



**IMPACT OF DEVELOPMENT OPPORTUNITIES
AND COMPENSATION ON EMPLOYEE RETENTION:
A COMPARATIVE STUDY ON BANKING
INDUSTRY OF BANGLADESH**

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Abstract:

This descriptive study investigated the relationship between development opportunities and compensation with employee retention. Analyzing two turnover determinants, development opportunities, and compensation, and their impact on the banking sector and comparing them to find a more effective retention factor is the main goal of the study. Data were collected from national, foreign, private, and specialized banks employee throughout Bangladesh, and 234 employees were chosen from the population of 197,599 using the convenience sampling method. The study questionnaire was prepared using a five-point Likert scale and which sent to the respondent online and personally. To examine the primary data IBM SPSS version 23 (Statistical Package for the Social Sciences) was used and the result of the independent sample t-test was found that statistically there is no significant difference in the case of different gender on employee retention. Coefficient correlation finds that development opportunities and compensation are significantly correlated with employee retention but multiple regressions find that compensation is more significant than development opportunities on employee retention. Managers need to project compensation plans perceived by employees at different levels so that the organization's goal can be easily reached. Previous studies that are on employee retention measured the impact of development opportunities and

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compensation. But this study considers the comparative impact regarding the use of which one is most significant for employee retention.

Keywords: turnover, development opportunities, compensation, employee retention

1. Introduction

The human being is the most important asset for the success and growth of any organization. But increasing competition and globalization make employee attraction and retention the most challenging task for any organization. That's why organizations pay additional devotion to their skilled staff, keep them contented, loyal, and involved to adapt to the competition and try to improve their product and service. For the purpose of existence, performance, and productivity of any organization, it put additional pressure on its qualified employees and ensures that they are tied up with the organization. Nowadays employers in the banking sector face a high level of turnover because of bank employees' high level of job switch than before as the situation is unavoidable so the bank organizations need to be more competitive and introduce new policies and technology to sustain. Acute mobility and employee turnover are the main obstacles to achieving competitive advantages. To survive and grow in this competitive environment, banks have to place more emphasis on strategic and long-term investment decisions, and retaining potential employees is one of them. Nowadays Banks are looking for the most effective way to retain their employees like development opportunities and compensation. Development opportunities and compensation are two very expensive and different things where development means supporting employees to improve, develop, and earn new skills that contribute to their careers and compensation is about cash or non-cash payments that employees get in exchange for their contribution to the organization. Identifying the impact of development and compensation opportunities on employee retention in banking employees is the main purpose of the study. The research can help employers identify the most effective retention policy by letting them know the level of development and compensation that influence employee retention. This study is designed in such a way that it includes five different chapters, from the introduction to the conclusion. Employees are the most valuable asset for any institution, as they provide a significant source of sustainable competitive advantage. Nowadays, organizations are more concerned with employee turnover and retaining their existing talent (CIPD, 2020) and skilled employees who are difficult to find. Rapid competition increased the demand for skilled and talented workers, as well as their mobility within industries. Competition in the banking industry is fiercer than in other industries. Employee retention strategies reduce the cost of hiring new employees while also preventing brilliant employees from finding work elsewhere. After realizing that getting and retaining employees is essential, managers are motivating employees to stay in the organization for a long time. Having talented employees in competitive industries is the most crucial task for any industry, which is why managers have highlighted the necessity of retaining key employees for the

success of organizations and implemented new strategic human resources techniques to reduce turnover rates (Eberendu & Okere, 2015; Duah & Danso, 2017). The banking industry is using different human resource practices for employee retention (Ahmada et al., 2015), where development opportunities and attractive compensation are the most commonly used techniques for employee retention. When employees are provided with development opportunities and proper compensation, they feel committed and loyal to the organization and give their best to it. In 2016, Presbitero et al. published a valuable retention meta-analysis supporting development opportunities and compensation as valuable human resource management practices enhancing retention. The study by Naveena & Hemakumar (2020) found that employees' opportunity for development has a significant impact on faculty turnover decisions. Compensation is set as a ground means of retaining employees. This study discusses development opportunities and compensation working on employee retention. Because of space limitations, it is not possible to remark on every paper done on the turnover and retention domain. Instead, these studies focus only on papers that are representative of the trends in the field. As human capital can hardly be imitated, it can drive sustainable competitive advantages to the organization. So, banks are applying different types of HR techniques for retaining valuable employees, providing development opportunities, and offering attractive compensation. But increasing competition and globalization make this capital more mobile and a riskier investment because other assets in the organization cannot move like human capital. So, like other organizations in the banking sector, we are applying different types of HR techniques for retaining valuable employees, including development opportunities and attractive compensation, and choosing the best one from these two methods. Analyzing development opportunities and compensation and their impact on employee retention to identify whether development opportunities or compensation are more effective employee retention factors in the banking sector of Bangladesh. The key focus of this research is to make a quantitative analysis of their effect on employees as a retention factor.

