



**EMPLOYEE TURNOVER AND ORGANISATIONAL  
PERFORMANCE IN THE BANKING SECTOR: EVIDENCE  
FROM AN EMERGING ECONOMY**

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**Abstract:**

Employee turnover remains a significant challenge in the banking sector, with serious implications for organisational performance, service quality, and workforce stability, particularly in emerging economies where labour market uncertainty and talent shortages intensify turnover risks. This study examines the determinants of employee turnover intention and its impact on organisational performance in the banking sector of an emerging economy. Using a quantitative, cross-sectional research design, data were collected from 101 banking employees through a structured questionnaire and analysed using SPSS. Descriptive statistics, reliability testing, correlation analysis, and multiple regression analysis were employed to test the proposed relationships. The findings indicate that job satisfaction and organisational commitment are significant predictors of employee turnover intention, with higher levels of satisfaction and commitment associated with lower intention to leave. The results further demonstrate that employee

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turnover intention has a strong and statistically significant negative effect on organisational performance, suggesting that workforce instability undermines productivity and service quality. In addition, the findings reveal that retention strategies play an important organisational response role, with increased turnover impact leading to stronger implementation of retention initiatives. This study contributes empirical evidence from an under-researched emerging economy context and highlights the importance of strategic human resource practices aimed at enhancing employee satisfaction, commitment, and retention to sustain organisational performance in the banking sector.

**JEL:** G21, M12, J28

**Keywords:** employee turnover; organisational performance; job satisfaction; organisational commitment; banking sector

## 1. Introduction

Employee turnover has emerged as a persistent and costly challenge for the global banking sector, with far-reaching implications for organisational productivity, service quality, and financial performance. As banking institutions increasingly rely on skilled human capital to deliver complex, relationship-based financial services, the loss of experienced employees disrupts operational continuity, weakens customer relationships, and erodes institutional knowledge. Prior studies consistently indicate that high turnover rates are associated with reduced employee morale, declining service standards, and increased recruitment and training costs, ultimately undermining organisational competitiveness (Rahman *et al.*, 2018; Park & Shaw, 2013).

The problem of employee turnover is particularly pronounced in banking environments due to the sector's high regulatory pressure, performance-driven culture, and rapidly evolving technological landscape. Continuous regulatory reforms, digital transformation, and intensifying market competition have significantly altered job roles and performance expectations, increasing stress and job insecurity among banking professionals (Alajlani and Yesufu, 2022; Asmi, 2023). Consequently, banks across both developed and emerging economies face mounting challenges in retaining competent employees while maintaining service quality and organisational stability.

Existing literature has identified job satisfaction and organisational commitment as two of the most influential predictors of employee turnover intention. Job satisfaction reflects employees' evaluations of their work conditions, compensation, recognition, and career progression opportunities, while organisational commitment captures the psychological attachment and loyalty individuals feel toward their employer. Empirical evidence suggests that employees who experience low job satisfaction and weak organisational commitment are more likely to develop intentions to leave their

organisation, leading to higher actual turnover rates (Qureshi and Farooq, 2018; Kaur, 2023). In service-oriented sectors such as banking, these dynamics are especially critical, as employee attitudes directly affect customer satisfaction and service outcomes (Johnson *et al.*, 2020).

While the relationship between employee turnover and organisational performance has been widely examined, much of the existing research has focused on developed economies or cross-industry settings. These studies often overlook the unique institutional, economic, and labour market conditions present in emerging economies, where employment relationships are shaped by higher economic volatility, limited career mobility, and intensified competition for skilled labour (Hinojosa-López, 2022; Rasdi & Chen, 2018). As a result, the applicability of established turnover theories to emerging market banking systems remains insufficiently explored.

Emerging economies present a distinctive context in which employee turnover may exert stronger and more immediate effects on organisational performance. Economic instability, inflationary pressures, and job insecurity can amplify employees' sensitivity to organisational practices, particularly those related to compensation, recognition, and career development (Umamaheswari, 2019; Mahadi *et al.*, 2020). Moreover, banks operating in such environments often face talent shortages and limited succession pipelines, making employee retention a strategic priority rather than a purely human resource concern (Khan, 2021; Mustafi *et al.*, 2016). Understanding how turnover determinants operate under these conditions is therefore essential for developing effective retention strategies and sustaining organisational performance.

Theoretical perspectives such as Herzberg's Two-Factor Theory and Social Exchange Theory provide a useful foundation for analysing employee turnover in the banking sector. Herzberg's framework distinguishes between hygiene factors, such as compensation and working conditions, and motivational factors, such as recognition and career advancement, suggesting that deficiencies in either can increase turnover intention (Chiat & Panatik, 2019). Social Exchange Theory further posits that employees' decisions to remain with or leave an organisation are influenced by their perceptions of organisational support and the reciprocity of the employment relationship (Zhang, 2021; Caillier, 2016). Together, these theories underscore the importance of organisational practices in shaping employee attitudes and turnover behaviour.

