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The Impact of Effective Training on Employee Retention: A Study in Private Banks of Bangladesh

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Abstract

This examination underlines on the affectability of variables influencing employee continuation in Banking Industry of Bangladesh. Retain human resources is a procedure practiced by organizations to keep hold of a successful workforce and simultaneously meet operational necessities. Every organization must regard their work force as prime assets and need not to intend to depart since they enhance the value of the organization. The goal of the investigation is to gauge the view of employee retention. For this purpose, the sample chose 204 employees working in private banks of Bangladesh. We have utilized needed testing technique for credible information accumulation. We have utilized just essential information through an endorsed questionnaire. The gathered information was handled by applying t-test, ANOVA. In this investigation, univariate, bivariate and multivariate examinations were executed. Factor analysis and regression examination have attempted to evaluate the relationship of the factors. The aftereffect of the examination uncovers that employee retention relies upon depends on growth opportunity of the employees, employee self-attainment, Training and Development and employee benefits.

Keywords: Employee Retention, Regression, Factor Analysis, ANOVA, t-test

1. Introduction

Retention of employees is one of the biggest concerns for any organizations. Many renowned organizations are constantly struggling with the 'retention' issues nowadays. Today's ever-changing digitized business practices put many organizations to train its workforce constantly which incurs big spending. Therefore, business entities must retain their trained workforce in order to save money because quick turnover hits the bottom line of company's profit. Besides when an organization constantly trains new employees it is a waste of resources. Studies found that when you replace an employee it cost between 20-200% in terms of salary benefit. Consistency is essential for building a business. Losing trained workers slows down the business continuity. Besides, it becomes difficult to attract talents in a transient workforce. Less turn over enhances employee morale, initiates loyalty for the organizations. From marketing point of view retention improves productivity, builds brand image and keeps customer trust.

Bangladesh's banking sector faces some stumbling blocks in improving its service excellence due to poor show in employee retention. Rapidly changing modes of banking practices compel banks to train and retain their employees

for a much longer period of time. Longer working hours, shorter leave period due to work pressure, lesser leave benefits compare to other sectors poses a threat to retain employees in the banking sector. In order to sustain global competition banking sector of Bangladesh must give a serious look to find factors that causes employee turnover. The paper finds various reasons which effects poor employee retention. Factors like work-life-balance, leave duration, leave benefit are some of the mentionable reasons behind lesser than expected employee retention in banking sector of Bangladesh.

2. Literature Review

Extensive academic literatures can be found on the subject of retention of employees in banks & related organizations. The goal of this study is to investigate major variables mentioned in previous literatures.

At present there are 59 scheduled-banks¹ and 05 non-scheduled bank² in Bangladesh which are supervised and guided by country's central bank under Bangladesh Bank Order 1972 and Bank Company Act, 1991. There also operating 34 Non-Banking Financial Institutions (NBFI) regulated under Financial Institution Act 1993 of central bank. Given much importance to this sector due to its regulatory nature and specialize category employee retention plays a major and vital issue apart from other contingent problems such as scarcity of competent employment, employee turnover, motivation and training & development of employee.

Retention is defined as the capability to hold those employees that an organization wants to keep for a longer period (Johnson, 2000). Many findings on employee retention indicate that the absence of retention strategy is making it difficult for leadership to identify crucial skills that must be retained (Mohlala, Goldman and Goosen,2012). Employee retention is a key factor in an organization's success (Lyria, Namusonge and Karanja, 2017). Retention of skilled employees has been of serious concern to managers in the face of ever-increasing high rate of employee turnover. Employees are the most valuable resource in any organization for that matter; special treatment is required to retain them in order to help in achieving organizational performance strategies (Ritter, 2011).

Employees are less likely to leave when they share similar values as their organizations, HRM practices can be used strategically to improve the employee-organization value fit to improve retention (Presbitero, Roxas, and Chadee, 2016). The retention of employees can be further increased through job specific training, career development chances, friendly work environment and rewards with other benefits that should be planned by the organization (Setia and Singh,2014). According to Mwangi and Omondi (2016), creating an amicable and conducive working environment, makes the employees to work and stay in the organization. Work engagement and rewards (Karatepe ,2013), work-life balance (Mwangi and Omondi, 2016), promotion policy have a big role in increasing job satisfaction, which may secure employee retention in banking sector.

Banks are investing immensely in recruiting and developing their employees. The organization is completely at a loss when the employees leave their job once they are fully trained, developed and more so when they already have the experience of operations in the organization thus employee retention should take into account the various measures so that an individual stay in an organization for the maximum period of time (Sinha and Shukla, 2013). HR managers try to prevent the employee turnover by implementing effective retention strategies (James and Mathew, 2012). An integrated HR strategy combining resource and control-based HR practices could also improve retention (Davidson, 2010). These variables consist of training/learning, career development, reward, recognition, attractive salary deal, and job security. Nevertheless, the magnitude of other variables should not be less valued when making plan for retention policy. The levers of retention being used by them are: special training programs, talent pool programs, on boarding of new recruits, job rotation, comfortable postings, incentives, and fast-track promotions. Whereas Carl, Bjorkman, & Pavlovskaya, (1999) highlighted that now the HRM practice to focus an individual is the proactive approach by the management and also became a competitive advantage for the business

¹Schedule Banks are referred to those banks that remain in the list of banks maintained under the Bangladesh Bank Order, 1972.

²Non Scheduled banks which are established for special and definite objectives and operate under any act but are not Scheduled Banks. These banks cannot perform all functions of scheduled banks.

in the last decade. Newly researches find out the relationship of HRM practices with organizational performance, organizational strategies and organizational retention, which are the three different aspects.

In Bangladesh, some determinants of bank employees' retention have been identified such as unattractive pay packages, lack of training and development, partiality and lack of career development, long working hours, lack of job security (Tanchi, 2015).

Banks in Bangladesh are now aware of the bottom-line effect on retaining the quality of employees and central bank (Bangladesh Bank) puts its emphasis on employee retention policy through training. Banks should mold their policies in accordance to employee training and development, which will help banking sector to retain employees for longer time (Salman, Ahmad and Matin, 2014).

When the employees find job satisfaction, they hardly think of switching present job. Retaining skilled employee quite simply adds to increase productivity and morale, while dropping the associated and related costs of turnover. Employee retention is major vital issue facing corporate leaders as a consequence of the lack of skilled labor, economic growth and employee turnover (Ahmad, Iqbal and Sheeraz 2012). Sandhya, and Kumar (2011) suggested that employee retention can be practiced motivating the employees terms of 'Open Communication' that their opinions matter and that management is 100% interested in their input. Yamamoto (2011) emphasized employee benefits management as a sub-system in human resource management, contributing to employee retention. A number of articles focused on various determinants of employee in various financial and non-financial organizations and service industries such as training, compensation and appraisal (Hong, Hao, Kumar, Ramendran and Kadiresan, 2012), work environment (Duffield, Roche, Blay and Stasa, 2011).