Bangladesh is a South Asian sub-continental country with a population of 165 million people (Worldometer, 2020). The banking sector is a growing industry in Bangladesh, with 59 banks in operation, of which 3 are development finance institutions, 9 are foreign commercial banks, 6 are nationalized commercial banks, and 41 are private commercial banks. Attrition is the most serious issue confronting banks today. Because employees migrate, they bring their accumulated knowledge, skills, experience, and loyalty with them, which is why banks spend a lot of money on attracting and retaining the best personnel and keeping the skilled, knowledgeable, and wise employees, and ensuring that they do not move to competitors. Though this study is specifically prepared on bank employees, we hope it can also be applied to other industries along with the banking sector and, at the same time, will contribute to the organizations' decision-making to recover from employee retention problems. The study compared the effects of development opportunities and compensation on employee retention and determined which was most the finding of the study. This study of retention is helpful for

policymakers, HR managers, executives, assistants, and top-level CEOs in deciding HR policies and programs related to the retention of employees and selecting a suitable retention strategy. As there is a lack of investigating employee turnover, it is a serious problem in Bangladesh but studying the retention determinants can solve this problem. The aim of the study is to identify the most effective factor in retaining employees and determine the best employee retention factor between career development opportunities and compensation benefits.

2. Literature Review

2.1 Employee Turnover

Turnover is the final consequence that employees experience in any organization (Al-Sharafi et al., 2018). Employee Turnover is defined as the termination of members from organizations (Priyanka & Dubey, 2016). According to CIPD (2020), employee turnover is defined as the movement of employees within the job market, organizations, and professions. When defining employee turnover, it is addressed with several terms such as like, quits, attrition, migration, succession, mobility, or staff turnover (Zhang, 2016). Employee turnover is also the number of employees leaving the organization during a time period prior to the completion of their service agreement (Thirupathy & Dhayalan, 2016). Employee turnover is calculated by the difference between net exit and net entrance to the organization (Ferreira & Almeida, 2015). On the other sense, Hongvichit (2015) stated turnover that can be further referred to as an individual's willingness to quit their organization. Employee turnover can occur from the organization's or the employee's side for a variety of reasons, such as attractive employment opportunities and dissatisfaction with the current workplace, a lack of promotion, an inadequate salary, and benefits package, or a lack of training and development. Various previous studies developed the relationship between development opportunity and turnover intention and found that less development opportunity caused a lower level of job satisfaction and higher rates of employee turnover. Like this, the lower the compensation, the lower the job satisfaction, and the higher the rate of turnover. Employee turnover is an unavoidable problem in any organization, so organizations should try to reduce it. According to Thirupathy and Dhayalan (2016), there are basically three reasons for employee turnover: voluntariness, availability, and functionality. Employees initiate turnover when they leave the organization willingly for reasons such as a low salary, better opportunities, or dissatisfaction. Involuntarily occurring turnover, on the other hand, occurs when employees have no choice but to be terminated due to illness, death, transfer to a foreign country, or termination by a superior (Heneman & Judge, 2015). According to Kamalaveni et al. (2019), there are two types of voluntary turnover, such as functional turnover (the leaving of low performers that is positive for the organization) and dysfunctional turnover (the leaving of high performers that are negative for the organization).

2.2 Costs of Employee Turnover

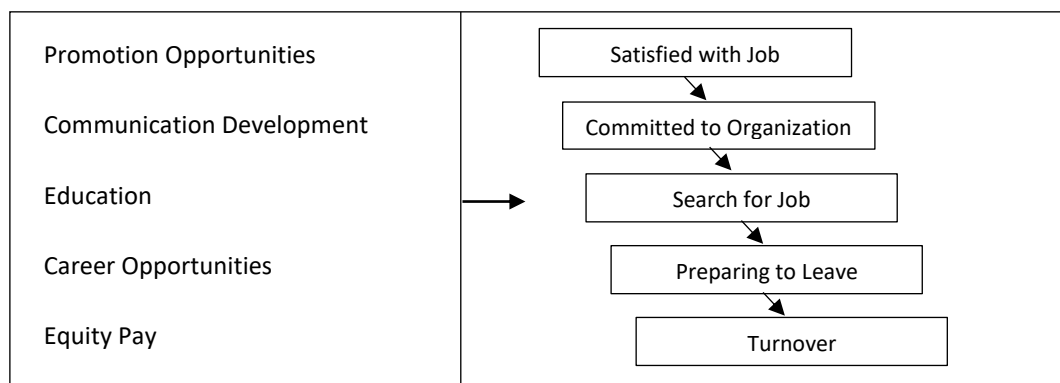
Today, only competitive organizations can survive, and by managing employees effectively and efficiently, organizations can achieve a competitive position. To increase productivity, organizations must keep a skilled workforce, though it is hard to control the turnover rate within the organization. To reduce the problem, organizations offer more opportunities to employees who have potential. Employee turnover causes performance inefficiencies, which result in negative outcomes and large-scale costs (Danish et al., 2019). Previous research has found that high turnover has a negative impact on organizational productivity and earnings (Heneman & Judge, 2015). According to Kamalaveni et al. (2019), moving talented employees out of organizations causes talent decline and makes competitors beneficiaries by getting talented employees' knowledge about the workplace, its partners, customers, in-progress projects, and many other important facts that go with them when they leave (Silva et al., 2019). According to Huang & Su (2016), employee turnover is a problem for organizations because it decreases product and service quality and increases recruitment and replacement costs. Ahmada et al. (2015) indicated in one study that the direct and indirect turnover costs are equal to the benefits that an employee earns in one or two years. A report by Ampomah and Cudjor (2015) revealed that at the time of an employee's departure, there is a cost of knowledge loss that is equivalent to six to eight months' salary for a single employee. That cost might be up to two times the salary of the employee who is leaving (Ferreira & Almeida, 2015). Retaining qualified employees is easier and less expensive for an organization than hiring new ones (Hongvichit, 2015).

