

EMPLOYEE RETENTION & PERFORMANCE MANAGEMENT IN INDIAN PRIVATE BANKS

Dr Amit Kumar Singh

Assistant Professor, Department of Economics
Mahatma Gandhi Kashi Vidyapeeth
Varanasi. UP

Dr Vaibhav

Assistant Professor, Faculty of Commerce
Banaras Hindu University, Varanasi

Dr. Shikha Gupta

Associate Professor, Shaheed Bhagat Singh College, University of Delhi, Delhi

Dr. Varsha Anilji Tidke

Librarian, Fule Ambedkar College of Social Work Gadchiroli, Maharashtra

Dr Seema Mahlawat

Associate Professor, Department of Commerce,
Gurugram University, Gurugram

ABSTRACT

One of the most significant challenges that organisations are currently confronted with is that of managing employee performance and retaining valuable employees. The banking industry is another sector that is impacted by this issue. The purpose of this study is to gain an understanding of, conduct an analysis of, and make comparisons regarding the performance management and retention strategies utilised by ICICI bank and Kotak Mahindra bank. The banks have implemented a variety of cutting-edge initiatives, such as career-related growth opportunities, compensation-related benefits, retirement planning benefits, performance-based appraisal strategies, and other similar initiatives. The conceptual variable-based model that has been framed has been done so for the purpose of the study, as well as for the purpose of better understanding the performance management and retention strategies. After conducting an analysis of the data, the conclusion that can be drawn is that both ICICI Bank and Kotak Mahindra Bank take the same approach to the management of employee performance and retention. The purpose of the research was to identify and rank the factors that contribute to employee retention as well as performance management at ICICI bank and Kotak Mahindra

banks. It is possible to summarise that the perspectives of both banks' employees are the same with regard to the variables of employee retention and performance management. One of the most important goals of the study was to analyse and contrast the retention and performance management strategies utilised by the sampled banks. In the research project, the ANOVA statistical test was utilised to perform the comparison analysis. It is possible to draw the conclusion that the retention strategies of the banks that were sampled are identical.

Keywords : Employee Retention, Performance Management, Private Banks, ICICI, Kotak Mahindra

INTRODUCTION

One of the most important challenges of the modern context is ensuring that employees stay with the company. Retaining employees refers to the capacity of an organization's management to keep hold of its workforce over an extended period of time. It is necessary to have policies and practises that are favourable so that key employees can remain with the organisation. The definition of the word "retains" in the Oxford English Dictionary is to "keep in one's service," to "secure the services of a person," or to "absorb and hold." Holding on to employees is what we mean when we talk about retaining them. Therefore, the term "employee retention" refers to the measures taken to ensure that workers remain with the company for as long as possible, or until the end of the project, whichever comes first. A study by "Harvard Business Essentials" found that employees generally view retention as the antithesis of turnover. Furthermore, Waldman and Arora (2004) claimed that employee retention issues are emerging as the most critical workforce management challenges of the near future, and that retention is more than just the inverse of turnover. To thrive in the future, businesses will need to modify their organisational practises to accommodate the realities of the modern workplace, where originality, adaptability, and resourcefulness are paramount to survival.

The practise of keeping employees physically employed within an organisation is referred to as retention, and it is essential to the success of any organisation. It transforms into the soul driving force that is necessary to achieve the accomplishment and development of the organization's goals and objectives. The capacity of the management team of an organisation to keep employees who have a history of quitting is referred to as employee retention. The higher the retention rate, the greater the management team's ability to successfully retain its existing workforce. The purpose of employee retention is to instil a sense of possession and ownership in workers so that they remain with the company for longer, but the process is becoming more aggressive. Because we live in a competitive world that is rapidly advancing

in terms of technology and awareness, retention has become the most pressing problem. People are aware of their current value, their value in the market, the value of their department, and the value their organisation places on them because they are the ones who bring in revenue and profits.

