



HR Retention Strategies for Enhanced Job Satisfaction in a Highly Competitive Job Market: A Study with Private Banking Sector in Bangladesh

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Keywords:

Employee retention
Job satisfaction
Private bank
Dhaka City
Bangladesh.

Accepted: 22 January 2020

Published: 3 February 2020

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Abstract

Many studies have been conducted to find out the employee retention strategies by the organization towards issues related with HR. In this particular research the researchers tried to research and observe the relationship between employee retention and job satisfaction in private banking sector in the context of Bangladesh. A number of 150 sample size was considered through convenient sampling technique to analyze the relationship between satisfactions of employee on job retention strategies. The result of the correlation analysis found employee retention strategies is positively and strongly correlated with employee job satisfaction ($r = 0.533$, $p < 1.00$). In this regression analysis, the study found $R^2 = .284$ which means independent (employee retention) variable can explain 28.4% of dependent variable (employee satisfaction) and the Independent variable employee retention can explain is positively depending on dependent variable employee satisfaction.

Funding: This study received no specific financial support.

Competing Interests: The authors declare that they have no competing interests.

Acknowledgement: The authors express gratitude to FSIBL, Standard Chartered, Prime bank, Dutch-Bangla Bank, and EBL for making the datasets available for use.

1. Introduction

Employee retention refers to the ability of an organization to retain its employees. Employee retention can be represented by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period) (Mitchell, Holtom, & Lee, 2001; Spreitzer & Mishra, 2002). However, many consider employee retention as relating to the efforts by which employers attempt to retain employees in their workforce. In this sense, retention becomes the strategies rather than the outcome (Mitchell et al., 2001).

Employee satisfaction is the terminology used to describe whether employees are happy and contented with their desires and needs at work. In human resource terms, employee satisfaction means employees are contented with their work and position (McShane & Von Glinow, 2005). To be contented, they likely enjoy much of their work, they feel management is fair and cares about them, and they are comfortable in their work environment - both with other staffers, and with the resources they have available to complete their jobs.

Employee satisfaction is a reliable predictor of employee retention. When employers engage in practices that support good working relationships, employee satisfaction improves because workers tend to believe the company is using their skills and appreciating their service and commitment. In turn, higher job satisfaction generally results in higher levels of employee retention (Light, 2004).

Understanding indispensable impact of retention strategies for higher job satisfaction in a competitive job sector such as banking industry and the lack of study in this area, this study endeavors to fill the gap. Therefore this study attempts to explore the issues relating to retention strategies and how they impact on

overall job satisfaction. This is possibly the very first attempt by any Bangladeshi researcher to observe the relationship between employee retention and job satisfaction in private banking sector.

2. Objectives of the Study

2.1. General Objective

The general objective of the study is to analysis the impact of employee retention strategy on employee satisfaction in private banking sector in Bangladesh.

2.2. Specific Objectives

- To analyze employee retention strategies in different private banks.
- To review employee satisfaction status in banking sector.
- To determine the relationship between employee retention strategy and higher job satisfaction.

3. Literature Review

3.1. Employee Retention

Employee retention refers to policies and activities companies overtake to prevent their valuable and effective skilled employees from leaving the job. These policies include measures to encourage employees to stay in the organization for the longer period of time. Recruiting skilled labor is important but to keep them satisfied is equally important for the employer. Unfortunately many employers have underestimated the associated costs of turnover and thus not have any retention policy (Light, 2004). Turnover costs can incur with facts like security clearance, temporary worker, reference checking, relocation cost and former training cost (Roodt & Kotze, 2005).

Meaghan and Nick (2002) have stated that employees are vital for the firm since their values to the organization are not effortlessly replicated. Many researchers like (Bluedorn, 1982; Kalliath & Beck, 2001) have tried to find out the answer why people intend to quite, want to leave early, but unfortunately there are so little margin of their findings. The huge amount of job stress, truthful commitment within the company and finally job dissatisfaction are increasing the level of resignation of employees (Hussel, 2011). A large number of studies also classified the relation between satisfaction and natural intentions like employee retention (Sullivan, 1993).

Retention is a deliberate move by a company to build an environment which involves employees for the longer period (Hausknecht, Rodda, & Howard, 2008). A more explained and new definition of the idea of retention is to prevent the loss of skilled workers from resigning productivity and profitability (Huang, Lin, & Chuang, 2006). Lots of people see employee retention as the consequence of the implementation of policies and procedures that help employees to stay with the company because of a working atmosphere that fulfill their demands (Green & Tsitsianis, 2018). Harvard Business Essentials stated employee retention as the converse of turnover- turnover being the sum of charitable and no charitable separations among a employee and their company. However Guthrie (2001) suggest that exploring employee retention within the context of turnover is not sufficient; instead emphasizing should be on the process which employee retention promotes the continuation of a working firm that is able to meet the organizational demand. According to them employee turnover is important so that the unable employees can be determined to achieve the goal of the organization and thus proper retention policy focuses on the employees who are skilled for the position.