2.3 Turnover Process Model

2.3.1 Bluedorn's Unified Model

Bluedorn (1982) states a model where he unified the previous three models of turnover of Mobley (1977), Price (1977), and Organizational Commitment Model. According to this model, there are four previous steps before the actual turnover.

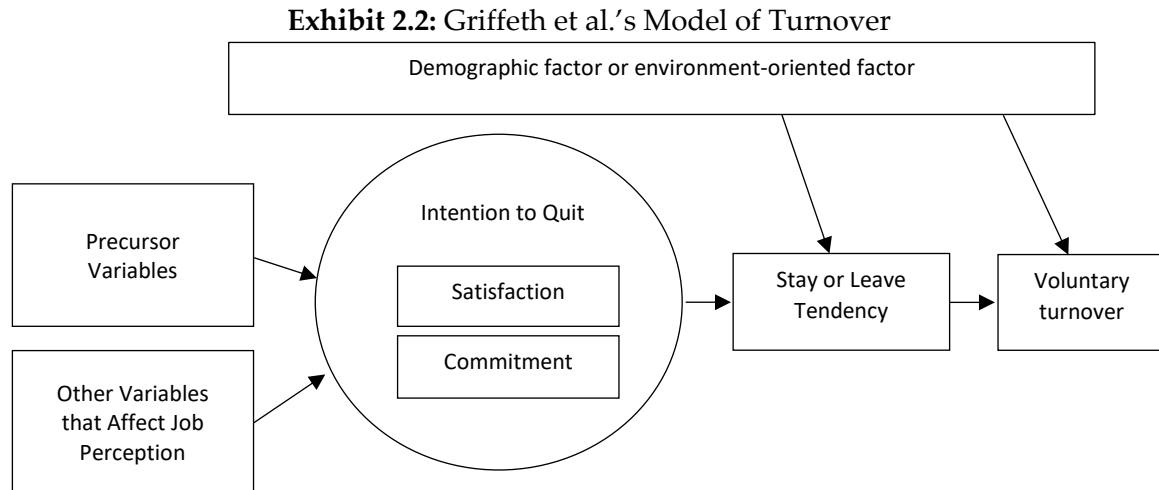
Exhibit 2.1: Bluedorn's Unified Model of Turnover



Source: Bluedorn, A. C. (1982). A Unified Model of Turnover from Organizations, *Human Relations Journal*, 35, pp. 135-153.

2.3.2 Griffeth et al.'s Traditional Model of Turnover

A study prepared by Griffeth et al. (2000) on employee turnover, cited the variables affecting turnover. The model integrates the features that define the process of turnover. It contains the factors (e.g., job satisfaction and external environment mechanism) that believe employee turnover is a reversed process of employee retention.

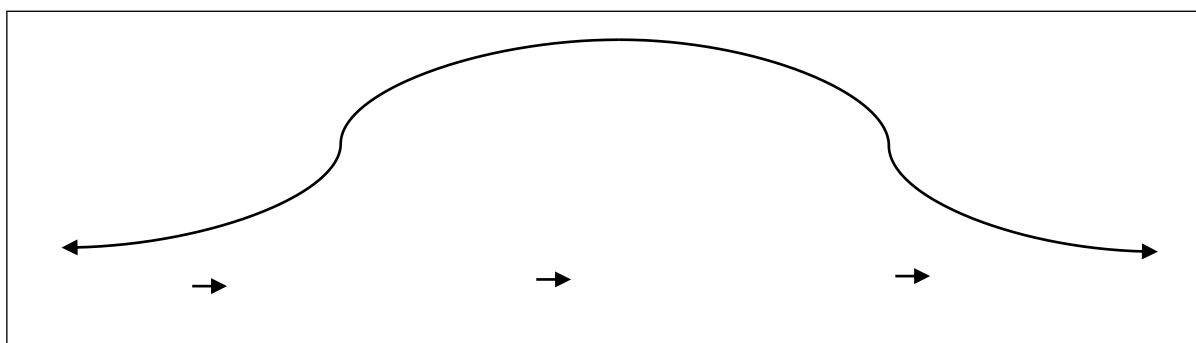


Source: Griffeth, R. W., Hom, P. W., & Gaertner, S. (2000). A Meta-analysis of Antecedents and Correlates of Employee Turnover: Update, Moderator Test, and Research Implications for The Next Millennium. *Journal of Management*, 26, pp. 463-488.

