationship. 535 people from the service sector and 519 people from the manufacturing sector of Pakistan participated in the study. First and middle line employees were targeted to fill in the self-administered questionnaire. After establishing the reliability and validity of the scale, descriptive statistics, correlation, univariate analysis, multiple regression analysis and independent sample T-Test were conducted. In both sectors employee participation has a positive influence on employee retention. The moderating variable between employee participation and employee retention is employee compensation. The strongest influencer on retention was found to be delegate participation in both the sectors. The study also concluded that the practices, which would lead to employee engagement, should also be introduced in both the services and manufacturing sector, which would lead to employee retention and would give other aligned benefits to both the sectors.

SIGNIFICANCE OF THE STUDY

The study focuses on the needs to attract and retain talented employees in the organization. Besides, it will also help the executives to understand the role of monetary as well as non-monetary incentives for employee retention in the banking sector. Therefore, this study makes an attempt to give an inclusive and critical analysis of the existing body of knowledge on the role of monetary and non-monetary incentives, and other HR practices in retaining employees. The review article will benefit the banking sector and other employees in general. Along with the banking sector, the findings of the study shall be of value to employees in other sectors, as this will help their employers to understand how to meet their employees' expectations. Finally, the study will greatly benefit academicians and researchers who would like to pursue the subject and further the research.

OBJECTIVES OF THE STUDY

1. To study the need to retain talented employees.
2. To emphasize the role of monetary and non-monetary incentives for employee retention in the banking sector.
3. To highlight various other HR practices adopted in the banking sector.

THEORETICAL FRAMEWORK

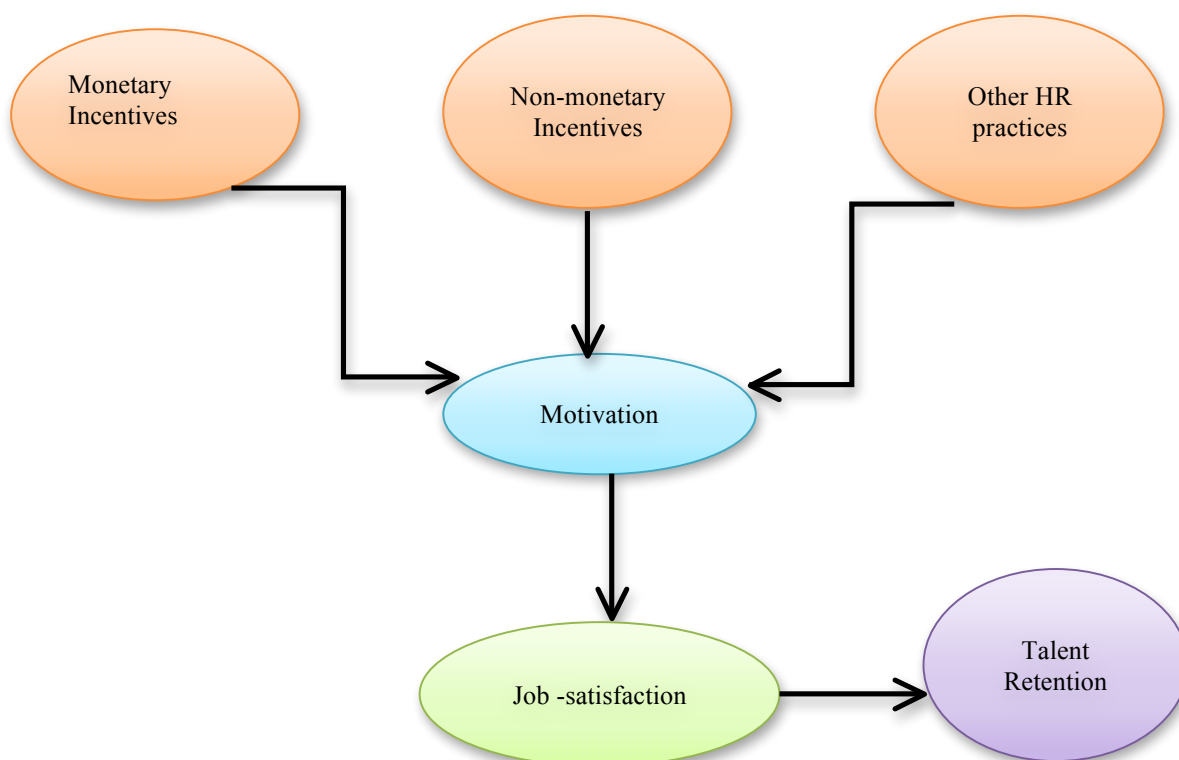


Fig 1: Relationship Model

There are two types of rewards in a compensation package: monetary and non-monetary. Neither monetary nor non-monetary are exclusively sufficient to motivate the employees. A

