
HRM STRATEGIES AND STAFF RETENTION IN PRIVATE BANKS

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ABSTRACT

This study's objective is to research and speak about the retention rates of 100 management post graduates who were recruited in 10 different private banking and financial organizations over the course of three years. These post graduates were recruited over the period of three years. The tactics used by the companies regarding their HR cultures were significantly dissimilar to one another. The amount of diversity that can be found within the HR culture of a business is a significant factor in the degree to which employees choose to remain with that firm. Both the performance of employees and their likelihood to remain with a company are directly influenced by the culture that is promoted by the human resources department of a business. Candidates for employment are the vehicle through which a company may progress the overall growth and development of the company. Consequently, the Human Resources (HR) department of a company is directly responsible for the formation of such an employee-centric culture inside an organization as a method of raising the retention ratio. This comes firmly under the jurisdiction of an organization's HR department. The individuals in charge of human resources in private sector banks are well aware of the fact that the most challenging aspect of their employment is the task of retaining employees who are performing well and who have potential in the organization. Both primary data, such as a sample survey, and secondary data, such as previously published literature and journals that were subjected to peer review, were utilized in the research that was carried out. Regression analysis was carried out so that the data could be examined more thoroughly.

Key word: HR culture, HR policies, motivation

INTRODUCTION

Businesses in India are finding it more difficult to retain their employees as a result of the increasing amount of competition in the job market. This is occurring at the same time as the world around them is changing. According to the findings of a study that Maqsood Haider conducted in January 2015, in order for businesses to obtain a competitive advantage, they need to place a substantial emphasis on the recruitment of prospective individuals. According to research that was conducted and released in May 2020 by Puspalata Mahapatra, the largest challenge in the environment that has been left behind by the pandemic is the retention of personnel. The banking sector has a variety of issues in the modern day, the most significant of which is keeping its staff throughout the course of the long term. This is as a result of the fact that employees' opinions towards job hopping have evolved over the course of the past few years (Yousuf, January 2021).

In 1991, the M. Narasimham Committee-I issued a number of fundamental suggestions, one of the most important of which was that the Human Resource Department (HRD) should be improved by strengthening processes and implementing structural adjustments. According to Uppal (April 2011), this group was in charge of presenting the framework for the first generation of changes in the banking and financial industry. Since then, the culture of objective-based human resource management has been established across the Indian

banking system, notably among the country's private sector banks. Some of the largest private sector banks have implemented employee counseling, performance assessment, effective training, adequate staffing, and grievance handling mechanisms. This has had a significant influence on employee-management affinity and the management of retention ratios (Singh, April 2019). On the other hand, as time went on, employee requirements and expectations changed into a larger emphasis on rewards and salary, work-life balance, on-the-job training, amenities, and prompt performance assessment systems. This resulted in the banking sector introducing retention and attrition policies.

When it comes to attempting to find a solution to the issue of staff retention, the HR culture in the banking sector is the single most important component to take into consideration. It is difficult to overcome it without first establishing a strong HR culture, since it is important to the growth and development of any bank to keep its staff on board. It's probable that modern organizations need to fight not just with their external competitors, but also with their internal workers in order to keep them on board (Lwin, 2022). This is necessary in order to retain employees from leaving for better opportunities elsewhere.

Components of a Strategy for Employee Retention

It is essential, when developing a strategy for the retention of employees, to identify employee experience areas that you can actually effect, and then to concentrate your efforts on improving those areas. Only in this way can you ensure that you will be able to keep your current workforce. The following is a list of some of the available choices for getting started.

The Conditions of Employment

An organization can improve its work environment as part of a strategy to retain personnel by doing things like increasing the number of quiet areas within the company where employees are able to concentrate, opening up office space to encourage collaboration, or providing flexible work hours and the opportunity to work from home, all of which are examples of the types of things that an organization can do.

The environment in which employees execute their duties should motivate them to provide their best effort, give them chances for concentrated work and teamwork, and give them a sense that they belong in the organization. This should be the case for both the physical environment for employees working in the office as well as the digital environment (including collaboration platforms and devices) for employees working remotely or in a hybrid role. The physical environment should be conducive to productive work, and the digital environment should enable employees to collaborate effectively.

Culture within the Organization

The culture of your company is a reflection of what it is like to work for your company. Do employees have the impression that they are supported, empowered, and involved in their work? Do the actions they take contribute to anything that is more significant than themselves? Is it possible for them to see the fruits of their labors?

When asked why they made the decision to leave their most recent position, more over half of the people who quit their jobs in 2021 cited being treated disrespectfully on the job as the primary factor. In light of this figure,

the company you work for ought to build a culture in the workplace in which employees feel welcome and wish to remain, particularly in light of this data.

Benefits for the Members of the Staff

Providing employees with benefits that are attractive to other employers is another way to boost employee retention. Nevertheless, additional high priorities include the opportunity to work from home, longer vacations, and more adaptable working hours. A company's ability to provide its employees with medical coverage is one of the most important perks it can provide; in addition, the other opportunities listed below are high priority.

In addition to that, selecting perks that are compatible with the values held by your workers is yet another strategy to increase the happiness of your personnel. For instance, if your workers place a high value on being active participants in the communities in which they live, you might want to consider offering them paid time off so that they can engage in volunteer work. If you have employees that place a high value on education and want to further their education, you might want to consider providing tuition reimbursement for them.

There are nearly an infinite number of possibilities available to you as long as you have a solid knowledge of the expectations and preferences of your employees.

Training and Education on an Ongoing Basis

A significant number of workers, particularly Millennials, place a high priority on furthering their education and gaining more experience in their chosen profession. It is feasible to convince employees to stay with your firm for extended periods of time by providing them with opportunities to develop their talents further and improve in their professions.

