

Report On

HRM Practices and Employee Creative Behavior of Banking Industry in Bangladesh: Antecedent and Outcome of Employee Retention

Submitted By

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Declaration

It is hereby declared that

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3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
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Abstract

This study explores the relationship between HRM practices and employee retention, with a specific focus on how employee retention is associated with creative behavior. The research employs survey method to collect data from a diverse sample of employees in IFIC Bank Plc representing the banking industry. HRM practices under investigation include recruitment and selection, training and development, rewards and benefits, career development opportunities, and employee participation are examined in the context of their impact on employee retention rates. Preliminary findings reveal a strong positive correlation between three out of these five areas that emphasize employee retention. Furthermore, this study investigates the significant relationship between employee retention and creative behavior. Employees who feel secure in their jobs and are satisfied with HRM practices are more likely to exhibit innovative and creative behavior, contributing positively to the organization's innovation and competitiveness. In conclusion, this research sheds light on the critical role of HRM practices in enhancing employee retention and, subsequently, fostering creative behavior within organizations. The results highlight the importance of creating a supportive work environment through fair recruitment and selection and offering adequate training and development facilities, offering opportunities for employee participation and development along with adequate rewards and recognition, and recognizing the influence of HRM practices on the creative potential of the workforce. Understanding these relationships can assist organizations in formulating more effective HRM strategies and ultimately lead to improved employee retention and a more innovative and competitive workforce.

CHAPTER ONE
INTRODUCTION

CHAPTER ONE - INTRODUCTION

1.1 Introduction

This research focuses on examining the influence of the Human Resource Management (HRM) practices on Employee Retention and the association of Employee Retention with their Creative Behavior in the context of Banking Industry in Bangladesh. The report starts with the introduction chapter comprising of background of the study, problem statement, both research questions and research objectives and significance of the study. The chapter ends covering the definitions of relevant concepts used in the current research.

1.2 Background of the study

Any organization's most valuable resource is its human capital since it facilitates the emergence of competitive advantage (Stewart & Brown, 2019). Employers must provide an environment that supports retention techniques so that they can meet the challenge of gaining a competitive edge where employees are motivated to exploit other resources like financial, technological, and Informational and materials resources (Collins, 2021). When people are satisfied with their occupations, they become more committed to both their work and the company, which increases the likelihood that they will want to stay there (Nayak, Jena, & Patnaik, 2021). The ability of the organization to retain its competent and skilled employees can be referred as **Employee Retention** (Kurdi, Alshurideh, & Afaishat, 2020). Most of the organizations are keen to invest on the employee retention as they believe that hiring is more expensive and difficult than retaining the great employees (Ng & Stuart, 2021). Employee retention can create impact on an organization's performance, productivity, culture, profitability, and customer satisfaction in both positively and negatively. As employee retention can reduce the operational cost on talent attraction, recruitment and selection activities, as well as training and development; it can

improve the company morale, employee participation, staff-manager relationship that increase the productivity, growth and profitability (Laucida_Insights, 2022). Thus, the organizations perceive that hiring the competent employees is very much essential but the employers face challenges as well to retain them with proposing a motivating environment.

Again, bringing out the best performance and potential creativity from the retained personnel is another challenge to the employers as retaining the wrong employees can hinder the company's success (Sharma & Shukla, 2020). The common believes of the organizations on the employee retention is for the good reasons however, high rates of retention can have some unforeseen consequences as well (Business Leadership Today, 2023). Such as, if the significant portion of the retention is done on the disengaged employees mostly, the potential downside to retention may be discovered lately by the management until it creates a severe problem. Surprisingly, even engaged employees can be the reason of creating difficulties for organizations. It has been observed that some of the retained employees who work for the long time may be more resistant to the change than the newer ones, more apathetic to learn new things and take new responsibilities (Business Leadership Today, 2023).

Many authors have researched on the field of employee retention that how it is involved in a competitive market, played vital role for the long-term competitive advantage and organizational success and longevity (Das & Baruah, 2013). It has been observed in various studies that supervisor-staff relationship, work environment, work Life balance, job satisfaction can make employees more devoted and committed to their work (Nasir & Mahmood, 2016). A motivational quote of Aristotle is that "pleasure in the job puts perfection in the work" can emphasize one cause of the retention is the job satisfaction. Most studies are dedicated to the examination of how career development opportunities, benefits and rewards, and psychological

factors are considered dynamic on employee retention (Lyman, 2020). The researchers previously examined the relationship between employer branding as a talent attraction technique and employee retention of the existing workforce (Tanwar & Prasad, 2016). Academicians also have developed a consensus about the significant role of Human Resource Management in developing this idea (Tian, 2020). After reviewing several articles, and research reports relevant to the employee retention, and their performance, we have come to do some further research on the area of Human Resource Management and its impact on the employee retention and the relationship between the retained employees and their creative performance.

1.3 Problem statement

This study is outlined to find the ways of retaining competent employees through implementing Human Resource Management Practices as well as it is designed to investigate the factors affecting the employee retention and their further creative behavior.

In many studies, we find that high employee dissatisfaction increases the turnover rate that reduces the rate of employee retention (Das & Baruah, 2013). Again, the retained employees do not show their actual creativity; some reasons can be – lack of sound work environment, supervisor-staff relationship, career growth opportunities, work life balance and so on (Das & Baruah, 2013) (Nasir & Mahmood, 2016). Again, if the retained employees become disengaged with the required level of performance, they will be the reason of adverse impact on the productivity, growth and profitability of the organization (Business Leadership Today, 2023). The market position of the company will be gone down and it will reduce the competitive advantage of the firm. After going through various articles and research papers, we have seen that there are lots of studies on the factors and determinants of employee retention and its positive and negative effects on the organization performance. But we did not find any study on

the direct connection between HRM Practices with Employee Retention and its association with their creativity. Now this paper sheds light through exploring the impact of Recruitment and Selection, Training and Development, Employee Participation, Reward and Recognition, Career Development Opportunities on Employee Retention as well as through finding the way how the retained employees continue their services with creative behavior.