2.3.3 Lam et al.'s Model

Lam et al. (1998) made an understanding that direct and indirect pay structure has the ability to influence turnover intention. Three important factors are addressed here such as satisfaction achieved through pay, satisfaction with the job, and commitment to the organization.

Exhibit 2.3: Lam et al.'s Conceptual Model for Employee Turnover



Source: Lam, L., Kervin, J., Clark, K., & Reid, F. (1998). Explaining Nursing Turnover Intent: Job Satisfaction, Pay Satisfaction, and Organizational Commitment. *Journal of Organizational Behavior*, 19(3), pp. 305-320.

2.4 Employee Turnover and Retention

Turnover means moving valuable human assets to competitors (Mehrez & Bakri, 2019). The retention of skilled employees in this competitive world is very important, which is why the human resource manager keeps the record carefully and takes initiative to solve the problem. They should analyze the record that they have observed and offer proper treatment to solve the turnover problem. According to Ampomah & Cudjor (2015), voluntary and involuntary turnover can be solved by taking steps to increase employee retention, and retention practice is just the opposite practice to solve the turnover problem. Retention is a strategy in which an organization intends to create an environment in which employees are engaged and stay until the end of their service (Ibidunni et al., 2016). Empirical elements such as attractive pay and benefits, favorable workplace conditions, and good relationships among peers are the motivational drivers to retain employees in the workforce (Silva et al., 2019). By providing emotional assistance and flexible work support, employers facilitate organizations to increase retention.

2.5 Employee Retention

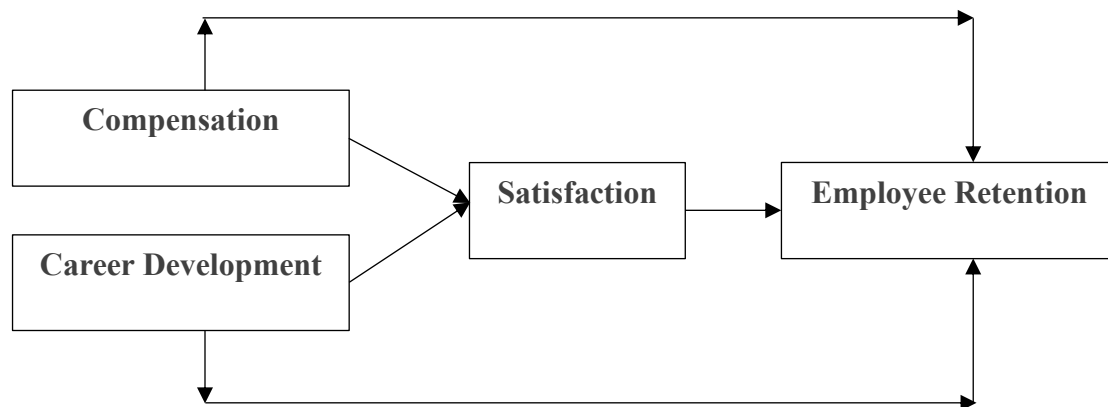
Choosing the right person for the job is a practice of employee retention that ensures an employee will stay with the company for a long time. Employee turnover and employee replacement lead to unnecessary expenses for the organization, which affect the investment and other costs of the organization in various sections. Nowadays Employee turnover is a key strategic issue in any organization, which is why organizations implement employee retention policies for the growth of the industry. It is often considered that an organization is only as good as its people (Regina & Rosalia, 2015). Sometimes it happens in organizations that the employees who contribute less to the organization stay longer than those who contribute most, and this is called dysfunctional activity, which hampers the productivity of the organization. The aim of recruiting talented employees is to enhance the productivity and service of the organization, but in this competitive era, employees have a lot of opportunities around them, so it's important to encourage them to stay a long time in the organization, which depends on the employee retention policy. To achieve the organization's performance goal Employee retention is essential, and for managers, retaining talented employees is the most challenging task. To achieve organizational goals, recruiting and retaining talented and skilled employees is the most important duty of the human resources department (Mathimaran & Kumar, 2017); Eberendu & Okere (2015).

2.6 Retention Factors

Employees are extremely crucial to the organization since they cannot be replaced and are intangible. This study already identified the necessity of a stable workforce, and the organization spent a lot of time setting the appropriate policies for retaining their skilled employees. Employee retention is influenced by a competitive salary, a good environment, promotion opportunities, and job security; level of supervisory

involvement; promotion; training and development opportunities; a flexible work environment; rewards and benefits; and supervisor support; and career growth opportunities (Silva et al., 2019; Kossivi et al., 2016). Mutiria et al. (2015) suggested age, male-female percentage, internal promotion rates, and work systems that increase participation as retention factors. Retention determinants include compensation, rewards, promotions, learning opportunities, and career growth opportunities. Employee performance feedback through promotion is an important criterion that creates a learning organization. A positive work environment where employees can easily learn and grow help them to be loyal to the organization (Priyanka & Dubey, 2016). Some organizations are able to attract and retain better employees by providing compensation and promotional opportunities. Career development opportunities and compensation have an influential impact on employees' retention intention.