According to Mike (2013), Succession planning should be encouraged in organisation. Role of employees should be cleared. Organization should invest in cross-training, coaching job shadowing, mentoring, and job rotation for employee retention.

3. Research Methodology

3.1 Research Design

The research design is a strategy where we integrate the various tools of the study in a scientific, logical and comprehensive way. Therefore, it constitutes the main script for the collection, management, measurement, and analysis of data (De Vaus, D. A, 2001).

In this study, we tried to investigate the cause and effect relationship between the possible retention influencing factors and employee retention, so it can be referred as causal study as well as quantitative research, because the methods of this study emphasize the statistical, mathematical and numerical analysis of data collected through questionnaires, using computational techniques (Babbie, Earl R, 2010). In addition, as some qualitative phenomenon is adopted in this research, it may be considered as mixed approach. To conduct this research, the cross-sectional method was implemented which implies that data was collected at a single moment in time by the several segments of population that are being sampled (Zikmund et al., 2013).

3.2 Population and Sampling Design

3.2.1 Population

A population is the total aggregation of components from which we collect a sample in order to analysis and make an inference of that total aggregation (Cooper & Schindler, 2014). In this study, the employees of the schedule banks, operated within the geographical area of Bangladesh, are our target population. In Bangladesh, total 59 banks are operating and according to the ownership those are categorized as- (a) State Owned Commercial Banks (6), (b) Islami Shariah based Bank (8) (c) Specialized Banks (3), (d) Private Commercial Banks (33) and (e) Foreign Commercial Banks (9). Since all these banks have their headquarters in one geographical location which

is capital city Dhaka, we decided to collect samples only from Dhaka District by covering as much as the number of banks in a short time.

3.2.2 Sampling Design

3.2.2.1 Sampling Frame

The sampling frame describes a set of components from which we can select a sample of the target population (Michael S, 2004). The rules and procedures by which some elements or components of the population are selected as samples or respondents are referred to the sampling method. In this study, our sampling frame is the complete list of total of 41 banks.

3.2.2.2 Sampling Technique

A sample is a smaller representative group collected from predefined population (Mugenda & Mugenda, 2003), whereas, sampling is the process or technique of selecting a number of individuals or objects from a population such that the selected group represent the maximum characteristics of the entire population (Orodho & Kombo, 2002). In this survey, we have used three stage sampling technique. In first stage we have adopted stratified random sampling technique with proportional allocation, in accordance we have divided the total 57 banks into four several mutually exclusive sub populations or strata according to the ownership of the bank. Secondly, we have used convenient sampling method to choose the bank from each state. In this second stage, we have selected the branches of the banks. In third stage, we have again used the convenient sampling technique to select the employee of the bank as our desired respondent. Convenience sampling is a sampling procedure in which most conveniently available respondents or units are obtained (Zikmund et al., 2013).

3.2.3 Sample Size

A sample size is a representative part of the population chosen for a survey or experiment (Bartlett, J. et al., 2001). We select sample size carefully so that it will be adequate to draw valid and generalized conclusions. We have fixed our sample size with considering that it fulfills the requirement of specific information regarding the problems under investigation in the population under study. (Singh, Ajay S, 2014). In this study, total population is the employees of 41 banks of our country. From these 59 banks we have excluded 6 state-owned commercial banks, 9 foreign commercial banks and 3 specialized banks because the strategies of these banks are different and there are no impact on employee retention in government-services. So, our final population is 41 banks. In any study, 30% sample is suitable to generalize the findings regarding the total population (Mugenda and Mugenda, 2003). In accordance, our study sampled 30% of the population (i.e. approximately 10 banks) proportionately from 41 banks based on their ownership.

The size (n) of sample is determined by following most widely used statistical equation considering that the sample would be 95% likely to measure an estimate with a given level of precision:

$$n = \frac{p(1-p)}{d^2} \times Z^2_{\alpha/2} \times deff$$

The value of the standard normal variate indicates that there is a 100 α % probability of selecting a bad sample. Here,

N= The size of the target population.

P=An a priori proportion.

Z $\alpha/2$ = Z value for α level of significance.

d=The allowable margin of error.

deff= Design effect used for complex survey.

N=Sample size.

The main concern of sample size determination is to make choice of P and d because different range of variable is in under study. We've considered here P=.5 since theoretically this gives the safest sample size as P(1-P) gives the highest value for P=.5. For this sample it is chosen that the value of allowable margin of error, d=.07. Conventionally deff can be taken as 1.5-2.0 in most surveys in Bangladesh which use complex sample such as

multi stage cluster sampling. Because of using stratified sampling instead of multistage sampling it is unnecessary to use large value of deff. So $deff=1$ is chosen here. The conventional choice of α is .05 is considered here which gives $Z_{\alpha/2}=1.96$. Considering all the above, we've got the total sample size, $n=196 \sim 200$. Finally, we collected 204 samples for our study.

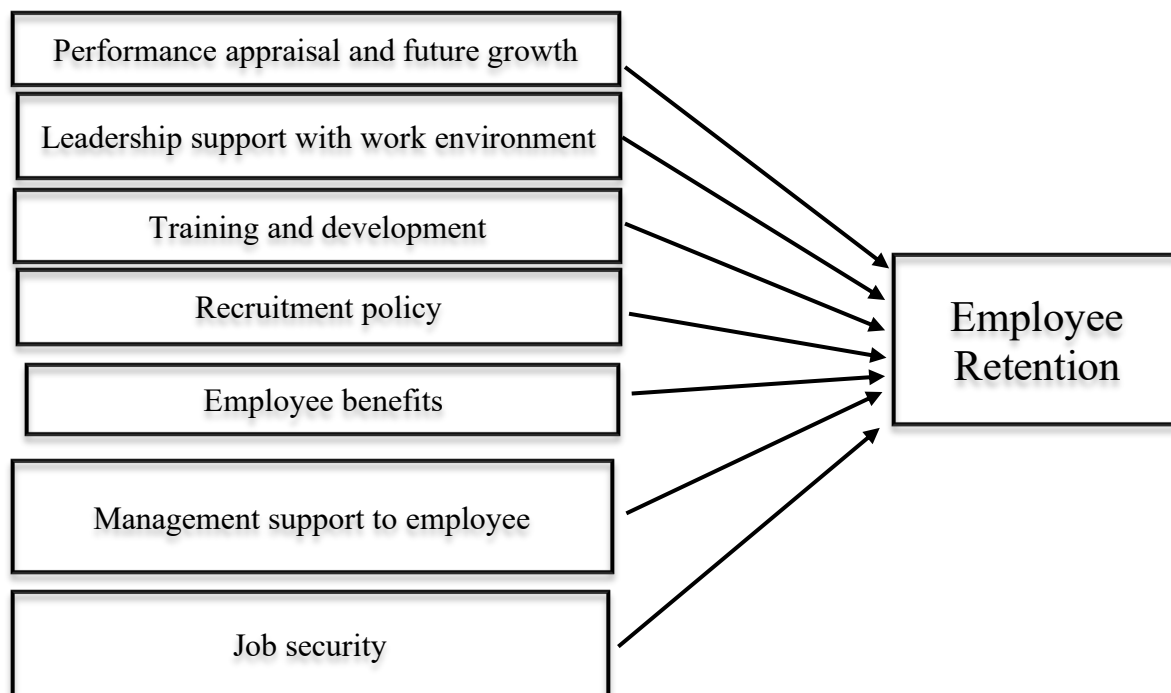
Sample size is shown in the following table:

Sl. No.	Bank Name	Sample Size
1	Prime Bank Limited	20
2	Mercantile Bank Limited	24
3	First Security Islami Bank	20
4	Bank Asia Limited	20
5	Pubali Bank Limited	20
6	Uttara Bank Limited	20
7	Mutual Trust Bank Limited	20
8	Al-Arafa Islami Bank Limited	20
9	Premier Bank Limited	20
10	Padma Bank Limited	20
Total		204

3.3 Research Questionnaire

In our study, we used only primary data. To collect data/information we used a prescribed questionnaire as a data collection tool. Our questionnaire has prepared with two main segments consisting with 62 questions as (1) demographic and socio-economic variables and (2) Likert scale rating. Gender, Age Group, Marital Status, Education level, Designation/Position, Working Experience in this Bank, Total Working Experience and Job Category are the demographic and socio-economic variables.

3.4 Conceptual Framework



The above conceptual framework explains that employees' retention is being used as dependent variable whereas seven independent variables such as Performance appraisal and future growth, Leadership support with work

environment, Training and development, Recruitment policy, Employee benefits, Management support to employee and Job security are also being used in this research to investigate the relationship among them.

3.5 Data Collection

Data collection is the process of collecting and measuring information on variables of interest, in a recognized systematic way that enables one to answer specified research questions, and evaluate the outcomes (Cooper and Schindler, 2008). Our primary data collection method has carried out by the use of questionnaires. Questionnaires were considered a good data collection tool as they allow the researcher to collect information from a large target population within a short time period and can be done with cost-effective way (Creswell, 2013). After selecting the banks through stratified random sampling, we selected the employees with convenience sampling method. Finally, we collected data through a predesigned questionnaire by face-to-face interview. To ensure a maximum response rate, respondents was informed earlier of the time of interview and tried to make it easier for them to promise to the interview without feeling pressured.

3.6 Research Procedures

Before the administration of the questionnaire we have pre-tested to ensure reliability, relevancy and validity of the information to be collected. This pretested data has collected from a small sample only forty employees working in the banks. The main purpose of pre-testing the questionnaire is to identify the irrelevant, biased, confusing and sensitive statement in the data collection instrument and try to omit or modify them. Pre-testing permits modification before the final test (Cooper & Schindler, 2003). After pre-testing the questionnaire, we have finalized the questionnaire and collected our desire number of data for final analysis.

3.7 Data Analysis Methods

Data Analysis is a process in which data sets are analyzed, inspected and fitted to the model with the goal of discovering useful information (Elite Crest Technology, 2019). In this study, we have performed univariate, bivariate and multivariate analysis. In univariate analysis, we have displayed the variables' information with percentages and counts in a tabular/graphical form. Moreover, for bivariate analysis we performed cross-tabulation and chi-square test to investigate relationship between variables and the result have represented in a tabular form with percentage. We also performed correlation analysis to establish the relationship between the dependent variable and the independent variables. Finally, we have analyzed the data in a multivariate way. In this way we performed factor analysis and multiple regression analysis to quantify the relationship and find out the strength of dependency of dependent variable on independent variables. The empirical model is specified as:

$$\begin{aligned}
 \text{Employee Retention} = & \alpha + \beta_1 \text{Performance appraisal and future growth} \\
 & + \beta_2 \text{Leadership support with work environment} \\
 & + \beta_3 \text{Training and development} \\
 & + \beta_4 \text{Recruitment policy} \\
 & + \beta_5 \text{Employee benefits} \\
 & + \beta_6 \text{Management support to employee} \\
 & + \beta_7 \text{Job Security} + e_i
 \end{aligned}$$

4. Data Analysis & Findings

4.1 Introduction

This study is intended to assess the satisfaction of the employees of banking industry operated in Bangladesh. Consequently, data of 204 employees, those are continuing their job in different banks, was collected through structured questionnaire as a survey tool. In this section we presented the data analysis and key findings based on the various data analyses. The first part entailed Descriptive Analysis to formulate the summary of respondents' background information. Second, it involved the explanatory measurement assessment for different attributes

related to employee retention by running Factor Analysis & Reliability Analysis to conform that the constructs used in the survey tool are relevant and valid. Finally, we dealt with bivariate analysis to verify if there was any association among the dependent variable and independent variables by conducting Correlation Analysis. In addition, it demonstrated the strength and direction of relationships between independent and dependent variables by Regression Analysis.

However, before the tests were carried out it was ensured that no missing values or irrelevant values existed in the data entry, which involved Data Cleaning process. The following sub-sections with detailed statistical tests used an alpha level of 0.05 and SPSS Version 25 was used for the data analyses.

4.2 Demographic and Social Profile (Univariate Analysis)

Descriptive statistical analysis was used to identify frequencies and percentages to interpret the background information of the participants in the survey.

Table 4.1 Frequency Distribution of the Respondents' Demographic and Social Status

Variables	Category	Frequency	Percent
Gender	Male	148	72.5
	Female	56	27.5
Age Group	18 – 25	15	7.4
	26 – 33	113	55.4
	34 – 41	54	26.5
	42 and above	22	10.8
Marital Status	Married	157	77.0
	Unmarried	47	23.0
Educational level	Master's Degree	183	89.7
	Others	21	10.3
Designation	Entry-EO	134	65.7
	SEO-FAVP	53	26.0
	Above FVP	17	8.3
Working experience in this organization	1 – 5 yrs	89	43.6
	5 – 10 yrs	82	40.2
	10 yrs and above	33	16.2
Total working experience	1 – 5 yrs	81	39.7
	5 – 10 yrs	77	37.7
	10 yrs and above	46	22.5
Job category	Permanent	195	95.6
	Others	9	4.4

Table 4.1 presented the information of the respondents' personal background. The respondents' demographic characteristics consisted of three items, which included the participants' gender, age group and marital status. The respondents' social status consisted of five items, which included the educational level, designation, working experience in this organization, total working experience and Job category. As stated in the table, the majority of respondents were male, 72.5% and 27.5% were female. The survey-illustrated more than half of the respondents, 55.4%, were aged between 26 to 33 years, followed by the age group of 34 to 41, (26.5%) and 10.8% respondents aged 42 years or above. The sampling population was 77.0% married. However, about 95.6% of respondents are employed as a permanent employee. Most of the respondents, (89.7%) completed Master Degree. With regards to working experience in present organization, 43.6% of the respondents worked for 1-5 years, followed by 40.2% whose working experience was 5-10 years. More than 10 years experienced employees were 16.2%. In case of designation, more than half portion (65.7%) of the respondents were entry to Executive Officer level and exactly 26% of the respondents were Senior Executive Officer to First Assistant Vice Principal.