Despite the relevance of these theoretical frameworks, empirical research that simultaneously examines employee turnover, retention strategies, and organisational performance within emerging market banking contexts remains limited. Prior studies have often examined turnover antecedents or performance outcomes in isolation, without adequately capturing the interconnected nature of these relationships (Waseem *et al.*, 2020; Giorgi *et al.*, 2017). Moreover, there is a notable lack of quantitative evidence demonstrating how turnover intention translates into perceived organisational performance outcomes, particularly in relation to productivity, customer satisfaction, and financial effectiveness.

This study seeks to address these gaps by examining the determinants of employee turnover and their impact on organisational performance within the banking sector of an emerging economy. By focusing on job satisfaction and organisational commitment as key antecedents of turnover intention, and by analysing the role of retention strategies as organisational responses to turnover pressures, the study provides a comprehensive assessment of turnover dynamics in a high-pressure service environment. The empirical analysis is based on survey data collected from banking employees, offering statistically grounded insights into the relationships between employee attitudes, turnover behaviour, and organisational outcomes.

The contribution of this study is threefold. First, it extends the existing turnover literature by providing empirical evidence from an under-represented emerging economy context, thereby enhancing the generalisability of established turnover theories. Second, it empirically links employee turnover intention to organisational performance outcomes, highlighting the strategic implications of workforce instability in the banking sector. Third, the study offers practical insights for bank managers and human resource professionals by identifying retention strategies that may mitigate the negative effects of turnover on organisational performance.

In doing so, this research responds to growing calls for context-sensitive studies that move beyond developed economy settings and contribute actionable knowledge for organisations operating in volatile and competitive environments. The findings are expected to be relevant not only to banks in emerging economies but also to financial institutions operating in similarly dynamic labour markets worldwide.

## 2. Literature Review and Hypotheses Development

### 2.1 Employee Turnover in the Banking Sector

Employee turnover has long been recognised as a critical issue in the banking sector due to its direct and indirect effects on organisational efficiency, service quality, and financial outcomes. Banking institutions are highly dependent on human capital, as employees play a central role in customer relationship management, service delivery, and regulatory compliance. High turnover rates disrupt operational continuity and result in substantial costs related to recruitment, training, and the loss of organisational knowledge (Rahman *et al.*, 2018; Park & Shaw, 2013).

The banking sector is particularly vulnerable to turnover pressures because of intense competition, performance-driven cultures, and continuous regulatory and technological change. Digital transformation and evolving compliance requirements have increased job complexity and workload, contributing to stress, job insecurity, and dissatisfaction among employees (Alajlani & Yesufu, 2022; Asmi, 2023). These challenges are amplified in service-oriented banking environments where employee attitudes and behaviours directly influence customer satisfaction and organisational reputation.

Research further suggests that turnover dynamics may differ across economic contexts. In emerging economies, banking institutions often operate under conditions of economic volatility, labour market uncertainty, and limited talent mobility. Such conditions can intensify employees' sensitivity to organisational practices and increase turnover intention when expectations regarding compensation, recognition, or career development are unmet (Hinojosa-López, 2022; Rasdi & Chen, 2018). Consequently, understanding turnover in banking institutions within emerging economy contexts is essential for developing effective retention strategies and sustaining organisational performance.

## 2.2 Job Satisfaction and Turnover Intention

Job satisfaction is one of the most extensively studied antecedents of employee turnover and refers to employees' overall evaluation of their job experiences, including compensation, recognition, working conditions, job security, and opportunities for advancement. Numerous studies have established a negative relationship between job satisfaction and turnover intention, indicating that dissatisfied employees are more likely to consider leaving their organisation (Qureshi & Farooq, 2018; Kaur, 2023).

In the banking sector, job satisfaction is particularly important due to the high-pressure nature of work and the emphasis on performance targets and customer service. Employees who perceive their work environment as supportive and rewarding are more likely to remain committed, whereas dissatisfaction can lead to withdrawal behaviours and increased turnover intention. Prior research highlights that inadequate compensation, limited career growth, and lack of recognition significantly reduce job satisfaction and increase employees' intentions to quit, especially in competitive service industries (Johnson *et al.*, 2020).