Exhibit 2.4: Al-Sharafi et al's Conceptual Model for Employee Turnover]



Source: Al-Sharafi, H., Hassan, M. E. M., & Alam, S. S. (2018). The Effect of Training and Career Development on Employee Retention-A Study on the Telecommunication Organizations in Yemen. *The Journal of Social Sciences Research*, 2(special), pp. 420-430.

2.7 Employee Development Opportunities

Employee development opportunities refer to an employee's chance to grow and develop within the organization (Bayarçelik & Findikli, 2016) and by providing effective training organization can make its human capital unique. The development program has a positive impact on the employee which increase the capacity of the employee and make them an expert. Training and development programs motivate employees to achieve personal as well as professional goals at the same time updated them on technology and develop their knowledge and skill as per the industrial need. It is proven that training and development practice not only improve organizational productivity but also gives the employee a positive mental state and whenever employee notice that the organization gives them enough opportunity they decided to stay in the organization (Mehrez & Bakri, 2019). Poor supervision, limited training, and development opportunity, and less care lead the employee to leave the job. Nowadays organizations provide training as an investment to their employees and expect commitment and retention from employees as a return (Hanaysha, 2016). Organizations need to take special care of employee learning

as it supports employee retention (Guan & Frenkel, 2019). Employees with high skills search for training and development opportunities that are the directing factor to employee retention (Kamalaveni et al., 2019). CIPD (2020) pointed out three important reasons behind employee turnover,

- Promotion opportunities in other organizations,
- Shortage of promotion and development opportunities,
- Due to career transformation.

Career development opportunity training, special care, job security, friendly working environment are the main factors of employee retention. When employees face less care, job insecurity, better opportunity, and high job stress they decide to switch jobs which leads to high turnover rates. According to Awasthi& Kumar (2016), there are a number of schools of thought that focus on employee development activities such as work-focused development activities on the job, career planning, and development activities within the work, coaching, mentoring, counseling, and teaching.

2.8 Compensation

Most employees come to the organization for financial needs and expect salaries and benefits, if they don't get they become dissatisfied (Kossivi et al., 2016). More over the element that makes a company competitive is a fair payment system which increases employee retention. An organization that offers employees better salaries and better opportunities they have a low turnover rate that provides fewer opportunities. Compensation means offered salary, benefits, or anything that an organization provides to its employee. The much the compensation the higher the retention rate and the less the compensation the higher the turnover rates. Employees also drive for non-financial compensation along with monetary payments, development opportunities, promotion chances, challenges in job, rewards, recognition, and a flexible work environment (Son, 2015). Better compensation increases employee's satisfaction and adds value to their performance (Drama & Supriyanto, 2017). According to various survey its find that compensation motivates employees' productivity, and make them loyal to the organization. There is a significant relationship between compensation and job pleasure which is categorized on the basis of payment such as payments which is made for competency and payments on the basis of performance (Hanai & Pallangyo, 2020). By providing attractive compensation and benefits organizations can influence employee satisfaction such as competitive salaries, regular promotions, and recognition with rewards (Hanaysha, 2016). Msisiri & Juma (2017) propose that proper payment recognition by managers encourages employees to remain within the organization. It is very important for to feel the employees that they get proper compensation from the company and they will try to repay the organization with their commitment to stay for a longer time (Ahmada et al., 2015). According to Anter & Lapian (2016), employees leave the organization where they are paid low salaries and benefits for their employment. Rakhra (2018) statistically found that fair and competitive salary and performance-related incentives are significant variables for the retention of workers. As mentioned by

Budd & Hannum (2016), managers can successfully retain employees since they enter the organization if they generate appropriate pay policies and bonuses.

2.9 Conceptual Framework

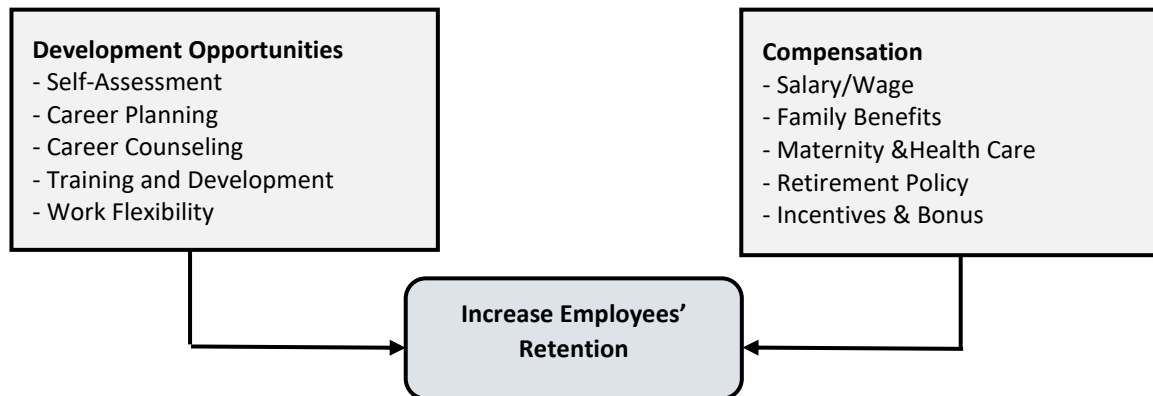


Figure 2.5: Impact of Development Opportunities and Compensation on Employee Retention

Here, both development opportunities and compensation affect employee retention in an organization.