4.3 Bivariate Analysis

Simultaneous analysis of two variables (attributes) is known as bivariate analysis. It indicates the concept of association between two variables, whether there exist any relationship and the strength of this association. Also, it measures whether there are differences between two variables and the significance of these differences.

Table 4.2 Measuring the Significant Difference among the Demographic variables for Employee Retention Score

Gender		N (%)	Mean ± SD	P-Value
Male	t-test	148 (72.5)	3.59 ± 0.66	0.056
Female		56 (27.5)	3.42 ± 0.55	
Age group		N (%)	Mean ± SD	P-Value
18 – 25	F-test	15 (7.4)	3.33 ± 0.46	0.393
26 – 33		113 (55.4)	3.53 ± 0.68	
34 – 41		54 (26.5)	3.64 ± 0.59	
42 and above		22 (10.8)	3.53 ± 0.58	
Marital Status		N (%)	Mean ± SD	P-Value
Married	t-test	157 (77.0)	3.54 ± 0.63	0.766
Unmarried		47 (23.0)	3.57 ± 0.65	
Education level		N (%)	Mean ± SD	P-Value
Master's Degree	t-test	183 (89.7)	3.58 ± 0.62	0.033
Others		21 (10.3)	3.23 ± 0.68	
Designation		N (%)	Mean ± SD	P-Value
Entry-EO	F-test	134 (65.7)	3.60 ± 0.65	0.190
SEO-FAVP		53 (26.0)	3.41 ± 0.63	
Above FVP		17 (8.3)	3.52 ± 0.51	
Working experience in this organization		N (%)	Mean ± SD	P-Value
1 – 5 yrs	F-test	89 (43.6)	3.57 ± 0.62	0.904
5 – 10 yrs		82 (40.2)	3.53 ± 0.68	
10 yrs and above		33 (16.2)	3.51 ± 0.55	
Job Category		N (%)	Mean ± SD	P-Value
Permanent	t-test	195 (95.6)	3.55 ± 0.64	0.611
Others		9 (4.4)	3.44 ± 0.61	

Table 4.2 revealed that all are insignificant except 'Education Level' this means that there is no significant difference within the group to retain the organization or not. Since most of the variables are insignificant we cannot consider these for further analyses.

Table 4.3 Correlation between Dependent and Independent Variables.

		Employee Retention
Employee Retention	Pearson Correlation	1
	Sig. (2-tailed)	
Performance appraisal and future growth	Pearson Correlation	.478**
	Sig. (2-tailed)	.000
Leadership support with work environment	Pearson Correlation	.387**
	Sig. (2-tailed)	.000
Training and development	Pearson Correlation	.477**
	Sig. (2-tailed)	.000
Recruitment policy	Pearson Correlation	.233**
	Sig. (2-tailed)	.001
Employee benefits	Pearson Correlation	.445**
	Sig. (2-tailed)	.000
Management support to employee	Pearson Correlation	.267**
	Sig. (2-tailed)	.000
Job security	Pearson Correlation	.200**

	Sig. (2-tailed)	.004
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***. Correlation is significant at the 0.01 level (2-tailed).*

From the above table we observed that all variables are inter correlated between them with highly significant. The correlation between dependent variable (Employee Retention) and independent variables is significant at 1% level of significance.

4.4 Multivariate Analysis

4.4.1 Factor Analysis

Factor analysis is a dimension reduction technique that is used to reduce a large number of attributes to a smaller set of components. Factor analysis is used in data reduction as the analysis can group similar cases, however, it cannot distinguish between the dependent variable and independent variables (Yong & Pearce, 2013). It is used to measure constructs as well as to retain variables in a more manageable component.

The Factor Eigenvalues measured how much of the variance of the observed variables explained a factor. Factor Eigenvalues must be greater than or equal to 1 to be significant (Yong & Pearce, 2013). In this study, Principal Components Varimax Rotated Method has been used to identify the factors influencing of employee retention in banking industry of Bangladesh. Factor loading with a value of 1.5 and above are retained as they are pure measure of the constructs.

The Kaiser-Meyer-Olkin (KMO) measured how suited is the data collected for Factor Analysis. KMO value would range from 0 to 1. In addition, if the value lies between 0.8 to 1, it would indicate that the sampling is adequate, whereas if the value is less than 0.6 it would mean that the sampling is not adequate (Yong & Pearce, 2013). In our study KMO = 0.848, that indicates our samplings is adequate. Bartlett's Test of Sphericity determined the validity and suitability of the responses collected to the problem being addressed or not. In order for the factorability to be significant, the Bartlett's Test of Sphericity should be significant at ($p < 0.05$). If the significance level is lower than the recommended value of $p < 0.05$, it would indicate Factor Analysis is appropriate (Yong & Pearce, 2013). Our Bartlett's Test of Sphericity is highly significant ($p < 0.001$)

Table 4.4 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.848
Bartlett's Test of Sphericity	Approx. Chi-Square	3775.595
	df	990
	Sig.	.000

Table 4.5 Factors with Explained Variation

Factors	Eigen Value and Explained Variance		
	Eigen Value	% of Variance	Cumulative %
Factor 1: Performance Appraisal and Future Growth	10.575	23.499	23.499
Factor 2: Leadership Support with Work Environment	2.686	5.969	29.468
Factor 3: Training and Development	2.672	5.937	35.405
Factor 4: Recruitment Policy	2.103	4.674	40.079
Factor 5: Employee Benefits	1.890	4.200	44.279
Factor 6: Management Support to Employee	1.642	3.649	47.928
Factor 7: Job Security	1.533	3.406	51.334

After observing the KMO and Bartlett's test, to maximize the variance of each of the factors the "varimax" rotation was executed that will reallocate the accounted variance among the extracted factors. 23.499% of employee retention can be explained by first factor and the second extracted factor explained about 5.969% of variation of

employee retention. The succeeding five extracted factors are accountable for 5.937, 4.674, 4.200, 3.649 and 3.406% of employee retention respectively.