balanced approach has to be adopted to make the employees feel their worth. Job interest and cooperation can be developed among employees by adding non-monetary rewards to their compensation package. Non-monetary rewards even cost lesser to employer as compared to monetary incentives. An inexpensive way of motivating and retaining the employees can be a simple signal of recognition and appreciation (Markova, 2011). A raise in salary or a bonus is not always the motivational force instead a word of appreciation; pat on the back, high-five can be more effective for the employees (Barbara A. Glanz, 2002). Other HR practices like good working environment, flexible working hours, good superior-subordinate relationship, training, etc also add to the efforts of retaining talent in the organization. The focus should also be laid on the career prospects like better promotional opportunities and employee engagement for better working of the employees towards organizational goals. This motivates the employee to work harder and raise the performance. Motivated employees will be satisfied with their jobs and would be committed to their organisation. Factors that should be focused upon while deciding on the types of incentives or while developing the customized incentive plan for the employees have been included in the following model (Fig-2). It is comprehensive of the variables to be focused upon by the employer while planning on the incentive scheme for employees, as per the previous studies conducted.

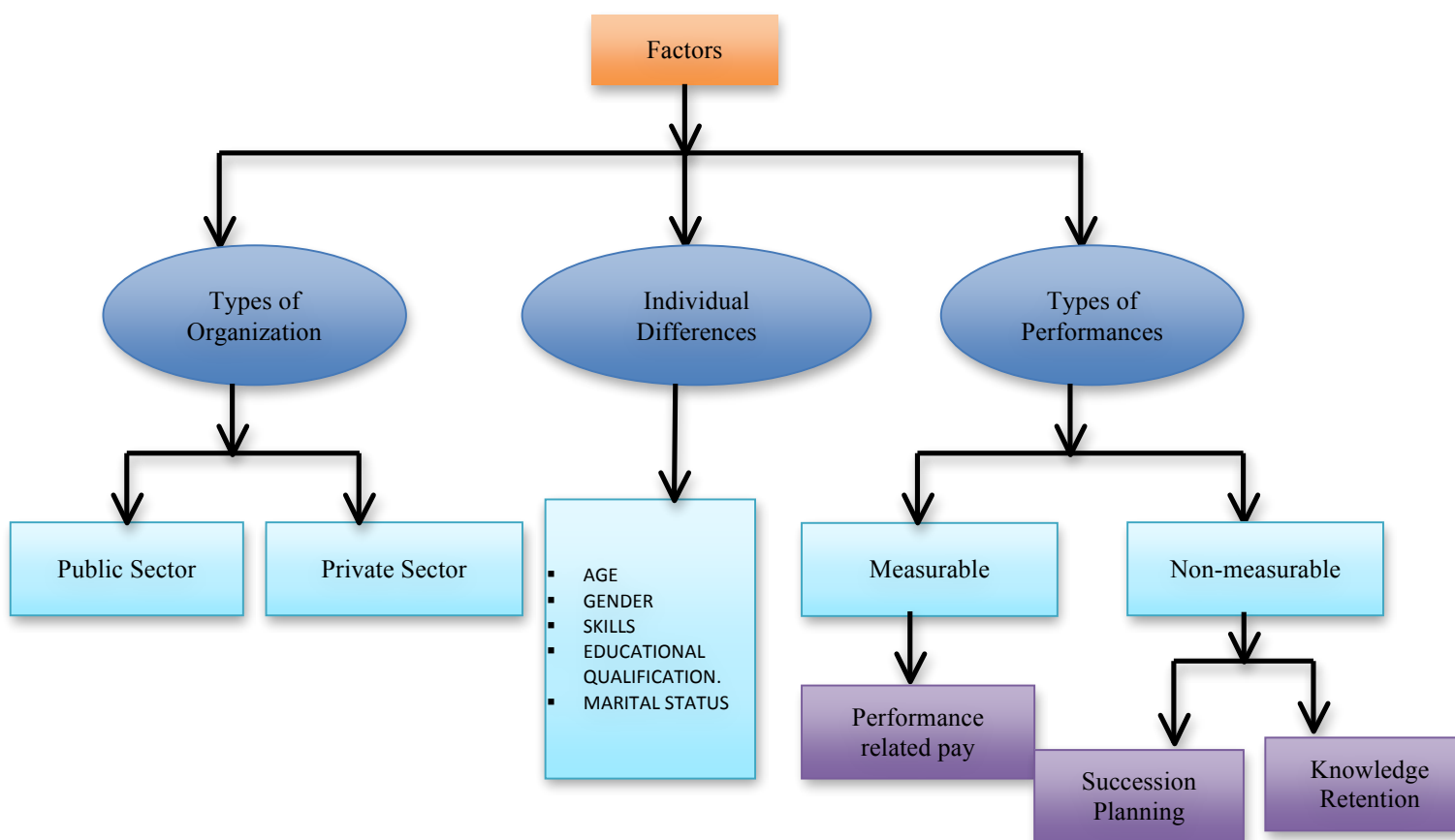


Fig 2: A model for the development of incentive schemes for employees

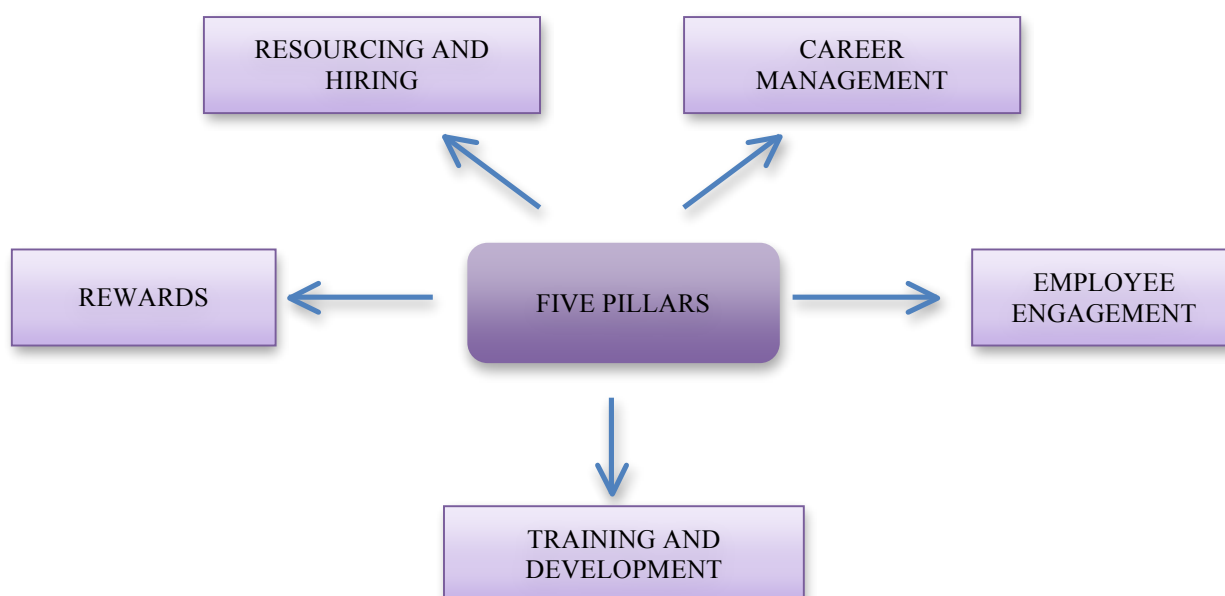
Three major factors to be thought of while developing the incentive scheme for employees are: types of organisation, individual differences, and types of performance. This is also important to note that public and private sector incentives differ in some respects. For instance, performance related pay is more problematic in the case of the public sector due to various reasons like multitasking, multiple principles, difficulty in designing and measuring output and the issue of the intrinsic motivation of the workers. Individual differences and demographics must be in consideration while the formation of incentive schemes. Individual preferences may be different for monetary and non-monetary rewards. There has to be enough space for thinking and creativity for the satisfaction of employees. Knowledge retention must also be the focus along with employee retention. Non-measurable performance is as important as measurable one. Succession planning and Knowledge retention are part of them. Employees leave organizations for one of many reasons like transfer, retirement and better opportunities. In the case where it is not possible to retain the employee his knowledge must be retained through some exit interviews or by training the employees under him.

HUMAN RESOURCE PRACTICES OF SELECT INDIAN BANKS

Private Sector Banks

1. HDFC Bank:

The bank follows a combination of financial and non-financial incentives to retain its talented employees.



- Recruitment: The bank has started up with an online job ready model recruitment process to upgrade the reach and quality of hires. It aims at building up a strong leadership pipeline. The bank upholds more than 84000 well-motivated and

talented employees.