2.10 Proposed Hypothesis

H1: There is a significant difference in retention perspective in a bank in terms of gender.

H2: Development opportunities have a significant impact on employees' perception of retention.

H3: Compensation has a significant impact on employees' perception of retention.

3. Material and Methods

To prepare this research, quantitative and descriptive study designs have been used. Here the design method is attendant with the research questions that aim to examine the impact on employee retention between two independent variables of this study. To conduct this research quantitative approach has been followed to collect and analyze primary data. The sample is selected by using a non-probability sampling technique.

The sample is a little portion that is taken from the large population of interest. Here the sample element for this research is the employees from banks situated in different areas of Khulna city. Singh and Masuku (2014) stated that 100 sample will do as long the population size is 100000 in 10% level of significance. As this study consists of a population of around 1, 97,599, so sample size (n) 198 may be used for the study. Total 250 questionnaires were distributed hand to hand to the respondents along with an online form. 241 responses were received as responses and 234 among them were taken as a sample as per the selected sample size.

The questionnaire was distributed randomly to the respondents via in-person and e-mail using Google survey forms which are most conveniently available among the target population. Before delivering the questionnaire, they were informed about the core

purpose of this research to have their full devotion and assistance and to make sure that they would complete the questionnaire appropriately. Again, the secondary source of data is addressed by different articles, journals, books, thesis papers, and various websites.

For the questionnaire, the 5-point rating scale (Likert scale) was used. The rating was divided into five scales which are the following: Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4), and Strongly Agree (5).

The data has been evaluated in Statistical Package for the Social Sciences (SPSS) 23.0 software making useful analysis to achieve research objectives. The quantitative data that has been collected through questionnaires is organized before it is analyzed by the Statistical Package for Social Sciences (SPSS) software 23.0. For checking the reliability of this data Cronbach's alpha has been used. Descriptive analysis has been implemented to elaborate on the general characteristics of the respondents. Some of the descriptive statistics, for instance, the mean and standard deviation are also calculated in the appropriate setting. An Independent sample T-test is used for gender-based analysis. It is done to see whether any differences exist in employee retention with respect to males vs. females. Correlation analysis has been used to measure the strength and identify the direction of the linear relationship between a dependent variable and independent variables. In this study, a correlation is shown in employee retention between development opportunities and compensation, where development opportunities and compensation are independent variables and employee retention is the dependent variable. Again, regression analysis has been done to attain the main objective so as to identify who (i.e. development opportunities or compensation) has a more significant relationship with employee retention.

4. Results and Discussion

4.1 Independent Sample T-test

It examines the variances among means which are taken from the calculation of two independent samples or groups (Zikmund et al., 2013). Independent Sample T-Test is adopted for gender in this study.

4.2 T-test for Gender (Development Opportunities and Compensation)

The test determines if the respondents in the sections male and female have a different mean regarding the two factors. Here, the supporting hypothesis is:

H1: There is a significant difference in development opportunities exercised in organizations in terms of gender.

H2: There is a significant difference in compensation exercised in organizations in terms of gender.

Table 4.10: Group Statistics

	Gender of the Employee	N	Mean	Std. Deviation	Std. Error Mean
Development Opportunities	Male	185	4.3568	.34526	.02538
	Female	49	4.2755	.44746	.06392
Compensation	Male	185	4.2243	.41898	.03080
	Female	49	4.1980	.49265	.07038

Table 4.10 presents descriptive statistics for both of the groups namely male and female. There were 185 people in the male section and 49 females responded. Under the factor development opportunities, the 185 male has 4.3568 mean scores with a standard deviation of 0.34526. In the female section, and 49 females have 4.2755 mean scores with a standard deviation of .44746. In the remaining factor compensation, the mean score of males is 4.2243 by having a standard deviation of .41898. In the female responses, the mean value is 4.1980 with a standard deviation of .49265. Both the factors have a mean number very close to each other group that is male and female, representing that there are no significant differences between males and females in their mean response found. The mean response for their development opportunities and compensation that they get in their organization is likely to be the same in amount. The following table further statistically identifies their response variance based on the gender difference.

Table 4.11: Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Development Opportunities	Equal variances assumed	3.398	.067	1.371	232	.172	.08125	.05924	-.03548	.19797
	Equal variances not assumed			1.181	63.918	.242	.08125	.06878	-.05616	.21865
Compensation	Equal variances assumed	2.959	.087	.377	232	.707	.02637	.06993	-.11141	.16414
	Equal variances not assumed			.343	67.507	.733	.02637	.07682	-.12696	.17969

The second part of the independent sample T-Test for this output provides the inferential statistics. It is shown in Table 4.11. The first column that is labeled as “Levene's Test for Equality of Variances” represents whether the assumption of the T-test has been met or

not. The significance value of Levene’s Test for Equality of Variance for the two factors, namely development opportunities and compensation are .067 and .087 respectively. And those two values are higher than 0.05. From this result, it is understood that equal variances can be assumed for both. Now, at the equal variance assumed row, under the T-test for Equality Means row and Significance (2-tailed) column, the significant value for development opportunities and compensation are .172 and .707 with t statistics values of 1.371 and .377 respectively. And all of these values are also higher than 0.05 ($p > 0.05$). Therefore, the hypothesis results that there is no significant difference among employees regarding development opportunities and compensation in an organization in terms of gender. As there is no difference between males and females in getting development opportunities and compensation, so gender may independently influence retention intention.