Performance Management System

An employee's level of happiness and contentment with their position in an organisation is directly correlated to the level of job satisfaction that is displayed by that employee. Performance appraisal has an impact of employee performance motivation over employee retention because of this correlation. There is also an association between job satisfaction and the rate of employee retention, and the most important factor in job satisfaction is the existence of an open and honest system of rewards (Hussain and Rehman, 2013). If rewards are given out based on performance, and a career ladder and career path are determined to develop knowledge, expertise, and skills, then this will be more effective.

Review Literature

System for the Management of Performance An employee's performance in their role within an organisation is subjected to periodic reviews and evaluations as part of the performance appraisal process. It is helpful to evaluate the staff members and gain an understanding of their potential for additional training, advancement, or development. A reliable Performance Management System elicits credible evaluations from superiors, peers, customers, or subordinates, and as a result, it contributes to the process of developing the pay structure. If the pay structure were improved, there would be less employee turnover, which would lead to an increase in output. This system contributes to the development of successful performance methods for the purpose of achieving strategic goals (Singh et al, 2010). It is imperative that performance standards remain consistent with goals, roles, and responsibilities, in addition to being specific and measurable. It is actually a discussion and review of the duties that have been assigned to the employees, and then the appraisal is based on the employee's performance on the job as opposed to his personality characteristics. In point of fact, it would be helpful to measure one's skills and accomplishments in order to appropriately improve performance and stimulate professional growth (Cole, 2002). The synchronisation of individual goals with those of the organisation, the development of behaviours, the motivation of staff, and the development of positive relationships and attitudes are all important aspects of a performance appraisal. The most beneficial aspect of it is that it provides an official, specific, recorded, and comprehensive review of each individual's performance (Berman, 2005).

Employees have a negative impression of performance management systems as a result of the low level of employee participation in the process of designing performance systems.

All of these benefits are provided (Manville & Greatbanks, 2013). There are two primary factors that have played a significant role in the establishment of the performance management system. To begin, it was emphasised that organisations need to collaborate with their staff in order to get the most out of the employees. In a second step, the development of performance management relied heavily on the utilisation of performance reviews (Farr & Levy, 2007). In today's business world, performance appraisal is a tool that companies use to equip both themselves and their employees with the knowledge necessary to form opinions regarding any aspect of a performance management framework.

Research Methodology

The employees of private sector banks in the Varanasi. U.P. make up the target population here. Because there are so many limitations, such as resources, contacts, and time, the research has been conducted using only certain categories of the population in the region. The data come from primary sources, and various methods have been utilised in the data collection process. It was helpful in determining the population that would be the focus of the study, as well as the study sample, study population, sampling technique, and method for analysing the data obtained from the study.

Research Design

The study used a descriptive approach to summarise large amounts of data and identify group or population characteristics. It reduces bias and maximises evidence to establish variable relationships. It identifies new factors affecting employee perception of the industry.

Target Population & Sample Size

Research data needs context and inferences from the target population. Different departments and grade levels provided responses to assess their prospects. The random sample includes 140 of the initial population and requires at least two years of employment.

Sampling Technique

The selection of samples can be based on either probability or non-probability. Random Sampling, which is a subset of Probability Sampling, has been utilised throughout the course of this Research. This methodology was chosen in order to select a more manageable sample size from a massive population and, as a result, draw conclusions about a larger group. Researchers are afforded the opportunity to obtain accurate representations of large populations

thanks to this. It makes sense in this context due to the fact that all of the candidates have an equal chance of being chosen.

Sample Frame

The term "sampling frame" refers to a particular population taken from the overall population. This picture shows a list of everyone and everything that needs to be researched in the next stage. To generalise the population in this case would not yield a generalizable result; as a result, the frame was narrowed down so that all of the responses came from private banks in Varanasi. U.P.

Sample Location

The areas of Varanasi. U.P. have been selected as the location for the research. These locations were chosen because collecting responses was relatively straightforward there in comparison to other possible locations.