The "Screen plot" is also an important tool to identify the number of factors to be accepted. From the following scree plot we observed that after the first seven factors the Eigen values are more stable, it is suggested that extracting seven factors might be a sensible choice for the employee retention data.

Figure 4.1 Scree Plot for Eigenvalues

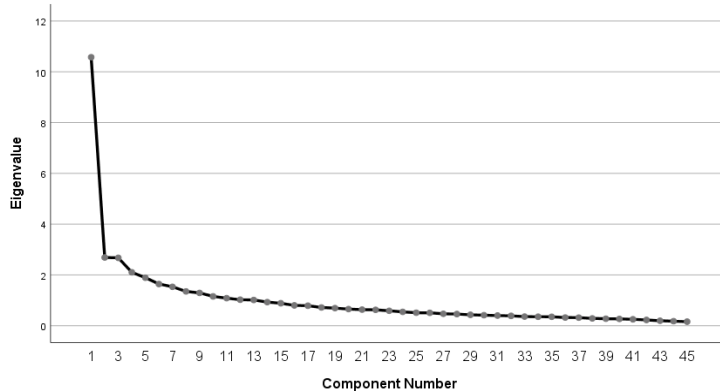


Table 4.6 Rotated Component Matrix

	Component						
	1	2	3	4	5	6	7
My Bank selects right person at right place at right time	.669						
Performance is measured with unbiasedness in my Bank	.654						
In this Bank, there is no nepotism in the selection	.647						
Performance is measured with the weight of work	.605						
It has good and transparent reward practice policy	.556						
In this Bank we have self-actualization opportunity	.514						
Performance is measured throughout the year							
It has a standard policy to measure the performance							
It provides an adequate insurance coverage plan							
Line manager shares information willingly							
Enjoyable working condition in my Bank		.680					
Always I get appreciation of my decent work		.677					
I get recognition for each work from my manager		.661					
I have freedom in my work		.621					
My manager guides me in my future career		.548					
Work is monitored by manager effectively		.542					
This Bank assigns to me a work with sufficient time & according to capacity		.542					
My assignment is clearly defined by my manager							
Working time is eight (8) hours, no need to work more/extra time							
This Bank allocates an adequate funds for training purpose			.762				
Trainings obtained from my Bank makes me competent for higher position			.725				
This Bank facilitates the clear career paths			.604				
Our training instructors are very knowledgeable			.588				
This Bank arrange contemporary training frequently			.532				
This Bank follows a standard policy to recruit employees				.626			
My colleagues are supportive and friendly				.598			

This Bank recruits from both internal and external				.594			
On time salaries and bonuses payment				.539			
My manager has good relationship with top management							
Medical allowance is sufficient to me and my family				.646			
Leave plan of my Bank is satisfactory to me				.604			
TA/DA policy is sufficient to me				.589			
Retirement benefits are very lucrative of my Bank				.581			
Hansom bonuses are provided to me							
My Bank provides sufficient compensation to me							
There is no obligation to perform my assigned work							
There are entertainment facilities e.g. sports, PIKNIK					.582		
Salary structure is standard compared to other Banks					.567		
There is a good opportunity to get experience from diversified work					.554		
This Bank assigns the challenging work							
I want to take more challenging work than my existing work							
There is no involuntary termination policy/practice without great offence							.739
In this Bank, no one has influencing power to make an involuntary termination							.730
This Bank gives sufficient time to the employee in involuntary termination							.703
The distance of my work place from my house is amenable							
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.							

Eigenvalues, Extracted Components, and Rotated Components. It measured how strong the constructs were and how many items which assessed employee retention is included in the model. According to the analysis, there are three components in the model with Eigenvalues more than 1.5, which was subsequently retained. In this case, the factors are made by the function of observed items by removing the clutter of low correlations or low inter item relationship (those are less than 0.50) that may insignificant. These 7 factors are specified below along with their components which are found from the rotated component matrix table:

Factor 1 can be entitled to “Performance Appraisal and Future Growth” because this factor contains of high coefficients for ‘My Bank selects right person at right place at right time’ (.669), ‘Performance is measured with unbiasedness in my Bank’ (.654), ‘In this Bank, there is no nepotism in the selection’(.647), ‘Performance is measured with the weight of work’ (.605), ‘It has good and transparent reward practice policy’ (.556) and ‘In this Bank we have self-actualization opportunity’ (.514).

Factor 2 entitled as “Leadership Support with Work Environment” this factor contains of maximum coefficients for ‘Enjoyable working condition in my Bank’ (.680), ‘Always I get appreciation of my decent work’ (.677), ‘I get recognition for each work from my manager’ (.661), ‘I have freedom in my work’ (.621), ‘My manager guides me in my future career’ (.548), ‘Work is monitored by manager effectively’ (.542) and ‘This Bank assigns to me a work with sufficient time & according to capacity’ (.542).

Factor 3 we considered as “Training and Development” this factor covers the high coefficients for ‘This Bank allocates an adequate fund for training purpose’ (.762), ‘Trainings obtained from my Bank makes me competent for higher position’ (.725), ‘This Bank facilitates the clear career paths’ (.604), ‘Our training instructors are very knowledgeable’ (.588) and ‘This Bank arrange contemporary training frequently’ (.532).

Factor 4 can be expressed as “Recruitment Policy” this factor comprises the high coefficients for ‘This Bank follows a standard policy to recruit employees’ (.626), ‘My colleagues are supportive and friendly’ (.598), ‘This Bank recruits from both internal and external’ (.594) and ‘On time salaries and bonuses payment’ (.539).

Factor 5 can be entitled to “Employee Benefits” because this factor contains of high coefficients for ‘Medical allowance is sufficient to me and my family’ (.646), ‘Leave plan of my Bank is satisfactory to me’ (.604), ‘TA/DA policy is sufficient to me’ (.589) and ‘Retirement benefits are very lucrative of my Bank’ (.581).

Factor 6 entitled as “Management Support to Employee” this factor contains of maximum coefficients for ‘There are entertainment facilities e.g. sports, PIKNIK’ (.582), ‘Salary structure is standard compared to other Banks’ (.567) and ‘There is a good opportunity to get experience from diversified work’ (.554).

Factor 7 we considered as “Job Security” this factor covers the high coefficients for ‘There is no involuntary termination policy/practice without great offence’ (.739), ‘In this Bank, no one has influencing power to make an involuntary termination’ (.730) and ‘This Bank gives sufficient time to the employee in involuntary termination’ (.703).