- Career Management: The bank fulfills its commitment to employees on career progression through career discussion with them, competency assessment and intensive functional as well as behavioral training through the Gurukul programs.
- Employee Engagement: An authorized performance culture has been developed by the bank to meet its vision of ‘world class Indian bank’. Organizational goals are associated with key objectives for each business by the Performance Management System. Role-based scorecards and direct managerial feedback proved to be the backbone of employees’ excellence. The bank conducts surveys to come in contact with its employees frequently and also the follow-ups. A variety of employee engagement events both at local and national levels are also conducted by the bank, namely Josh Unlimited (pan-India sports event conducted in 27 cities), Stepathlon (an employee wellness initiative), Hunar (Pan-India in-house talent competition), Corporate Online Library (containing nearly 1.5 lakh books), HDFC Bank Voice Hunt contest, Bank’s employee payroll giving program (employee willingly chooses to donate a particular amount of his salary every month for some social cause), Blood Donation Drive, Relief Programs in case of Natural Calamities, HDFC Bank Cares, Onsite crèche (Mumbai branch).
- Training and Development: A bunch of training programs containing on-boarding training (for new employees), product and process training (skill development and expertise), advanced programmes and behavioural training. Latest and most appropriate training methodology is used such as simulations, case studies and games; through online mode.
- Rewards: Employees are rewarded on both financial and non-financial terms based on their merit and objectivity. This transparency and equality boosts the employees’ performance level to maximum possibility. Compensation policy includes both competitive remuneration and wealth creation opportunities through long-term rewards like ESOPs. The compensation policy is as per the RBI guidelines. The employees are awarded with –
 - Star Awards- institutionalized recognition program to periodically recognize performers.
 - Tejaswini Awards- special category to recognize women achievers.

2. AXIS Bank

The bank aims to enhance the skills and capabilities of employees. Some major initiatives in the field by the bank are:

- Some programs like ‘Axis Bank Young Bankers’; ‘Axis Sales Academy Programs’ are conducted to nurture a cost effective and sustainable pool of talented employees.
- ‘Axis Championship Award’ is awarded to those who demonstrated excellence in customer handling, leadership skills, citizenship, guardianship and innovation.
- More than 24,600 employees participated in two-days ‘Behavioural Training

Programme' customized according to their grades and role challenges.

Key focus areas of the bank are:

- Recruitment- Better hiring decisions using data analytics in this field as well. Front line sales staff is hired through interview less skill inventory algorithm based hiring to identify the best fit for available roles.
Catalyst- The bank launched an internal careers portal for employees to give them an opportunity to design their own careers. With the help of catalyst employees are free to seek and apply for roles across departments within the bank and also across Axis group subsidiaries through a transparent and fair process, realizing the vision of 'One Axis'.
- Rewards and Recognition- The bank rewards the employees on performance basis. Promotion process is fair, based on performance irrespective of their age, gender, background and tenure.
- Performance Management: For better performance of employees the bank has developed an integrated performance management and capability development system called 'ACElerate'. To upgrade the performance level of low performing employees and for them to opt for stretch targets, the bank has started with enhancement programs. Functional knowledge and behavioural skills are improved through learning provided by the subject matter experts. 37,982 qualified Axis competency profiler, an online certification program of the bank, which is a tool to assess the functional competency of the employees.
- Employee Engagement- The bank gives opportunity to employees to give their suggestions on growth, profitability, and sustainability by launching an internal platform called 'My GPS'. The bank assured that the best-in-class technologies deployed to automate HR processes and enhance employee experience.

3. ICICI Bank

Employee centric culture prevails in the bank with the value proposition of 'SaathAapka' (which means, 'with you'). The bank makes sure its employees believe and preach 'Fair to customer, Fair to bank'. The bank works for on-going skill training and capability building. The bank has worked upon industry-academia partnerships to create a future ready workforce for bank believes in 'Building Talent'.

- Recruitment: 'Beat the curve'; a campus engagement program was conducted by the bank to interact with the mind of young talent, which has helped in resolving the hurdles of rural India. The winners of this program were rewarded with an opportunity to participate in an international Fintech and innovation workshop. 'ICICI Bank Ascent', a program launched by the bank to attract young graduates across the country and then make them capable of taking up leadership positions in the future.
- Training and Learning: Classroom and tech-based learning opportunities for building capabilities throughout the life cycle of employees, from joining stage to various career growing stages. Two-pronged approach of training is adopted where classroom training is digitized. Many functional academies have been building up

for the development in the contemporary areas like data sciences, design thinking and artificial intelligence.