Data Collection

The most time-consuming part of this research was undoubtedly the data collection, particularly the development of the questionnaire. This carefully crafted questionnaire was utilised in order to keep all of the requirements necessary for the research and, furthermore, to collect helpful insights. Because of the employees' packed schedules, the data was collected both verbally and through the use of a structured questionnaire.

Objectives of the Study

- To recognize the employee retention & performance management factors in ICICI bank & Kotak Mahindra banks.
- To compare the retention & performance management strategies in ICICI bank & Kotak Mahindra banks.

Hypothesis

Ho1: There is no significant difference in the performance management & retention strategies adopted by ICICI bank & Kotak Mahindra Bank.

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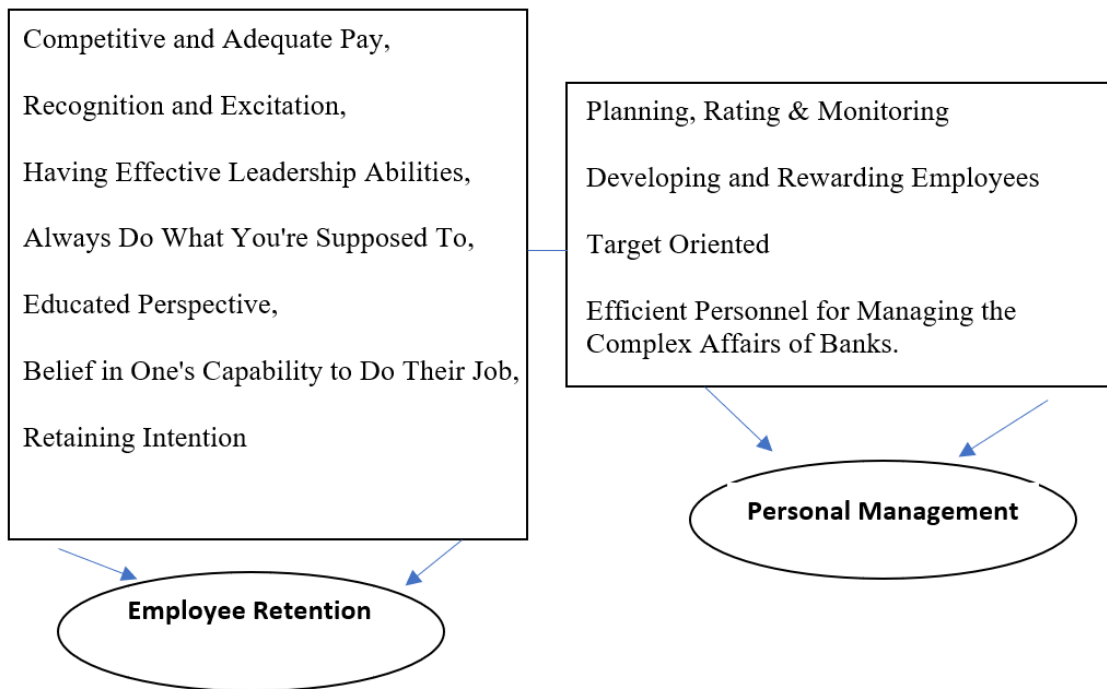


Fig. 1 : Self Prepared - Conceptual Variables of Employee retention & Performance Management

Data Analysis & Intrepretation

Table 1: Demographic Analysis

Demographic Analysis

<i>Gender</i>		Frequency	Percent
	Male	95	67.85%
	Female	45	32.14%
<i>Age</i>	25-30	35	25%
	30-35	67	47.85%
	35 and above	38	27.14%

<i>Marital Status</i>	Married	115	82.14%
	Unmarried	25	17.85%
<i>Experience</i>	2-5 Years	67	47.85%
	5-8 Years	30	21.42%
	Above 8 Years	43	30.71%

Table : **Comparing** ICICI Bank and Kodak Mahindra Bank Employees on the Factor of Employee Retention