In emerging economy contexts, economic instability and job insecurity may further strengthen the relationship between job satisfaction and turnover intention. Employees facing uncertain economic conditions are likely to place greater emphasis on job security and organisational support, making dissatisfaction a stronger trigger for turnover behaviour (Umamaheswari, 2019; Mahadi *et al.*, 2020). Based on these arguments, the following hypothesis is proposed:

**H1:** Job satisfaction has a negative effect on employee turnover intention.

## 2.3 Organisational Commitment and Turnover Intention

Organisational commitment reflects the psychological attachment and loyalty employees develop toward their organisation and is commonly conceptualised as a multidimensional construct encompassing affective, normative, and continuance commitment. Employees with high organisational commitment are more likely to identify with organisational goals and values, reducing their likelihood of voluntary turnover.

Empirical studies consistently demonstrate a negative relationship between organisational commitment and turnover intention. Employees who feel emotionally attached to their organisation and perceive a sense of obligation to remain are less inclined to seek alternative employment opportunities (Qureshi & Farooq, 2018; Kaur, 2023). In the banking sector, strong organisational commitment is particularly important due to the reliance on trust-based relationships and accumulated institutional knowledge.

Research further suggests that organisational commitment may play a more critical role in emerging economies, where alternative employment opportunities may be limited and organisational support becomes a key determinant of retention. Employees who perceive fair treatment, recognition, and long-term career prospects are more likely to reciprocate through loyalty and continued membership in the organisation (Johnson *et al.*, 2020; Hinojosa-López, 2022). Accordingly, the following hypothesis is formulated:  
**H2:** Organisational commitment has a negative effect on employee turnover intention.

#### **2.4 Employee Turnover and Organisational Performance**

Employee turnover has been widely linked to adverse organisational performance outcomes, including reduced productivity, declining service quality, and weakened financial performance. High turnover disrupts team cohesion, increases workload for remaining employees, and delays service delivery, all of which can negatively affect customer satisfaction and organisational effectiveness (Park & Shaw, 2013; Rahman *et al.*, 2018).

In the banking sector, the performance implications of turnover are particularly severe due to the relationship-intensive nature of financial services. Frequent employee exits can erode customer trust and loyalty, as clients often rely on consistent interactions with familiar personnel. Moreover, the loss of experienced employees increases operational risk and training costs, further straining organisational resources.

Studies suggest that turnover effects may be more pronounced in emerging economies, where banks often face shortages of skilled labour and limited succession planning. In such contexts, turnover can have an immediate and substantial impact on organisational performance indicators such as productivity and service quality (Khan, 2021; Mustafi *et al.*, 2016). Based on these insights, the following hypothesis is proposed:  
**H3:** Employee turnover intention has a negative effect on organisational performance.

#### **2.5 Retention Strategies as an Organisational Response**

Retention strategies represent deliberate organisational efforts aimed at reducing employee turnover and minimising its negative consequences for organisational performance. In the banking sector, such strategies typically include competitive compensation, career development opportunities, employee engagement initiatives, recognition programmes, and work–life balance policies. These practices are especially

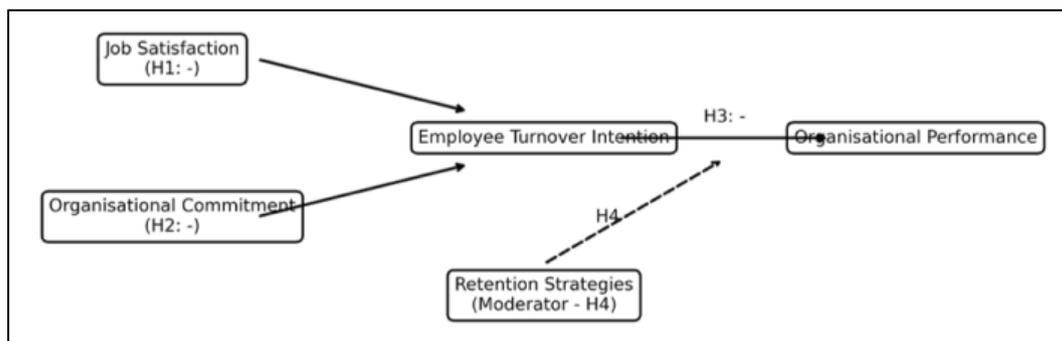
relevant in service-intensive industries like banking, where employee continuity supports service quality, operational efficiency, and customer relationship stability.

Research suggests that retention strategies can strengthen employees' satisfaction and attachment to their organisation, thereby reducing turnover intention. Beyond reducing employees' intention to leave, retention strategies may also function as a protective organisational mechanism by weakening the performance damage associated with turnover pressures. When banks apply effective retention initiatives, they are better able to stabilise the workforce, reduce productivity disruption, and maintain service consistency even when turnover risks increase.