- **Leadership Development:** To occupy all the important positions in the bank some continuous programs are initiated like Leadership Development Programs and Leadership Engagement Sessions.
- **Leveraging Technology:** The bank has introduced technology and digitized its people processes, which has helped in the enhancement of employee's experience by automation of transactional processes.
- **UOTM: 'Universe On The Move',** is a mobile application designed to serve various employee needs and contains various integrated business applications. This app also fulfills the learning requirements of employees. Apply for leave/ muster update, view your insurance policy details under My Wellness, check salary details, access 'The Learning Matrix', talk to zeno and get answers, mark training attendance via the QR code; are some of its other features.
- **Employee Relations and Communication:** A culture of free and open conversation prevails in the bank. 'Engage your Leader', a digitally facilitated interaction where employees can engage and interact with them. 'I studio', is the platform for two-way communication for connecting all employees across different locations. Senior leaders even share their experiences with employees through 'Huddle', a video-sharing platform.
- **'SaathAapka':** Meaning with you, a value proposition governing a mutually beneficial and respectful relationship with its employees. There are five parameters in this proposition. It includes, growth and learning opportunities for enhancing personal capabilities and career advancement, creating an enabling work culture that facilitates achievement of aspirational goals, meritocracy by setting high performance standards and working in a non-discriminatory environment, care for employees and standing by them in their hour of need, creating a winning organization that is conscious of its larger role in society and nation building.
- Some other platforms for its employees are also built in by the bank like, 'Call@I-Care' platform for resolving any issues employees may have, 'QRT' Quick Response Teams, a GPS enabled vehicle which carries medical equipment with a team of trained professionals to deal with medical and safety emergencies, 'Benefit' an umbrella program offering multiple health care options, 'iwork@home' for women employees to work from home if required, 'itravelsafe', an app developed by bank, provides easy access to register an SOS distress signal.

Public Sector Banks

4. SBI

- **Career Development System (CDS):** The system is stable, more transparent, inclusive, effective and accountable in the performance management. Suggestions from employees are welcomed for the modifications in the CDS.
- Evaluation of employees' performance is done through well-structured feedback mechanisms to develop and drive a cultural change.

- Senior leadership positions are occupied through succession planning.

The policy, processes and systems are aligned towards creating enablers for achieving the bank's 'Vision' with set 'values'.

- Vision, Mission and Values: The bank has its own Code of Ethics accompanying the standardized commitments to its stakeholders viz. values of STEPS which stands for Service, Transparency, Ethics, Politeness and Sustainability, for achieving the bank's new Vision, Mission and Value Statement. Ethics help in achieving excellence in business operations and moral values.
- HR Function Revamp: Centralization of HR processes for smooth functioning of the business operations. Continuous initiatives are taken in the area of HR for the automation and streamlining of systems and processes, designing and modifying value propositions, to increase the efficiency and create a pleasant environment at the workplace.
- Productivity Enhancement Initiative: Objective and data driven models are used by the bank for the effectiveness of HR. Around 12 out of 82 work drivers of the model based on time and motion study have been modified for manpower planning for the year 2019-2020. Moreover footfall study undertaken by the analytics department helps in verifying manpower requests from different units. Customized training and development programs for the identified potential successors. Thus the framework ensures smooth transition of talent pipeline.
- Recruitment: Efficient recruitment of employees is done with the help of a regular recruitment calendar along with Information Technology.
- Employee Engagement Initiatives: State Bank of India sees to it that its employees experience a pleasant environment throughout their time spent in the bank by reducing the pain points. The bank has introduced an 'On-boarding Portal', which proved to be a success for new joiners, as they need not submit their documents multiple times rather than only once. The bank also took an initiative for employees' relief called 'Sanjeevani', an HR helpline to see to the employees' complaints within three days. The bank also conducted an Employee Engagement survey called 'Abhivyakti', which is one among the largest such surveys held. The objective was to find out the factors that motivate employees for better performance and also the ones, which limit their performance. 'NayiDisha' is an employee engagement program to focus on the importance of staying agile and relevant, adopting a growth mindset, managing challenges, and inculcating the bank's values STEPS to improve customer centricity and brand image. NayiDisha phase-1, themed as 'Vision 2030' covered 2.40 lakh employees in 90 days.
- Gender Diversity: The bank believes gender sensitivity and inclusiveness to be the building blocks of bank's HR policy with women occupying 24.34% of total workforce. Women employees head more than 2,600 branches. Zero Tolerance Policy in case of sexual harassment at workplace is the strategy of the bank to combat such problems. Reservations and equal opportunities are provided to the SC/ST/OBC/PWD/EWS.