4.1.2 T-test for Gender (Employee Retention)

For the section of male and female, there has again one variable and for this, another test of independent t-test needs to be done. The test determines if the respondents in the sections have a different mean regarding retention intention. Here, the proposed hypothesis is:

H1: There is a significant difference in retention perspective in a bank in terms of gender.

Table 4.12: Group Statistics

	Gender of the Employee	N	Mean	Std. Deviation	Std. Error Mean
Employee Retention	Male	185	4.164	.4840	.0356
	Female	49	4.116	.3949	.0564

Table 4.12 presents descriptive statistics for both groups namely male and female. Under the factor of employee retention, the 185 male has 4.164 mean scores with a standard deviation of 0.4840. In the female section and 49 females have a 4.116 mean with a standard deviation of .3949. The factor has a mean number very close to each other group that is male and female, representing no significant differences between male and female on their mean response found. The mean response of their retention intention that they convey for their organization is likely to be the same in amount.

The following table further statistically identifies their response variance based on gender difference.

Table 4.13: Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Employee Retention	Equal variances assumed	3.083	.080	.640	232	.523	.0480	.0750	-.0998	.1958
	Equal variances not assumed			.720	90.067	.474	.0480	.0667	-.0845	.1805

Inferential statistics are presented in the second part which is shown in Table 4.13. The first column that is labeled as “Levene's Test for Equality of Variances” tells whether the assumption of the T-test has been met or not. The significance value of Levene’s Test for Equality of Variance for the factor, namely employee retention is .080. And this value is higher than 0.05. From this result, it is understood that equal variances can be assumed. Now, from the equal variance assumed row, under the T-test for Equality Means row and Significance (2-tailed) column, the significant value for employee retention is .523 with a t statistics value of .640. And this value is also higher than 0.05 ($p > 0.05$). Therefore, the Hypothesis is rejected; implying that there is no significant difference in retention perspective in a bank in terms of gender.

4.12 Multiple Regression and Correlation

Multiple regressions are conducted on a single dependent variable and two or more independent variables. In order to study the impact of the two factors including development opportunities and compensation (independent variables) on employee retention (dependent variable), regression analysis is run. For that, below is a set of hypotheses that is proposed:

H₂: Development opportunities have a significant impact on employees’ perception of retention.

H₃: Compensation has a significant impact on employees’ perception of retention.

To test the above set of hypotheses a multivariate regression model represents-

- **Dependent Variable:** Employees’ Perception of Retention.
- **Independent Variable:** Development Opportunities (x1) and Compensation (x2).

As multiple regressions are affected by the presence of multicollinearity, to be analyzed at the outset. However, multicollinearity arises if the correlations among each independent variable are very high. What constructs serious multicollinearity is not always vivid although several rules of thumb and procedures have been identified to detect multicollinearity (N. K. Malhotra, 2011).

4.2.1 Correlation Matrix & Multicollinearity Analysis

The correlation matrix is one of the identities of multicollinearity among the independent variables. In the correlation matrix table, if any value is not more than 0.8, it is expected that multicollinearity does not exist there (Snowden, 2008).

Table 4.14: Correlations between Development Opportunities and Compensation with Employee Retention

		Development Opportunities	Compensation	Employee Retention
Development Opportunities	Pearson Correlation	1	.372**	.463**
	Sig. (2-tailed)		.000	.000
	N	234	234	234
Compensation	Pearson Correlation	.372**	1	.637**
	Sig. (2-tailed)	.000		.000
	N	234	234	234
Employee Retention	Pearson Correlation	.463**	.637**	1
	Sig. (2-tailed)	.000	.000	
	N	234	234	234

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

Table 4.14 represents the correlation matrix of two independent variables and one dependent variable. Although the correlation of development opportunities and compensation shows a weak positive correlation, it does not hamper the model as the value is not more than 0.8. Thus, initially, it is assumed that multicollinearity is not presented between the independent variables.

The absolute value of the correlation coefficient gives the relationship strength. The larger the number the stronger the relationship. In these results, the correlation between development opportunities and employee retention is .463, which indicates that there is a moderate positive relationship between the variables. The P value of the correlation between development opportunities and compensation is significant at 0.000, which is less than .001 ($p < 0.05$), indicating that the correlation coefficient is statistically significant. On the other side, the correlation between compensation and employee retention is .637, which indicates that there is a strong positive relationship between the variables. The P value of the correlation between role compensation and employee retention is significant at 0.000, which is less than .001 ($p < 0.05$), indicating that the correlation coefficient is statistically significant.