<i>Banks</i>	<i>N</i>	<i>Mean</i>	<i>S.D.</i>	<i>Std. Err</i>	<i>T-Value</i>	<i>Df</i>	<i>Sig. Level</i>
<i>ICICI Bank</i>	70	52.01	4.623	.288	1.437	311	.068
<i>Kodak Mahindra Bank</i>	70	47.81	4.717	.327			

From the above table , it indicates that ICICI Bank has high mean value (Mean=52.01, S.D.=4.623) whereas Kodak Mahindra bank has (Mean=47.81, S.D.=4.717). This states that ICICI bank employees gives more importance to employee retention factors as compared to Kodak Mahindra bank. Similarly, T-value is 1.437 at .068 significance level which is quite insignificant, which signifies that the perspectives about employee retention in ICICI bank & Kodak Mahindra bank is almost same.

Table : **Comparing** ICICI Bank and Kodak Mahindra Bank Employees on the Factor of Performance Management

<i>BANKS</i>	<i>N</i>	<i>MEAN</i>	<i>S.D.</i>	<i>STD. ERR</i>	<i>T-VALUE</i>	<i>DF</i>	<i>SIG. LEVEL</i>
<i>ICICI BANK</i>	70	42.21	3.891	.297	1.783	311	.073

KODAK	70	39.76	4.201	.386	
MAHINDRA					
BANK					

From the above table, it indicates that ICICI Bank has high mean value (Mean=42.21, S.D.= 3.891) whereas Kodak Mahindra bank has (Mean=39.76, S.D.= 4.201). This states that ICICI bank employees give more importance to employee retention factors as compared to Kodak Mahindra bank. Similarly, T-value is 1.783 at .073 significance level which is quite insignificant, which signifies that the perspectives about performance management in ICICI bank & Kodak Mahindra bank are same.

Hypothesis Testing

The findings of the analysis stated that the perspectives about performance management in ICICI bank & Kodak Mahindra bank are same. and therefore, the null hypothesis i.e. “there is no significant difference in the performance management & retention strategies adopted by ICICI bank & Kotak Mahindra Bank” is rejected & alternative hypothesis is accepted.

Conclusion:

The study contributes to a better understanding of the retention practises that are followed by the chosen banks. Even though the banking industry is taking a number of steps to ensure that it does not lose its best employees, there is still a significant amount of room for improvement in this area, as can be seen. The goals of the study have been successfully accomplished thanks to the hard work of the researchers. It has investigated and evaluated the responses of workers to questions concerning retention factors, as well as determined the relationships between performance management and other factors.

The study was carried out with both the hypothesis and the objectives being taken into consideration. The sample was collected with the assistance of a structured questionnaire, which included questions pertaining to the employee retention and performance management in private banks. After conducting an analysis of the data, the conclusion that can be drawn is that both ICICI Bank and Kotak Mahindra Bank take the same approach to the management of employee performance and retention. The purpose of the research was to identify and rank the factors that contribute to employee retention as well as performance management at ICICI bank and Kotak Mahindra banks. It is possible to summarise that the perspectives of both banks'

employees are the same with regard to the variables of employee retention and performance management. One of the most important goals of the study was to analyse and contrast the retention and performance management strategies utilised by the sampled banks. In the research project, the ANOVA statistical test was utilised to perform the comparison analysis. It is possible to draw the conclusion that the retention strategies of the banks that were sampled are identical.

Further Research

ICICI Bank and Kotak Mahindra Bank were the only private banks included in this study because they are the only two that exist. It does not cover banks that are part of the public sector, financial institutions, or any of the other significant economic sectors. There is room for additional research if one compares the commercial banking sector with the non-commercial banking sector. Additional research could be done on the same subject and in the same areas after a predetermined amount of time had passed in order to measure how employees' behaviours had changed. This would allow researchers to determine whether or not there had been any shifts in response to retention factors and employee retention, relationships between employee retention and performance management characteristics, and whether or not employee retention could be predicted by retention factors. In this particular study, a quantitative approach was taken to the research process. As a result, additional research could be carried out utilising the qualitative research method or the mixed research method.

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