- **Training and Leadership Development:** The bank endeavours for continuous re-skilling of its employees to help them to go with the flow of fast-changing business environment and thus ensure the future growth of the firm. In this area various Leadership Development Program for in-house participants, as well as several other paid programs were launched in association with State Bank of India's Knowledge partners. High tech Strategic units namely, top-notch Apex Training Institutes (ATIs) and 50 State Bank Institute of Leadership and development (SBILDs). State Bank Institute of Leadership, Kolkata even designs customized leadership-training programs for all AGMs, DGMs and GMs. The bank has also introduced "Equal Opportunity Policy" in accordance with the "Rights of Persons with Disabilities Act, 2016". Special care by providing basic amenities, assistive devices, and other infrastructure is made available for disabled employees to help them perform effectively. State Bank of India entered into a Memorandum of understanding (MoU) with National Banking Institute (NBI), Kathmandu (Nepal) to establish a mutually beneficial strategic alliance for development of NBI's human resources in the areas of education, training and research. The bank has received the Business World Award for "Excellence in Learning and Development", which has been achieved by the bank for its training program.
- **Industrial Relations and Staff Welfare:** The bank exhibits harmonious relationship with the Staff and Officers' federation. Pleasant and healthy work environment, mutual respect, empathy at the work place and a good work-life balance are the mottos of the bank for a satisfied workforce.
- **Care For Retired Employees:** The bank continues to be on good terms with its retired employees through some initiatives like membership to Retired Employees Medical Benefit Scheme (REMBS), this scheme is re-introduced as it was closed a few years back. Also there is an Online Portal for pensioners for information sharing. 'Sanjeevani' helpline also extended to cover even the pensioners from the second quarter of FY 2019.

5. Bank of Baroda

The bank conducted a survey of its employees called 'Voice of Barodians', to know their perceptions, views and suggestions on various aspects affecting them. The overall employee engagement levels have seen a rise from 55% to 63%, which is a fruitful result of efforts by the bank. The bank holds one among the Best 50 PCI (People Capital Index) companies as declared by Jombay. Following are the initiatives taken by bank during the year, which has impacted bank's performance significantly:

- **Manpower Planning and Recruitment:** The bank has designed a new scientific manpower planning model to help them estimate the manpower requirement at various levels based on skill sets, which aids to other strategic decisions of the bank like recruitment, deployment, promotions, trainings, etc.
- **Baroda Gems (Growth and Empowerment Management System):** GEMS is a scientifically measurable Performance Management System (PMS) for all the

officers on a digital platform. It has helped in promoting a transparent and performance based atmosphere.

- Job Family: The bank has developed a concept of assigning employees to the job family. The employees get an opportunity for all-rounded development and better career prospects; through movements from one role to another included in the job family.
- Baroda Rewards For Individual & Team Excellence: Brite- The bank's strategic partners are its employees and thus the bank believes their contribution must be acknowledged. BRITE, a program introduced by the bank for the rewards and recognition of both outstanding individual as well as team efforts.
- Baroda Anubhuti Programme: It is an employee engagement program and involves various initiatives like employee of the month, spot recognition- capturing 'WoW' moments, fun hour at all branches, local community services, annual sports day celebration, etc.
- Wellness and Fitness Drives: The initiatives by the bank in this field are remarkable. Mandatory health checkup scheme for employees and their spouses, Group Team Insurance cover, Life Insurance cover of Rs 20 lakh for permanent employees, Group Medical Insurance policy, regular health checkup camps, fitness drives, yoga sessions, etc are some of them.
- Creche Facility: The bank has started providing creche facilities for small children of its employees at its corporate office in Mumbai. And the bank intends to expand this facility at other branches as well.
- Learning and Development: The bank works according to the training needs of employees at different stages of career development. For this functional, mandatory and behavioural training programmes are conducted. Learning environment has been built by the bank through various programs like Baroda Gurukul, Baroda Margdarshak, Baroda Radio, Barodapedia, etc.
- Leadership Development: 'We Lead'- a comprehensive leadership development programme has been initiated for the development of potential leaders to occupy future leadership positions. Four programmes included in 'We Lead' are:
 - Baroda Senior Leadership Programme- for officers in Scales VI & VII
 - Baroda Emerging Leaders Programme- for officers in Scales IV
 - Baroda Rising Stars Programme- for officers in Scales IV
 - Sayaji Rao Gaekwad Scholars Programme – for Officers in Scales I, II & II
- Career Progression: The bank allows for horizontal movement of its employees for wider exposure. 3,564 employees have been promoted in all scales and cadres after the completion of promotion exercises during the FY 2019.
- HR Policies and Systems: The bank has been updating its various policies for the best results and to be a leader. Transfer, promotion, policy on Equal Opportunities, Bank's holiday homes are some of the efforts for the same. For the processing of staff loan applications and other TA/DA claims, Human Resource Centralised Processing Cell (HRCPC) works efficiently. HR technology platform, " Human

Resource Network for Employee Services has been improvised continuously”. “Baroda Samadhan”, an online employee grievance redressal mechanism has also been set up by the bank.