This role is particularly important in emerging economy banking contexts, where competitive labour markets, economic uncertainty, and limited replacement pipelines can intensify the organisational costs of turnover. In such settings, retention strategies may help banks maintain organisational performance by buffering the negative relationship between turnover intention and performance outcomes. Accordingly, this study proposes that retention strategies moderate the relationship between employee turnover intention and organisational performance.

**H4:** Retention strategies mitigate the negative effect of employee turnover intention on organisational performance.

Based on the reviewed literature and proposed hypotheses, a conceptual framework is developed to illustrate the relationships among job satisfaction, organisational commitment, employee turnover intention, retention strategies, and organisational performance. The conceptual framework guiding this study is presented in Figure 1.



**Figure 1:** Conceptual framework of the study

The framework proposes that job satisfaction and organisational commitment influence employee turnover intention, which in turn affects organisational performance, while retention strategies moderate this relationship.

### **3. Methodology**

#### **3.1 Research Design**

This study adopts a quantitative research design with a cross-sectional approach to examine the relationship between employee turnover and organisational performance in the banking sector. A quantitative design is appropriate as the study aims to test theoretically grounded relationships between measurable variables, including job satisfaction, organisational commitment, turnover intention, retention strategies, and organisational performance. By using numerical data and statistical techniques, the study ensures objectivity and enables generalisation of findings within comparable organisational contexts.

The cross-sectional design involves collecting data at a single point in time, allowing the study to capture employees' perceptions and attitudes regarding turnover and organisational performance as they exist during the period of investigation. This design is widely used in turnover research, particularly in organisational and human resource studies, where the objective is to analyse relationships among variables rather than changes over time. Given the scope and objectives of the study, the cross-sectional quantitative design is considered suitable for providing empirical evidence aligned with the proposed hypotheses.

#### **3.2 Sample and Data Collection**

The target population for this study consists of employees working in banking institutions operating within an emerging economy context. Banking employees were selected as the unit of analysis due to their direct involvement in service delivery, customer interaction, and operational processes, all of which are closely linked to organisational performance.

Data were collected using a structured, self-administered questionnaire distributed to banking employees across different departments and functional roles. A total of 101 valid responses were obtained and used for analysis. The sample size is considered adequate for quantitative analysis involving correlation and regression techniques, particularly within exploratory and explanatory organisational research. A non-probability sampling approach was employed, relying on accessibility and willingness of respondents to participate in the study. While this approach limits full population representativeness, it is commonly used in organisational research where access to respondents is constrained. The data collection process ensured anonymity and voluntary participation to encourage honest and unbiased responses.

**Table 1: Sample Characteristics (Demographics)**

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	50	49.5
	Female	51	50.5
Age (years)	18-25	26	25.7
	26-35	41	40.6
	36-45	28	27.7
	46-55	6	5.9
Education Level	Bachelor's degree	34	33.7
	Master's degree	62	61.4
	Professional certification	3	3.0
	Doctorate	2	1.9
Work Experience	Less than 1 year	47	46.5
	1-3 years	17	16.8
	4-6 years	17	16.8
	7-10 years	11	10.9
	More than 10 years	9	8.9

Table 1 presents the demographic profile of the respondents, including gender, age, educational qualification, and work experience. These characteristics provide contextual understanding of the sample and support interpretation of the empirical findings.

### 3.3 Measurement of Variables

All study variables were measured using previously established constructs adapted to the banking sector context. Responses were recorded using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), allowing for consistency and ease of quantitative analysis.

Job Satisfaction was measured using multiple items capturing employees' perceptions of compensation, recognition, working conditions, promotion opportunities, and job security. These dimensions reflect key aspects of job satisfaction commonly examined in turnover research.

Organisational Commitment was assessed through items reflecting employees' emotional attachment, loyalty, and willingness to recommend their organisation as a place to work. This construct captures the extent to which employees identify with organisational goals and values.

Employee Turnover Intention was measured using items related to employees' perceived likelihood of leaving the organisation, feelings of being valued, and perceived support for professional growth. Higher scores indicate stronger turnover intention.

Organisational Performance was measured using employees' perceptions of productivity, service quality, and overall organisational effectiveness. Perceptual measures of performance are widely accepted in organisational research, particularly when objective performance data are not publicly accessible.

Retention Strategies were measured using items assessing compensation practices, career development opportunities, work–life balance initiatives, recognition, and employee engagement efforts implemented by the organisation.

### **3.4 Data Analysis Techniques**

Data analysis was conducted using the Statistical Package for the Social Sciences (SPSS). Initially, descriptive statistics were used to summarise demographic information and examine the central tendencies and dispersion of the study variables.