4.4.2 Reliability Test

Reliability test is the most commonly used measure to check internal consistency of the items in an instrument of a research. Cronbach’s alpha is widely used and is regarded as a popular test that confirmed the reliability of each measure (Tavakol&Dennick, 2011). In accessing the data from the seven variables summed to determine the job satisfaction factors scores formed a reliable scale. Thus, the reliability test using the Cronbach Alpha values was conducted prior to further analysis. The alpha values for the “Performance appraisal and future growth” (0.707), “Leadership support with work environment” (0.717), “Training and development” (0.714), “Recruitment policy” (0.756), “Employee benefits” (0.730), “Management support to employee” (0.718) and “Job security” (0.768) indicated that the items formed a scale of reasonable internal consistencies in its reliability. The highest correlation for each item with at least one item in the constructs was between the value of 0.154 and 0.534. Therefore, all of the items correlate adequately in the constructs.

Table 4.7 Reliability Analysis

Factors	Reliability Analysis	
	Number of Items	Cronbach Alpha Value
Factor 1: Performance appraisal and future growth	6	0.707
Factor 2: Leadership support with work environment	7	0.717
Factor 3: Training and development	5	0.714
Factor 4: Recruitment policy	4	0.756
Factor 5: Employee benefits	3	0.730
Factor 6: Management support to employee	4	0.718
Factor 7: Job security	3	0.768

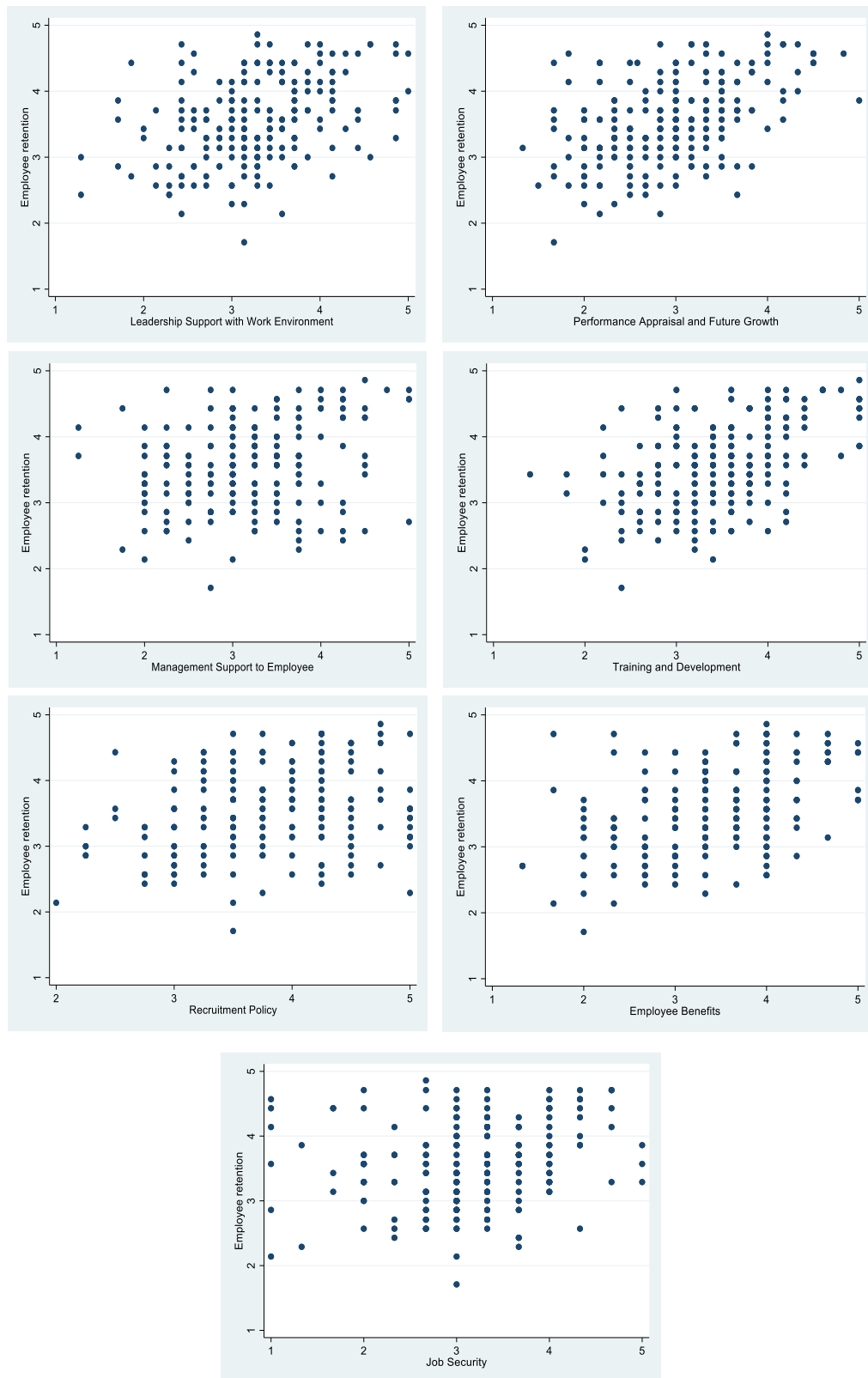
4.4.3 Regression Analysis

4.4.3.1 Assumption Test for Regression Analysis

Linear regression is an analysis that measures whether one or more explanatory variables predict the dependent variable. The regression has some key assumptions such as Linear relationship, Multivariate normality, no or little multicollinearity, no auto-correlation & Homoscedasticity and no outliers in dataset.

4.4.3.1.1 Tests on Linearity

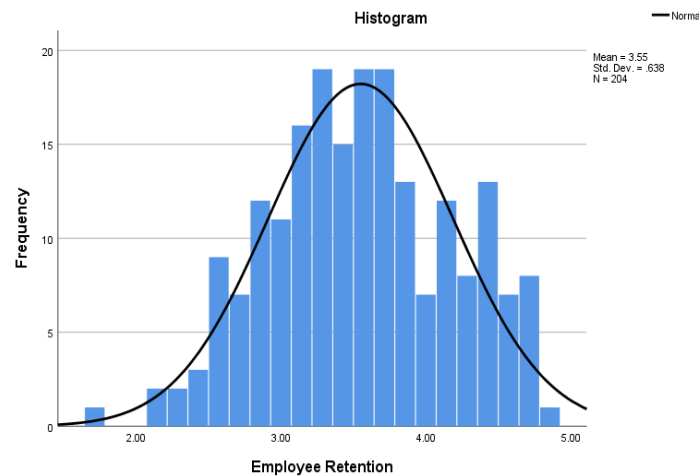
Figure 4.2 Scatter Plot for Linearity Test



The above scatter plots represent the scatter plots of all possible independent variables with dependent variable (Employee retention). The plots illustrate that all independent variables are more or less linearly related with dependent variable

4.4.3.1.2 Tests on Normality of dependent variable

Figure 4.3 Histogram for Normality Test



From the 4.3 figure we observed that the distribution of dependent variable is normal. This normally distributed dependent variable met our regression assumption.