6. Punjab National Bank

The bank has 70,810 permanent employees on its roll. 1,722 are employees with disabilities. All India Punjab National Bank Employees Federation (AIPNBEF) and All India Punjab National Bank Officers’ Association (AIPNBOA) are the recognized employee associations of the bank of which 88.78% and 79.45% of its total workforce are members respectively. The bank reserves the rights of SCs, STs, OBCs on the line of rules made by the government of India from time to time. Promotions are done timely in an appropriate manner from scale I to scale VII. Some other initiatives in the human resource management field are as under:

- Digitised Performance Management System: The bank has tried to modify the existing performance appraisal system, which would be more objective, transparent and system driven through digitizing it. This system is launched in line with the existing EASE (Enhanced Access and Service Excellence).
- Employee Incentive Policy (EIP): The employees are rewarded according to their individual performances. This not only motivates the employees but also pushes them towards the achievement of the bank’s corporate goals. This will also help in inculcating performance driven work culture within the organization.
- Social Media Platform: Bank has revised its social media policy as its most popular in today’s world. Its social media policy aims to create awareness among the employees relating to customer data secrecy, prevention of loss of confidence among the stakeholders and compliance of the Regulatory/ judicial/ banks internal guidelines.
- Leave Policy: As a preventive vigilance and an operational risk management measure, the bank has appraised its Mandatory leave policy. It believes in giving some leaves to the employees as a break from the job and help them rejuvenate themselves to come up with more energy.
- Circulars: Various circulars can be reached at any time now as HRMS Mobile App-PNB PARIVAR is now linked with e-Circulars.
- Training: The bank provides e-learning platform which can be accessed 24*7 by any of the staff members and from anywhere they are.
 1. E-Circulars: “Knowledge centre” website includes Bank’s circular.
 2. PNB Knowledge Park, for instant results of any key areas of banking.
 3. Knowledge Repository: A web and mobile app with a lot of information on various fields.
 4. PNB Saransh: List of all major banking products and services.
 5. PNB Univ: A web and mobile app which is an interactive mode of learning covering banking topics.
 6. Ask a Question: Employees can put up their queries which will be clarified by the faculty members.

Bank has three tier training set up to train employees at various levels, namely- Apex Level Training Centre, Regional Staff Colleges and Zonal Training Centres. The bank also has an exclusive IT Training Centre located at Faridabad. Bank also organised 160 Training programs for its 951 officers in different grades in specialised areas through outside training institutes of repute both in India and abroad like IDRBT Hyderabad, NIBM Pune, IIBF Mumbai, etc.

- Succession Planning: An Executive development program was conducted by the bank at “IIM Ahmedabad” for 65 recently promoted DGMs & GMs. This was in need to inhibit management qualities amongst Senior/Top Executive Grade Officers and succession planning as well.

COMPREHENSIVE VIEW OF HR PRACTICES IN INDIAN BANKING SECTOR

Efficient Manpower planning is conducted in public sector banks for effective recruitment and selection processes. Recruitment is done through the use of information technology to make the process more effective and less cumbersome. Well structured feedback mechanisms and performance management systems are developed. Customised training and learning programmes according to the grades and roles of employees are conducted. Best and latent techniques are used for training and development of employees. SBI bank achieved “Business World Award” for “Excellence in learning and development”. Internal employees can apply for jobs within and across departments and thus move from one job to another. Leadership positions are filled through succession planning in most of the public sector banks, whereas promotions are based on performance only and no other biasness on the basis of age, gender, etc; in most of the private sector banks. HR systems and processes are continuously updated, for this purpose Human Resource Centralised Processing Cell (HRCPC) is also set up in Bank of Baroda. Rewards are based on the performance of employee, both financial and non-financial rewards are given as per individual requirements. Industrial relations and staff welfare measures are followed in most of the public sector banks. Employee suggestions are welcomed for growth, profitability and sustainability (GPS) in AXIS bank. Various programmes like Engage your leader, I studio and huddle are conducted for communication in ICICI Bank. Employee Engagement surveys and programmes are set up in SBI and Bank of Baroda. Leadership development programmes and employee rederessal mechanisms are practised in both private and public sector banks.