Reliability analysis was performed using Cronbach’s alpha to assess the internal consistency of the measurement scales. Correlation analysis was then conducted to examine the strength and direction of relationships between job satisfaction, organisational commitment, turnover intention, retention strategies, and organisational performance.

Multiple regression analysis was employed to test the proposed hypotheses and assess the predictive relationships among the variables. Regression models were used to examine the impact of job satisfaction and organisational commitment on turnover intention, as well as the effect of turnover intention on organisational performance. An additional regression model was applied to assess the moderating role of retention strategies in the relationship between turnover intention and organisational performance.

### **3.5 Ethical Considerations**

Ethical considerations were carefully observed throughout the research process. Participation in the study was entirely voluntary, and respondents were informed about the purpose of the research prior to completing the questionnaire. Confidentiality and anonymity were assured, and no personally identifiable information was collected.

Respondents were informed that the data would be used solely for academic research purposes and analysed in aggregated form. Ethical approval was obtained prior to data collection, and the study adhered to established ethical guidelines to ensure integrity, transparency, and respect for participants’ rights.

## **4. Results**

This chapter presents the empirical findings of the study examining the relationships between job satisfaction, organisational commitment, employee turnover intention, retention strategies, and organisational performance in the banking sector. The results are based on quantitative analysis conducted using SPSS and are structured to address the study objectives and test the proposed hypotheses. The chapter begins with descriptive statistics, followed by reliability testing, correlation analysis, regression analysis, and additional analysis of gender differences.

#### 4.1 Descriptive Statistics

Descriptive statistics were computed to summarise respondents' perceptions of the key study variables, including job satisfaction, organisational commitment, turnover intention, retention strategies, and organisational performance. Mean values and standard deviations were used to assess the central tendency and variability of responses. Overall, the results indicate moderate to moderately high levels across most constructs. Job satisfaction items recorded mean values slightly above the midpoint of the scale, suggesting that respondents were generally satisfied with aspects such as compensation, recognition, work conditions, promotion opportunities, and job security. However, the presence of standard deviations above 1.0 indicates noticeable variability in employee experiences, reflecting differing perceptions across respondents.

Organisational commitment also demonstrated relatively high mean scores, particularly in relation to loyalty toward the organisation and willingness to recommend the workplace. These findings suggest that although employees experience varying degrees of satisfaction, many still maintain a psychological attachment to their organisation.

Turnover intention displayed moderate mean values, indicating that while employees do not overwhelmingly intend to leave, turnover risk remains present within the banking sector. This is consistent with the demanding nature of banking work environments, where job pressure and external employment opportunities may influence employees' intentions.

Perceived organisational performance and retention strategies both showed moderately positive mean scores. Respondents generally perceived their organisations as performing effectively and recognised the existence of retention-related practices, such as engagement initiatives, career development opportunities, and work-life balance support.

**Table 2:** Descriptive Statistics of Study Variables (n = 101)

Variable	Minimum	Maximum	Mean	Std. Deviation
Job Satisfaction	1.00	5.00	3.49	1.11
Organisational Commitment	1.00	5.00	3.75	1.10
Turnover Intention	1.00	5.00	3.34	1.12
Retention Strategies	1.00	5.00	3.48	1.11
Organisational Performance	1.00	5.00	3.52	1.08

#### 4.2 Reliability Analysis

To assess the internal consistency of the measurement scales, reliability analysis was conducted using Cronbach's alpha coefficients. The results demonstrate strong internal consistency across all constructs used in the study.

The overall Cronbach's alpha value for the questionnaire was 0.897, indicating excellent reliability and suggesting that the measurement items consistently captured the underlying constructs. All individual constructs exceeded the recommended minimum

threshold of 0.70, confirming the suitability of the scales for subsequent correlation and regression analysis.

These findings indicate that the survey instrument used in this study is reliable and capable of producing consistent and dependable results, thereby strengthening the credibility of the empirical analysis.

**Table 3: Reliability Analysis (Cronbach's Alpha)**

Construct	Number of Items	Cronbach's Alpha
Job Satisfaction	5	0.873
Organisational Commitment	3	0.861
Turnover Intention	3	0.842
Retention Strategies	5	0.879
Organisational Performance	3	0.865
Overall Scale	19	0.897

### 4.3 Correlation Analysis

Pearson correlation analysis was conducted to examine the strength and direction of relationships among the key study variables. The results reveal several statistically significant relationships that align with the theoretical expectations of the study.

Job satisfaction shows a strong positive correlation with organisational commitment, indicating that employees who report higher satisfaction levels are also more likely to demonstrate stronger commitment to their organisation. This suggests a close association between positive job-related experiences and psychological attachment. Turnover intention exhibits significant negative correlations with both job satisfaction and organisational commitment. These findings indicate that as employees' satisfaction and commitment increase, their intention to leave the organisation decreases. Among these relationships, organisational commitment shows the strongest association with turnover intention, suggesting its central role in employee retention.