The values of the residuals are independent

Table 4.8 Durbin Watson Test

	R	R square	Adjusted R square.	SE	Durbin Watson
Multiple regression model	0.60	0.36	0.34	0.51	1.92

This assumption is basically same as saying that we need our observations to be independent (or uncorrelated). This can be tested by Durbin-Watson test. This statistic can vary 0 to 4. It can be said that the values of the residuals are independent if the Durbin Watson statistic is close to 2. Values below 1 and above 3 are cause of concern. In this case the value is 1.92, so this assumption has been met.

4.4.3.1.3 Tests on Multicollinearity

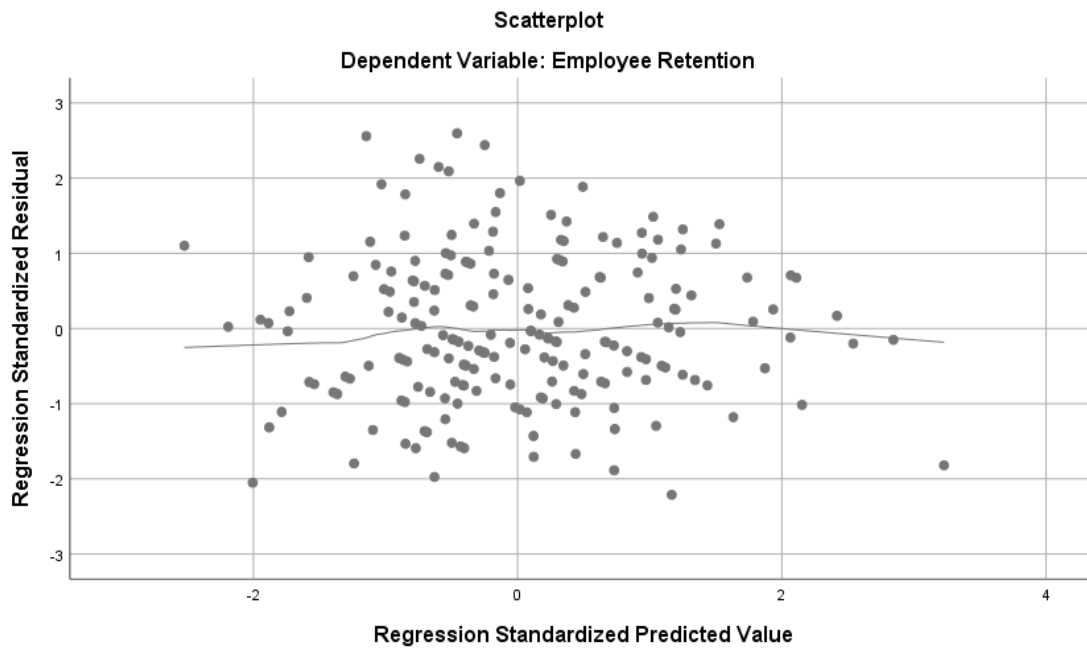
Table 4.9 Variance Inflation Factor

Independent Variables	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Performance appraisal and future growth	0.562	1.780
Leadership support with work environment	0.648	1.542
Training and development	0.601	1.665
Recruitment policy	0.856	1.168
Employee benefits	0.725	1.380
Management support to employee	0.705	1.418
Job security	0.879	1.138

Here we checked the absence of multicollinearity using VIF values. All the way at the right end of the table, we found the VIF values. As stated by O'Brien 'commonly a VIF of 10 or even one as low as 4 have been used as rules of thumb to indicate excessive or serious collinearity'. By considering these rules of thumb, each value is below 10(O'Brien, 2007), indicating that the assumption is met.

4.4.3.1.4 Tests on Nonlinearity and Homogeneity of Variance

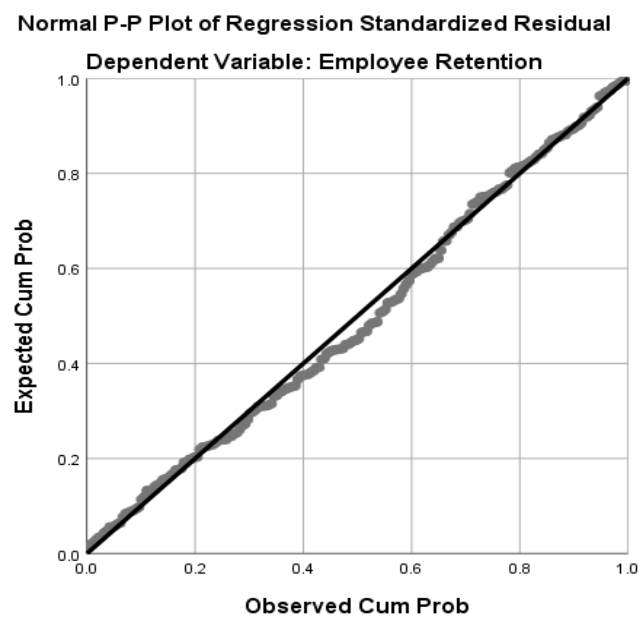
Figure 4.4 Scatter Plot for Homogeneity Test



It appears that the relationship of standardized predicted to residuals is roughly linear around zero. We can conclude that the relationship between the response variable and predictors is zero since the residuals seem to be randomly scattered around zero.

4.4.3.1.5 Test on Normality for Residuals

Figure 4.5 Normal P-P plot for regression standardized Residuals



This assumption can be tested by looking at the P-P plot for the model. The closer the dots lie to the straight line the closer the residuals are normally distributed. In this case our data points mostly touch the straight line or are close to the line. So, it can be said that this assumption has been met.

4.4.3.1.6 Test for identifying the outliers.

The final assumption can be checked by going to the data set and looking the cook's distance. Any value above 1 are likely to be significant outliers, which may influence the model. In this case no such instances have occurred our maximum value is 0.07551. So, there are no influential cases biasing our model.

4.4.3.2 Simple Regression

In simple regression, there is one dependent variable and one independent variable. This is performed to quantify the dependency of dependent variable on explanatory variable (Neter J. et al., 1990).

Table 4.10 Simple Linear Regression

Influencing Factors	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
Performance appraisal and future growth	0.424	0.055	7.730	0.000
Leadership support with work environment	0.343	0.058	5.957	0.000
Training and development	0.440	0.057	7.723	0.000
Recruitment policy	0.220	0.065	3.405	0.001
Employee benefits	0.358	0.051	7.062	0.000
Management support to employee	0.227	0.058	3.938	0.000
Management support to employee	0.227	0.058	3.938	0.000

***Dependent Variable: Employee Retention**

From the above table, it is revealed that if we perform simple regression by taking these seven independent variables individually all are shown the significant impact on employee retention. 'Training and development' shown the highest impact ($B=0.440$, $p<0.001$) on employee retention and minimum impact ($B=0.220$, $P=0.001$) found for the variable 'recruitment policy'.