3.2. Job Satisfaction

Although numerous researchers tried to explain job satisfaction with specific terms but there is no general agreement regarding what job satisfaction is. Igbaria and Guimaraes (2017) defined job satisfaction as the combination of psychological and environmental circumstances that drives an employee to admit that he/she is satisfied with their job (Igbaria & Guimaraes, 2017). This review stated that although job satisfaction has the ultimate influence on many peripheral factors. It affects internal issues of employee perception. Vroom on the other hand put significance on the role of the employee in the workplace. He described job satisfaction as the affective orientation of individuals towards their working place (Gaertner, 1999). Job satisfaction represents a combination of both bad and good feelings that workers have about their work. Job satisfaction is nearly linked to the behavior of the employees (Green & Tsitsianis, 2018). In other words job satisfaction is employee's sense of achievements and developments within the company. It implies doing a job that one enjoy and get rewarded for it. It entails enthusiasm and contentment of other focuses. Job satisfaction is the prime feature that leads to promotion, income, and development and above all the feeling of fulfillment (Halvorsen, 2005). Job satisfaction can be explained as the enlargement to which a worker is content with the rewards one gets from one's job, particularly in order of intrinsic motivation (Oshagbemi, 2017).

The expression job satisfaction refers to the attitudes and beliefs that people have about their job. Attractive and favorable attitudes towards the job designate job satisfaction. Negative and inauspicious outlook towards the job identify job dissatisfaction (Brown & Lam, 2008). In addition to have attitudes about their job they can rely on some other aspect like co-workers, supervisors or subordinates and definitely their payment (Guthrie, 2001). According to Mullins job satisfaction is an intricate and multifaceted conception

which can mean separately to separate people. Some links it with motivation but satisfaction cannot be same as the motivation. Job satisfaction is more likely to be an independent attitude an internal status. It might be, for instant be allied with a individual feeling of achievement either qualitative or quantitative (Koys, 2001). In accordance with Millan, Hessels, Thurik, and Aguado (2011) words job satisfaction is how public sense their jobs and various parts of their jobs. This point of view was supported by Murray (2014) said job satisfaction is the extent in which employees view their job. According to Lum, Kervin, Clark, Reid, and Sirola (2016) job satisfaction as an effective and the same time emotional overview toward different characteristics of an employee's performance. Job satisfaction is the feeling which an employee possesses about his or her work along with the usual outlook towards job (Kristensen & Westergård-Nielsen, 2013).

4. Methodology

The study is considered quantitative in nature. In this research, researchers collected information from the employees who are working in different private banks across Dhaka City. The sample frame for this study was the participation list of employees from the FSIBL, Standard Chartered, Prime bank, Dutch-Bangla Bank, and EBL. Through simple random sampling a sufficient number (150) of respondents were obtained from non probability convenient sampling method to meet the requirements of the statistical techniques as the population size is unknown for this particular research (Petzer & De Meyer, 2011). The proposed study was a correlation study. As a result, after collecting data from the respondents, researchers used correlation matrix to identify whether relationships exist between the measured variable or not. Besides that, the mean and standard deviation of all retention dimensions were calculated to identify the variable having most influence on Job Satisfaction. For this research Ms Excel, SPSS (v, 21) were used as the statistical data analysis tool as it offers greater flexibility in data analysis.

5. Data Analysis

5.1. Demographic Information

Table-1. Demographic information of the respondents.

Demographic characteristics	Frequency	Percentage
Gender (n = 150)		
Male	111	74%
Female	39	26%
Age (n = 150)		
Below 30	67	44.67%
30-40	40	26.9%
41-50	23	15.34%
Above 50	20	13.34%
Length of service (n = 150)		
Below 5	83	55.34%
6-10	27	18%
11-20	21	14%
More than 20	19	12.67%

In Table 1, the study has attempted to identify some demographic information such as Gender differences, Age levels and Length of Services of the respondents. The survey data illustrates that among 150 (n) respondents about 74% were male while 26% were female. Survey results also identified that a significant percentage of the respondents are below 30, 44.67% to be precise. On the contrary people aging above 50 constitute the least percentage (13.34%) among the respondents. In case of Length of service, survey result shows that around 55.34% of the respondents have less than 5 years of experience which constitute the highest amount of people among the respondents and 12.67% of the respondents have more than 20 years of experience which is the lowest among different levels.