Additionally, turnover intention is significantly negatively correlated with organisational performance, implying that higher turnover risk is associated with lower perceived performance outcomes. Retention strategies demonstrate significant positive correlations with job satisfaction and organisational commitment, as well as a strong association with turnover impact, highlighting their relevance in addressing turnover-related challenges.

**Table 4: Correlation Matrix**

Variable	1	2	3	4	5
1. Job Satisfaction	—				
2. Organisational Commitment	0.568**	—			
3. Turnover Intention	-0.482**	-0.706**	—		
4. Retention Strategies	0.418**	0.408**	-0.453**	—	
5. Organisational Performance	0.290**	0.237*	-0.403**	0.658**	—

**Notes:**

\*\* Correlation is significant at the 0.01 level (2-tailed)

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

#### 4.4 Regression Analysis

Regression analysis was conducted to test the proposed hypotheses and examine the predictive relationships between employee turnover intention, organisational performance, and retention strategies.

##### 4.4.1 Effect of Employee Turnover Intention on Organisational Performance

The first regression model assessed the effect of employee turnover intention and turnover impact on organisational performance. The results indicate a strong and statistically significant relationship, with the model explaining a substantial proportion of variance in organisational performance ( $R^2 = 0.802$ ).

Both turnover intention and turnover impact emerged as significant predictors of organisational performance. Higher levels of turnover intention were associated with lower perceived organisational performance, suggesting that workforce instability adversely affects productivity, service quality, and operational effectiveness within banking institutions.

The high explanatory power of the model indicates that turnover-related variables play a critical role in shaping organisational performance outcomes in the banking sector.

**Table 5: Regression Results: Turnover Intention  
and Turnover Impact → Organisational Performance**

Predictor	B	Std. Error	$\beta$	t-value	Sig.
Constant	0.288	0.176	—	1.638	0.105
Turnover Impact	0.472	0.038	0.606	12.347	0.000
Turnover Intention	0.483	0.052	0.458	9.335	0.000

Model Statistics:

- $R = 0.896$
- $R^2 = 0.802$
- Adjusted  $R^2 = 0.798$
- $F = 198.429$  ( $p < 0.001$ )

#### 4.4.2 Effect of Employee Turnover Impact on Retention Strategies

A separate regression analysis examined the relationship between turnover impact and retention strategies. The results reveal a strong positive relationship, with turnover impact explaining approximately 43.4% of the variance in retention strategies ( $R^2 = 0.434$ ). This finding suggests that as organisations perceive greater negative impacts from employee turnover, they are more likely to intensify the implementation of retention strategies. The statistically significant regression coefficient indicates that retention strategies are not applied arbitrarily but are instead responsive to turnover pressures within the organisation.

**Table 6: Regression Results: Turnover Impact → Retention Strategies**

Predictor	B	Std. Error	$\beta$	t-value	Sig.
Constant	1.461	0.240	—	6.077	0.000
Turnover Impact	0.612	0.070	0.658	8.705	0.000

Model Statistics:

- $R = 0.658$
- $R^2 = 0.434$
- Adjusted  $R^2 = 0.428$
- $F = 75.770$  ( $p < 0.001$ )

#### 4.5 Additional Analysis: Gender Differences

To explore potential demographic differences, one-way analysis of variance (ANOVA) was conducted to examine whether gender differences exist across the key constructs. The results indicate a statistically significant difference in job satisfaction between male and female respondents, suggesting that perceptions of job-related experiences vary by gender.

However, no statistically significant gender differences were found for organisational commitment or turnover intention. These findings indicate that while gender may influence employees' satisfaction levels, it does not significantly affect their psychological attachment to the organisation or their intention to leave.

### 5. Discussion

This chapter discusses the empirical findings of the study in relation to existing literature and established theoretical frameworks. The discussion is structured around the study objectives and hypotheses, highlighting the implications of employee turnover for organisational performance in the banking sector. Particular attention is given to the relevance of the findings within emerging economy contexts and their broader global applicability.

#### 5.1 Summary of Key Findings

The primary objective of this study was to examine the relationship between employee turnover and organisational performance in the banking sector, with a specific focus on

job satisfaction, organisational commitment, turnover intention, and retention strategies. The results demonstrate that both job satisfaction and organisational commitment are significant predictors of employee turnover intention. Employees who reported higher satisfaction with their work conditions, compensation, recognition, and career prospects, as well as stronger emotional attachment to their organisation, were less likely to express intentions to leave.