4.4.3.3 Multiple Regression

Regression Analysis is sometimes used to build model for the relationship between dependent variables and one or more independent variables (Ramlan & Adnan, 2016). For this study Multiple Linear Regression has been chosen to estimate the relationship between a response variable and seven independent variables.

Multiple Linear Regression is an extension of Simple Linear Regression. It is used to predict the value of one dependent variable based on two or more explanatory variables (Kumar, 2014). In this study, considering employee retention as a dependent variable and tangible products, personnel service quality, level of commitment and level of compassion as independent variables Multiple Linear Regression has been performed here.

Table 4.11 Model Summary for Multiple Regression

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.606	0.367	0.344	0.51679

R, the multiple correlation coefficient is the measure of the prediction of the dependent variable based on independent variables (Ramlan & Adnan, 2016). The value $R=0.606$, indicated that the level of prediction to assess employee retention was good, (Refer to table 4.11). R^2 value, (coefficient of the determination) 0.367 indicated that 36.7% of employee retention could be explained by the seven independent variables.

Table 4.12 ANOVA Table

	Sum of Squares	df	Mean Square	F	Sig.
Regression	30.353	7	4.336	16.236	0.000
Residual	52.347	196	0.267		
Total	82.700	203			

F- statistic is used for testing if the null hypothesis should be rejected or supported. The F- statistic results combined with the p value indicated that the overall results obtained in the analyses were significant (Ramlan& Adnan, 2016). However, it is to be noted that it does not indicate that all the four independent variables have significant impact on employee retention. The above table shows explanatory variables are statistically significant i.e. the model is a good fit of the data $F=16.236$, $p\text{ value}<0.001$).

Table 4.13 Multiple Regression

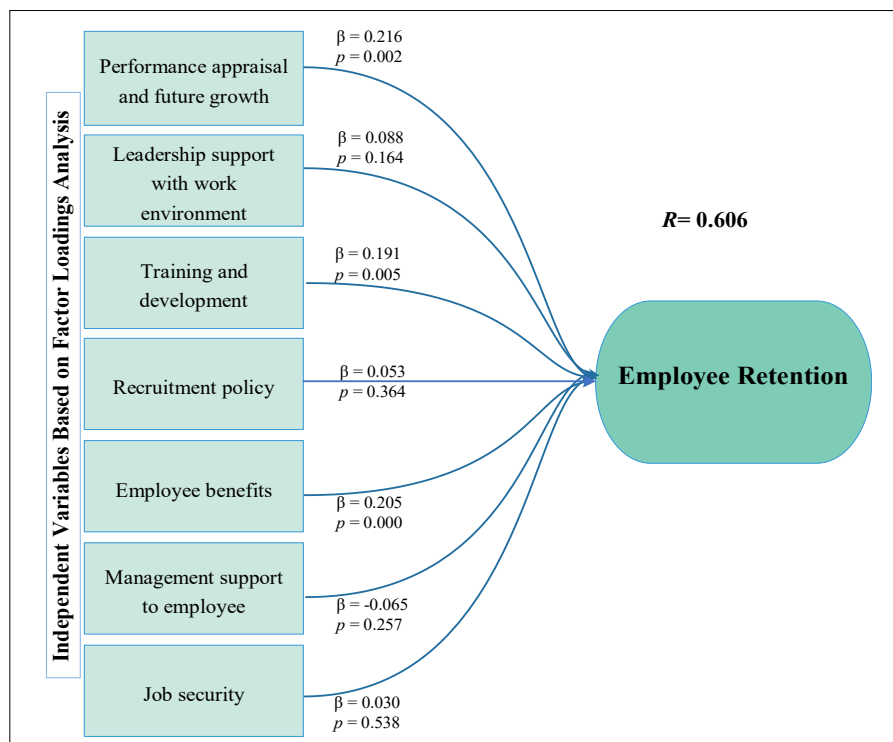
	Unstandardized Coefficients		t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error			Lower Bound	Upper Bound
(Constant)	1.176	0.275	4.282	0.000	0.634	1.718
Performance appraisal and future growth	0.216	0.067	3.219	0.002	0.084	0.349
Leadership support with work environment	0.088	0.063	1.398	0.164	-0.036	0.211
Training and development	0.191	0.068	2.823	0.005	0.058	0.324
Recruitment policy	0.053	0.058	0.909	0.364	-0.062	0.167
Employee benefits	0.205	0.054	3.819	0.000	0.099	0.311
Management support to employee	-0.065	0.057	-1.136	0.257	-0.178	0.048
Job security	0.030	0.048	0.617	0.538	-0.065	0.124

***Dependent Variable: Employee Retention**

The P values (Sig.) from above table illustrated that the Performance appraisal and future growth, Training and development and Employee benefits are statistically highly significant i.e. these three independents variables had significant impact on employee retention.

The coefficients (B) estimated how strongly the explanatory variables influenced the dependent variable (Ramlan& Adnan, 2016). According to the values of B and P it can be said that Performance appraisal and future growth had highest significant impact ($B=0.216$, $P=0.002$) on employee retention. Based on this analysis, strength of association of Employee benefits at second ($B=0.205$, $P<0.001$) followed by Training and development ($B=0.191$, $P=0.005$). Other four independent variables have no significant impact on employee retention. In this regression analysis our all independent variables are made on the basis of factor analysis. However, the overall scenario of coefficients with p -value is given in the following figure.

Figure 4.6 Graphical Representations of Multiple Regressions



5. Conclusion and Recommendation

The main objective of the study was to examine the factors influencing employees' retention in the Private Banks of Bangladesh. The study based on the results of different statistical analysis showed that the ability of banks in Bangladesh to retain their existing employees depends on various factors. In this study we performed seven factors to investigate which are most influential factors to retain the employee. From the correlation study we observed that all these seven factors are highly correlated to the employee retention. This study also reveals that employee benefit is the most important factor to retain the employees of the organization. In our study, the employee benefits include salary structure, entertainment facilities and experience opportunities. The management of the bank should analyze the benefits of the peer banks within a certain interval and update the benefits for the employees of their organization. Respondents of this study, agree that the if the organization provides broad based training which expands their knowledge, skills and attitudes for efficient performance that is training acts as a retention tool. Respondents also argued that if the management of the bank encourages and supports training and ensures the training content is well designed and clear thus equipping them with skills, knowledge to bridge the gap between standard performance to the desired performance in the organization then employee retention rate will increase gradually for that organization. Training opportunities should also be evaluated by the management in order to increase performance and quality of the employees. The future growth opportunity is another important factor to retain the employees. If banks are to retain their existing employees, there is the need for them to pay much attention to these factors since by the nature of banks, customers develop trust and confidence in these banks if they meet the same employees they have develop friendship over time than frequently meeting different employees because of turnover.

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