Table 4.15: Coefficients Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.273	.294		.928	.354
	Development Opportunities	.332	.065	.263	5.068	.000
	Compensation	.579	.056	.539	10.397	.000
a. Dependent Variable: Employee Retention						

Table 4.15 shows the relationship between the dependent variable (employee retention) and each independent variable (development opportunities and compensation). From the table, the regression equation for employee retention can be developed as:

$$Y = 1X_1 + 2X_2 + a$$

$$\text{Employee Retention} = (.332) \times \text{Development Opportunities} + (.579) \times \text{Compensation} + .273$$

The coefficient table also shows that employees' retention (dependent variable) is mostly influenced by compensation of $\beta_2 = 0.579$, followed by development opportunities $\beta_1 = 0.332$.

According to the p-value, both factors have a statistically significant correlation with employees' retention perception. All those p-values are less than 0.05. So, this factor has a statistically significant impact on employee retention. So, in the end, it can be concluded that it's better to have both development opportunities and compensation than any single one.

Table 4.16: ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.564	2	11.782	100.368	.000 ^b
	Residual	27.117	231	.117		
	Total	50.681	233			
a. Dependent Variable: Employee Retention						
b. Predictors: (Constant), Compensation, Development Opportunities						

The results of the regression equation based on two independent variables (development opportunities and compensation) indicate a positive and statistically significant relationship with the dependent variable of employee retention. From table 4.16 it can be observed that the F ratio is 100.368 and it is highly significant since the p-value is 0.000 ($p < 0.05$). It means the data fit the model as the significant value is zero (Zikmund et al., 2013).

Table 4.17: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.682 ^a	.465	.460	.34262
a. Predictors: (Constant), Compensation, Development Opportunities				

Table 4.17 also shows the model summary of the dataset with a regression analysis. In the table, it is shown that the predictor variables have a multiple correlation (R) value of 0.682 and a coefficient of determination (R²) of 0.465. It means a 46.5% change in employees' retention perception can be explained by the development opportunities and compensation.

Table 4.18: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.463 ^a	.215	.211	.41423
a. Predictors: (Constant), Development Opportunities				

Table 4.19: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.637 ^a	.405	.403	.36039
a. Predictors: (Constant), Compensation				

With development opportunities (independent variable) the R² is .215, but when compensation (another independent variable) is added the R² increases to .465. With development opportunities, the standard error of the estimate is .41423, but decreases to .34262 by the addition of compensation. On the other hand, with compensation (independent variable) the R² is .405, but when development opportunities (another independent variable) are added the R² increases to .465. With compensation standard error of the estimate is .36039, but decreases to .34262 with the addition of development opportunities. So, the regression equation approves.

Here the R² is .215 for development opportunities and R² is .405 for compensation. And the standard error of estimate for development opportunities is .41423 which is higher than the standard error of estimate of compensation .36039. So, Compensation is a better predictor for employee retention.

4.3 Hypothesis Test Summary

H2: Development opportunities have a significant impact on employees' perception of retention.

Here, X1 (Development Opportunities) = 0.332, which means a 100% change in development opportunities leads to a 33.2% change in employee retention and the result is statistically significant. So, the alternate hypothesis (H2) is accepted and concludes that development opportunities have a significant effect on employee retention.

H3: Compensation has a significant impact on employees’ perception of retention.

X2 (Compensation) = 0.579, this signifies that a 100% change in compensation leads to a 57.9% change in employee retention and the result is statistically significant. So, the alternate hypothesis (H3) is accepted and concludes that compensation has a significant effect on employee retention.

Table 4.20: Hypothesis Test Summary

Hypothesis	P-Value	Remarks
H1: There is a significant difference in retention perspective in a bank in terms of gender.	.080	Rejected
H2: Development opportunities have a significant impact on employees’ perception of retention.	.000	Accepted
H3: Compensation has a significant impact on employees’ perception of retention.	.000	Accepted

5. Recommendations

As this is research in Human Resource Management (HRM) field, managers should be more conscious about exercising employee retention policies in any appropriate setting. As supported by literature, some employees may perceive development opportunities as good while some may prioritize compensation over it. In this study, compensation is the most significant factor from a general perspective, which may vary in consideration of individual choice. So, managers need to understand each employee’s perception for the betterment of the organization as well as establish a stable workforce that ensures employees are satisfied and not thinking about another job.

6. Conclusion

The general objective of this study is to investigate the factor of stress and its impact on absenteeism and from the research findings and analysis, it was found that all the p-values for all the variables were found to be less than 0.05, an indication that illness was statistically significant to relate with the employees’ stress factor (workload, role characteristics, rotating work shift, time pressure, and deadline and deadline) is positively related with employee absenteeism. The study established that workload contributed to illness that is positively correlated with each other. Role characteristics create in the workplace when there is a conflict between personal values and job responsibilities, one does not know about what is done by one because work is not clearly defined, the irrational role is performed and the expectation of roles varies from organization to organization and it creates employee stressful. Too much work pressure makes the employee unsuccessful to perform his family responsibility. All these factors are influenced an employee to face work stress and make the employee absent because of illness. In the analysis, it is found that there are no differences in the perception

between gender (male and female) and absence in the workplace (yes or no). Employees are remaining absent in the workplace for stress-related reasons.

Conflict of Interest Statement

The authors declare no conflicts of interest.

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