Additionally some very important and effective HR techniques applied in most of the public sector banks only are; Code of ethics, gender sensitivity, creche facility, reservation for SC/ST/OBC/PWD/EWS, continuous reskilling according to changing environment, Retired Employees Medical Benefits Scheme (REMBS), bank’s holiday houses, TA/DA claims, mandatory leave policy to rejuvenate and increase the energy level of employees. Bank of Baroda also achieved, “Best 50 People Capital Index” award by Jombay. So, as per these reports public sector banks have an upper hand in practicing HR activities for retaining their workforce.

HUMAN RESOURCE PRACTICES	PUBLIC SECTOR BANKS	PRIVATE SECTOR BANKS
Efficient Manpower Planning	✓	✓
Recruitment through Online Examination	✓	
Feedback Mechanism and Performance Management	✓	✓
Customised Training and Learning	✓	✓
Internal Recruitment and Movement of Employees	✓	✓
Leadership positions through Succession Planning	✓	✓
Promotions based on Performance only		✓
HR Systems and Processes	✓	✓
Rewards based on Performance	✓	✓
Industrial Relations and Staff Welfare Measures	✓	
Employee Participation		✓
Communication		✓
Employee Engagement	✓	✓
Code of ethics	✓	
Gender Sensitivity	✓	
Creche Facility	✓	
Reservations for SC/ST/OBC/PWD/EWS	✓	
Retired Employees Medical Benefits Scheme	✓	
Bank's Holiday Houses	✓	
TA/DA Claims	✓	
Mandatory Leave Policy	✓	
Job Security	✓	

FINDINGS AND SUGGESTIONS

According to the studies, earlier the organizations focused more on performance-related pay that is monetary incentives but in 2011 a shift from financial to non-financial incentives was noticed (Khan et al, 2011). A combination of both monetary and non-monetary incentives is the best strategy for talent management. Some recommendations from the reviewed literature are followed below:

- Employee Engagement must be a focus for the organizations to retain their employees. It helps to level up the performance of employees. It provides a linkage between employees and management. Job, reward and recognition, opportunities, teamwork, immediate supervisor and communication influence employee engagement.
- Talent Management to be done through developing talent pipeline, which is another term for succession planning. The organizations must train and prepare their talented employees for promotions and for future managers. This will help the organizations to be content in human capital and also the employees will be satisfied regarding their career prospects.
- Knowledge retention must be the focus rather than employee retention. In the case where it is not possible to retain the employee his knowledge must be retained through some exit interviews or by training the employees under him.
- Motivated employees tend to stick with the organizations and work for the objectives to be achieved. There are various strategies to motivate the employees, a few of them are, delegation of authority, equal remuneration, good working environment, good working relations, open communication, career development, performance based bonus, recreation facilities, gifts at some occasions.
- Rewards, motivation and job satisfaction are positively related to each other Hence rewards whether monetary or non-monetary or a combination of both, always motivates employees which in turn leads to job satisfaction. However, due evidence has been found of non-monetary incentives overpowering monetary incentives.
- Promotions must be on merit basis, this motivates the employees to exhibit high performance along with affective commitment and lesser intention to leave.
- In the Indian banking sector five major drivers to retain talent are found to be - business strategy, management commitment, employee branding, talent development and talent engagement. Friendly working environment should be provided to the employees, they must be made aware about advancement opportunities like bank promotion exams, succession planning within a particular branch may be practiced. (Rani & Jyoti, 2014)
- Banks must start working from the hiring stage itself. The frequency of movement of the candidate applying for job from one job to another and the reasons for the same must be found out rather than just looking for their qualification and personality traits.
- Higher level of commitment and involvement of employees is gained through including variables like salary, bonus, reward, profit sharing, retirement benefits,

career development opportunities, job status, medical facilities, work life balance, training, space for thinking and creativity.

- Employee self esteem and emotional intelligence must be targeted by HR practices for better results towards organisational success.

CONCLUSION

Every individual is different and hence he has varying needs and expectations. Fulfilling these needs and expectations of the employees must be the target of human resource team. Thus there is a demand for customisation of compensation package as well as human resource practices in today's dynamic business environment. Every employee must have an accessible HR package and it should also be discussed at the time of recruitment itself just like compensation packages. If such policy is adopted by the banks, it will help them in customisation of these practices and each employee will feel more important, more motivated and turnover rates will slow down automatically. The focus should be more on the reasons why employees opt to stay rather than finding the reasons why they prefer to leave. Thus, a proactive approach to employee retention is the need of hour.

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