The findings further reveal that employee turnover intention has a strong and statistically significant negative effect on organisational performance. Higher turnover risk was associated with lower perceived productivity, service quality, and overall organisational effectiveness. This confirms that workforce instability represents a substantial operational and strategic challenge for banking institutions.

In addition, the results indicate that retention strategies play an important organisational role in responding to turnover pressures. Organisations experiencing greater turnover impact were more likely to intensify retention initiatives, suggesting that retention strategies function as a managerial response aimed at stabilising the workforce and protecting performance outcomes. Collectively, these findings provide empirical support for the proposed hypotheses and highlight the interconnected nature of employee attitudes, turnover behaviour, and organisational performance.

## 5.2 Comparison with Prior Studies

The findings of this study are largely consistent with prior research on employee turnover and organisational outcomes. The negative relationship between job satisfaction and turnover intention aligns with existing studies that identify dissatisfaction with compensation, recognition, and working conditions as key drivers of employee withdrawal behaviour (Qureshi & Farooq, 2018; Kaur, 2023). Similar to earlier research, the results confirm that satisfied employees are less inclined to seek alternative employment, particularly in service-intensive sectors such as banking.

The strong negative association between organisational commitment and turnover intention also supports previous empirical evidence. Prior studies have emphasised that employees who feel emotionally attached to their organisation and identify with organisational goals exhibit lower turnover intention (Johnson *et al.*, 2020). The present findings reinforce the importance of organisational commitment as a central retention mechanism in the banking sector.

Consistent with earlier research, the study demonstrates that employee turnover negatively affects organisational performance. Previous studies have shown that high turnover disrupts productivity, reduces service quality, and increases operational costs (Park & Shaw, 2013; Rahman *et al.*, 2018). The strong explanatory power of the regression models in this study suggests that turnover-related variables play a particularly influential role in shaping organisational performance in banking institutions.

Furthermore, the observed relationship between turnover impact and retention strategies is in line with prior studies highlighting the role of proactive human resource

practices in managing turnover risks. Research suggests that organisations facing higher turnover pressures are more likely to implement retention-focused interventions to reduce workforce instability (Qureshi & Farooq, 2018; Kaur, 2023). The current findings extend this line of research by empirically demonstrating this relationship within a banking context.

### **5.3 Theoretical Implications**

The findings of this study offer important theoretical implications for turnover research, particularly in relation to Herzberg's Two-Factor Theory and Social Exchange Theory. Herzberg's theory distinguishes between hygiene factors, such as pay and working conditions, and motivational factors, such as recognition and career development, in shaping job satisfaction and employee behaviour. The results provide empirical support for this framework by demonstrating that deficiencies in job satisfaction are associated with higher turnover intention, reinforcing the relevance of both hygiene and motivational factors in the banking sector.

Social Exchange Theory further helps explain the observed relationships between organisational commitment, turnover intention, and retention strategies. According to this theory, employees evaluate the fairness and reciprocity of their relationship with the organisation and respond accordingly. The negative association between organisational commitment and turnover intention suggests that employees who perceive higher organisational support and fair exchange are more likely to remain with their employer. Similarly, the positive relationship between turnover impact and retention strategies reflects organisations' efforts to restore balance in the employment relationship by investing in retention practices.

By empirically linking these theoretical perspectives to organisational performance outcomes, the study extends existing turnover literature beyond individual-level attitudes to demonstrate broader organisational consequences. This integrated approach contributes to a more comprehensive understanding of how employee perceptions translate into performance-related outcomes within service-oriented industries.

### **5.4 Managerial Implications**

The findings of this study have several important managerial implications for banking institutions and human resource professionals. First, the strong influence of job satisfaction on turnover intention highlights the need for banks to prioritise competitive compensation structures, transparent promotion systems, and supportive working environments. Addressing dissatisfaction in these areas can significantly reduce turnover risk and enhance workforce stability.

Second, the central role of organisational commitment suggests that banks should focus on strengthening employees' emotional attachment to the organisation. This can be achieved through recognition programmes, leadership support, employee involvement

in decision-making, and clear communication of organisational values and goals. Managers who foster a sense of belonging and long-term career prospects are more likely to retain skilled employees.

Third, the negative impact of turnover intention on organisational performance underscores the importance of viewing retention as a strategic investment rather than a cost. High turnover not only increases recruitment and training expenses but also undermines productivity and service quality. Banking managers should therefore integrate retention metrics into performance management systems and treat employee stability as a key driver of organisational success.

From a policy perspective, the findings suggest that regulators and industry bodies should encourage banks to adopt sustainable human resource practices. Promoting fair employment conditions, professional development, and work–life balance can contribute to a more stable and resilient banking workforce, ultimately supporting sector-wide performance and customer trust.