5.2. Descriptive Statistics of Data

From the Table 2, it is been observed that, the mean responses of retention factors are laying between 5.067 to 5.967 and the mean response of satisfaction factors are laying between 5.400 to 5.900 in the scale of 7; which means they are more moderate to agree about those factors and the standard deviation of retention factors are laying between 0.1826 to 0.5833 and the satisfaction factors are laying between 0.2537 to .5724 which means the deviation are satisfactory as the each scale difference is 1.

Table-2. Descriptive statistics of data.

Particulars	N	Mean	St. Dv.	Variance
Employee Retention				
Job security	150	5.967	.1826	.033
Promotion opportunities	150	5.867	.3457	.120
Welfare measure	150	5.867	.3457	.120
Working Environment				
Job rotation and new assignment	150	5.767	.4302	.185
Help in carrier development	150	5.633	.4901	.240
Location transfer opportunities with promotion	150	5.333	.5467	.299
Management support for Higher Education	150	5.067	.5833	.340
Training and Development programs	150	5.467	.5074	.257
Fringe benefits	150	5.567	.5040	.254
Fringe benefits Workers participation management activities	150	5.833	.3790	.144
Workers participation in management activities	150	5.833	.3790	.144
Valid N (list wise) = 150				
Employee Job Satisfaction				
The degree of independency to execute a job	150	5.867	.3457	.120
Scope for personal growth and development	150	5.867	.2537	.064
Level of job security in the company	150	5.900	.3051	.093
Scope for future career in the organization	150	5.800	.4068	.166
There is no discrimination in salary paid to employees	150	5.833	.3790	.144
Support & guidance received from supervise	150	5.700	.5350	.286
The promotional provided in the organization	150	5.500	.5724	.328
Grievances handling procedure	150	5.567	.5683	.323
Level facilities offered by the company	150	5.400	.5632	.317
Valid N (list wise) = 150				

5.3. Correlation Analysis

Table-3. Correlation between the variables.

		Retention	Satisfaction
Retention	Pearson Correlation	1	.533**
	Sig. (2-tailed)		.002
	N	150	150
Satisfaction	Pearson Correlation	.533**	1
	Sig. (2-tailed)	.002	
	N	150	150

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

*. Correlation is significant at the 0.05 level (2-tailed).

From Table 3, a correlation analysis conducted on all variables to explore the relationship between variables. The Bivariate (Pearson Correlation) procedure was subject to a two tailed of statistical significance at two different levels highly significant ($p < .01$) and significant ($p < .05$). The correlation coefficient value (r) range from 0.01 to 0.29 is considered weak, from 0.03 to 0.49 is considered moderate and from 0.50 to 1.00 is considered strong. The result of correlation analysis for all the variables is shown in the above Table. It examines the correlations among employee retention strategies in employee job satisfaction. The variable employee retention strategies is positively and strongly correlated with employee job satisfaction ($r = 0.533$, $p < 1.00$).

5.4. Linear Regression Analysis

Table-4. Model summary.

Model	R	R square	Adjusted R square	Std. Error of the estimate
1	.533 ^a	.284	.259	.41686

Note: a. Predictors: (Constant), Retention.

Regression analysis is normally used to find that how much independent variable can explain of dependent variable. In this research the independent variable is employee retention and the dependent variable is employee satisfaction. From Table 4, the researchers found R square = .284 which means independent (employee retention) variable can explain 28.4% of dependent variable (employee satisfaction).

5.5. Regression Calculation of Coefficients

From Table 5, it is shown that the number 2.567 to the right of the “(Constant)” label and under the labels “Unstandardized Coefficients” and “B”. The number .537 is the slope estimate, estimated slope coefficient, slope estimate for retention, or coefficient estimate for retention.

We know,

$$Y = a + bX$$

$$\text{Or, } Y = 2.567 + .537X$$

So, independent variable of employee retention is positively depending on dependent variable employee satisfaction.

Table-5. Regression results for the corn experiment of coefficients.

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.	95.0% Confidence interval for B	
		B	Std. error	Beta			Lower bound	Upper bound
1	(Constant)	2.567	.793		3.238	.003	.943	4.191
	Retention	.537	.161	.533	3.336	.002	.207	.867

Note: a. Dependent Variable: Satisfaction.

6. Conclusion & Future Research

In general, this study has discussed about the relationship between employee retention strategies and employee satisfaction in a highly competitive job market. The objective of the study was to examine the effects of intrinsic and extrinsic satisfaction on retention intentions. Statistical analysis on a sample of 150 executive employees revealed that both components of job satisfaction had a positive impact on retention intention. Based on the findings, the study revealed employee satisfaction influenced on intentions to stay in the organization. In further study, the area of research still require in depth analysis on larger number of respondents to analyze more accurate findings. More specific areas will also be carried out for the future researcher to study. However, it is hoped that the contributions proposed by the researchers will be able to contribute towards improving human resource management at the company.

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