As part of professional development, many options, such as regular training, access to online seminars and conferences, tuition reimbursement, and a number of other possibilities, may be made available. There is no better way to show employees that you care about them than by investing in their futures and giving them with the tools they need to progress in their professions. This is the best approach to demonstrate your affection for your employees.

Praise and rewards are given to those who do well.

Nobody like having the impression that they are not recognized enough. It is more likely that a person may resign from their job if they perceive that their good results and hard work are not being recognized and acknowledged by the organization. In addition to offering incentives like swag from the company or monetary rewards, a culture of recognition shows respect for employees by presenting awards to them and showing true thanks. This is in addition to the practice of awarding monetary prizes. Even something as simple as a message of encouragement or a shout-out may go a long way toward increasing employee retention and building relationships.

To reap the benefits of implementing an employee retention strategy, it is not required to be going through more employee turnover than is typical in order to do so. Consider engaging in this activity for your

organization if you place a high importance on strengthening your culture, the experience of your employees, the results of your business, and/or other factors.

OBJECTIVES

1. The study's primary goal is to comprehend the relationship between HR culture and employee retention.
2. To investigate alternative strategies for improving retention and creating a creative HR culture in India's private banking industry.

A variety of aspects that contribute to employee retention

1. Educational Opportunities and Professional Progression

According to Eisen (2005), training and development give employees with the skill sets and competences necessary to achieve excellence in their employment, which in turn enhances both their passions and their performance. In other words, training and development make it possible for employees to achieve excellence in their positions. Training that is effective in helping people develop their talents and potential makes it more likely that those employees will perform well for the organization, which in turn leads to a decrease in employee turnover, which in turn leads to a reduction in employee turnover. According to Montgomery (2006), when an employer satisfies the expectations of an employee, it helps the organization retain that person more effectively through the use of training and development programs. He continues by stating that the reasons why employees stay with an organization are the development of those employees' talents, the skill of the management, and the establishment of a psychological and economic compensation system. According to Roberts and N., (2002), an effective plan for employee retention must incorporate several forms of training and development. The National Institute of Bank Management (NIBM) is an independent apex institute that is involved in the provision of education, training and development, as well as research and consultancy. Its full name is the National Institute of Bank Management. This is due to the fact that the organization is of the opinion that training is a crucial component in order to address the growing problems that are plaguing the banking industry.

2. The HR organizational culture

The first step in determining what it is about a company that makes it such an attractive place to work is to have an understanding of the HR culture of that company. When it comes down to it, the department that handles human resources has the last say over whether or not a certain workplace is going to be positive or negative. The findings of study conducted by Yuvika Singh and released in July 2017 suggest that the implementation of innovative HR culture in the banking industry may have impacts that are both encouraging and discouraging for employees working in the sector. According to study conducted by Sweetie Dubey in February 2019, HR culture includes all actions that have visible and hidden consequences in terms of enhancing overall employee satisfaction, rising retention rates, and boosting worker morale. According to Mulligan (2001), a good HR manager has to develop ways in which the HR culture of a business may be innovative while yet being sustainable in order to maintain prospective individuals. This is necessary in order to keep an organization's competitive edge.

3. A Method for Evaluating

Past Performance According to Meysam Fakharyan (2012), an appraisal is a normal procedure that involves analyzing the performance of the employee and rewarding them via conversation relevant to their performance. In addition to that, it encompasses activities like as personnel testing, the enhancement of capabilities, the maintenance of job performance, and the process of rewarding employees.

4. What are you motivated by?

According to Sushil (2013), tactics for motivation and retention aid financial institutions in maintaining their organizational efficiency while also enhancing functionality and HR initiatives. In turn, this helps in satisfying the expectations of employees, motivating employees, and establishing confidence among the working team. According to Goodman (1980), the level of motivation an individual gets in an organization has a direct link to the quality of the job performed by that employee. This relationship holds true regardless of the nature of the company. According to K. Sandhya (2011), in order to develop strategies for employee retention and motivation, human resources departments need to become more diverse while simultaneously increasing their level of concentration. Any financial institution may reap significant benefits from implementing an employee retention program (ERP), provided that these programs are coupled with incentive strategies that are geared toward certain goals. According to Alkandari (2009), even if there may be a number of other strategies for retention, inspiring workers will continue to be the top priority for HR efforts even in the event that there may be a variety of other retention tactics. According to Atif Salman (2014), several human resources departments in private sector banks have begun implementing an innovative technique with the goal of increasing employee retention. It is one of the ways that some of the motivational elements might be leveraged in different directions to keep the employees that are already there. individuals can be inspired, directed, encouraged, supported, and sustained for goal-oriented actions by applying motivation (Cherry, 2013). Motivation can also be used to help individuals achieve their goals. All of these are viable applications for the concept of motivation. As a result, it is reasonable to believe that the key factor that plays a big role in increasing retention rates in private sector banks in India is motivation.

CONCLUSION

The outcomes of this research indicate that there is a substantial association between a human resources culture that is efficient and the rate at which private sector banks retain their staff. It is possible to boost employee retention by concentrating on aspects such as motivation, training, performance assessment, and a successful HR culture, which, according to the conclusions of a research study that analyzed the data, has a major role. This is something that can be done. According to the conclusions of the study, workers should not only be taught and assessed on the basis of their performance, but they should also be motivated in a timely way, regardless of whether or not things are going well. This is because employees should not only be taught and evaluated on the basis of their performance.

The data components and outcome indicators indicate to the establishment of an efficient human resources culture in private sector banks, or in any organization for that matter, in order to keep the most valuable asset of the company, which is an employee. This is the case regardless of the sector in which the business operates. In order to successfully manage retention in private sector banks, this is required.

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