### **5.5 Emerging Economy Insights and Global Relevance**

This study provides valuable insights into employee turnover dynamics within an emerging economy banking context, contributing to a body of literature that has traditionally focused on developed markets. The findings suggest that turnover-related relationships observed in advanced economies also hold in emerging markets, but may be more pronounced due to economic volatility, labour market uncertainty, and intensified competition for skilled employees.

In emerging economies, limited talent pipelines and higher replacement costs amplify the organisational consequences of employee turnover. As demonstrated by the results, turnover intention exerts a strong negative influence on organisational performance, emphasising the strategic importance of retention in such environments. These insights are relevant not only to banks operating in emerging economies but also to financial institutions in other regions experiencing similar labour market pressures.

By positioning emerging economy evidence within a broader theoretical and empirical framework, the study enhances the generalisability of turnover theories and offers transferable insights for banking institutions worldwide. The findings underscore the universal importance of job satisfaction, organisational commitment, and effective retention strategies in sustaining organisational performance across diverse economic contexts.

## **6. Conclusion**

This study set out to examine the relationship between employee turnover and organisational performance in the banking sector, with particular attention to the roles of job satisfaction, organisational commitment, and retention strategies within an emerging economy context. Drawing on quantitative data collected from banking employees, the

study provides empirical evidence on how employee attitudes and turnover intentions influence organisational outcomes in a service-intensive industry.

The findings demonstrate that job satisfaction and organisational commitment are significant predictors of employee turnover intention. Employees who reported higher levels of satisfaction with their working conditions, compensation, recognition, and career opportunities, as well as stronger psychological attachment to their organisation, were less likely to express intentions to leave. These results confirm the critical role of positive employee experiences in reducing turnover risk within banking institutions.

The study further reveals that employee turnover intention has a strong and negative effect on organisational performance. Higher turnover risk was associated with lower perceived productivity, service quality, and overall organisational effectiveness. This highlights that employee turnover is not merely an individual-level concern but a strategic organisational issue that can directly undermine performance outcomes in the banking sector.

In addition, the findings indicate that retention strategies play an important organisational role in responding to turnover pressures. Banks experiencing higher turnover impact were more likely to strengthen retention initiatives, suggesting that retention strategies function as a managerial response aimed at stabilising the workforce and mitigating performance losses. Collectively, these results underscore the interconnected nature of job satisfaction, organisational commitment, turnover intention, and organisational performance.

This study makes several important contributions. Theoretically, it extends existing turnover literature by providing empirical evidence from an under-researched emerging economy banking context, thereby enhancing the applicability of established theories such as Herzberg's Two-Factor Theory and Social Exchange Theory. Empirically, the study links employee turnover intention directly to organisational performance outcomes, offering a more integrated understanding of turnover dynamics. Practically, the findings provide actionable insights for banking managers by highlighting the importance of investing in employee satisfaction, commitment, and retention practices to sustain organisational performance.

From a practical perspective, the results suggest that banking institutions should prioritise human resource policies that enhance job satisfaction and organisational commitment. Competitive compensation, transparent career development pathways, recognition programmes, and supportive leadership practices can reduce turnover risk and improve workforce stability. By treating employee retention as a strategic investment rather than a cost, banks can strengthen long-term performance and service quality.

## **7. Limitations and Future Research**

Despite its contributions, this study has several limitations that should be acknowledged. First, the use of a cross-sectional research design limits the ability to establish causal

relationships among the study variables. While the findings demonstrate significant associations, future studies could adopt longitudinal designs to examine how employee attitudes and turnover intentions evolve over time and how these changes affect organisational performance.

Second, the study focuses on banking institutions within a single emerging economy. Although this context provides valuable insights into turnover dynamics in under-researched settings, the findings may not be fully generalisable to other countries or economic environments. Future research could address this limitation by conducting cross-country or comparative studies that examine turnover and performance relationships across different emerging and developed economies.

Third, the study relies on self-reported data, which may be subject to common method bias and perceptual limitations. Future research could incorporate objective performance indicators or multi-source data to strengthen the robustness of empirical findings.

Future studies may also explore additional variables that influence employee turnover and organisational performance, such as leadership style, organisational culture, work–life balance, and psychological well-being. Examining these factors could provide a more comprehensive understanding of turnover dynamics and support the development of more effective retention strategies in the banking sector.

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### **Conflict of Interest Statement**

The authors declare that there is no conflict of interest regarding the publication of this article. The research was conducted independently, without any financial, personal, or professional affiliations that could influence the findings or interpretations. No external funding was received for this study.

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