1.4 Research Questions

In this research, we are working with the following two broad areas -

- Does Human Resource Management practices have influence on Employee Retention?
- Does Employee Retention have influence on Employee Creative Behavior?

1.5 Research Objective

Our purpose to do this research is to find –

- To identify the influence of Human Resource Management Practices on Employee Retention.
- To identify the influence of Employee Retention on Employee Creative Behavior.

1.6 Significance of the study

This paper is expected to enlighten the study of future researchers through discussing the influence of several areas of HRM practices on Employee Retention and the relationship of the retained employees on their creative behavior. Theoretically, it will clarify the concept that how the HRM practices (Recruitment and Selection, Training and Development, Employee Participation, Reward and Recognition, Career Development Opportunities) prioritize the area of Employee Retention along with the connection of the retained employees towards the creative performance.

Practically, this study will provide a better approach to implement the HRM Practices effectively that will reduce the turnover and maximize the employee retention rate. Again, it will assist the policy makers in the organization to utilize the best resources properly to find the best outcome. Furthermore, it is expected that the study will support the organizations to find the relationship of retained employees with their extent of interest to do creative performance.

1.7 Key Terms

Table 1 Definition of Key Term

| Terms | Definition |
|----------------------------|--|
| HRM | HRM comprises a set of policies designed to maximize organizational integration, employee commitment, flexibility and quality of work. (Guest, 1987) |
| Employee Creative Behavior | Employee creativity is defined as the capacity and openness of employees to produce original and beneficial concepts, ideas, or methods within the context of their employment. (Alikaj, Ning, & Wu, 2020) |
| Employee Retention | Employee retention is concerned with keeping or encouraging employees to remain in an organization for a maximum period of time. (Singh, 2019) |
| Recruitment and Selection | Recruitment refers to the process of actively searching for, attracting, and generating a pool of qualified candidates for available job vacancies within an organization. Selection, on the other hand, is the process of evaluating and choosing the most suitable candidate from the pool of applicants generated through recruitment. (Abbas, Shah, & Othman, Critical Review of Recruitment and Selection Methods: Understanding the Current Practices, 2021) |
| Training and Development | Training focuses on providing specific knowledge and skills related to job tasks, processes, and procedures. Development, on the other hand, emphasizes a broader perspective, focusing on the long-term growth and potential of employees. (Sanyal & Hisam, 2018) |
| Employee Participation | Employee participation refers to the involvement of employees in decision-making processes and an organization's general operation. (Khalid & Nawab, 2018) |

| | |
|---|--|
| <p>Reward and Recognition</p> | <p>Reward and recognition can be differentiated that reward is tangible or intangible incentives offered to employees for some accomplishment or success such as Monetary bonuses, promotions, gift certificates, flowers, whereas, recognition is the public acknowledgment of an employee's contribution to the organization such as positive feedback, appreciations and encouragement from superiors. (Hussain, Khaliq, & Nisar, 2019)</p> |
| <p>Career Development Opportunities</p> | <p>Career development opportunities are designed to support personal and professional growth, allowing individuals to acquire new competencies, expand their responsibilities, and progress within their chosen career paths. (Borgen & Edwards, 2019)</p> |

CHAPTER TWO
ORGANIZATIONAL OVERVIEW

CHAPTER TWO - ORGANIZATIONAL OVERVIEW

2.1 Introduction

As, our research is constituted on the sample data of the banking sector, we are going to discuss about the detail concept of the banking industry in Bangladesh including the historical and present synopsis, and its contribution in the diversified area in this chapter. Later, it will share some overview of IFIC Bank PLC where we conducted our survey.

2.2 History of banking industry in Bangladesh

The banking industry plays a vital role in the global economy by providing financial services to individuals, businesses, and governments. Banks are financial institutions that act as intermediaries between those who have excess funds (depositors) and those who need funds (borrowers). They facilitate the flow of money and credit in the economy, enabling economic growth and development. Historically, banking can be traced back to ancient times when merchants and traders needed a safe place to store their wealth and conduct financial transactions. Over the centuries, banking has evolved significantly, adapting to changing economic conditions, technological advancements, and regulatory frameworks.

The history of the banking sector in Bangladesh dates back to the British colonial period. During the 19th and early 20th centuries, several foreign banks established their branches in the region that is now Bangladesh. However, the indigenous banking sector emerged after the country's independence in 1971. Though, the history of the banking sector in Bangladesh started before the partition of India in 1947, various foreign banks such as Standard Chartered, HSBC, and Barclays established their branches in the area of present Bangladesh. These banks primarily served the needs of the British colonial administration, European merchants, and the local elite. (Bangladesh Bank, 2023)

Following Bangladesh's independence from Pakistan in 1971, the government took several measures to establish a robust banking sector. The government established the Bangladesh Bank (the central bank) in 1972 to strengthen the banking sector and address governance issues. Over time, the regulatory framework evolved to ensure stability and transparency in the sector. The Bangladesh Bank continues to regulate and supervise the banking sector to maintain stability and ensure compliance with international standards. Besides that, in 1972, the government **nationalized** all banks in the country, merging them into six state-owned commercial banks (SOCBs) and two specialized banks. This move aimed to centralize control over banking and mobilize resources for national development. In the early 1980s, the government started to liberalize the financial sector and allowed private commercial banks to operate alongside the SOCBs. Recognizing the significance of Islamic banking, the government allowed the establishment of Islamic banks in the country. Islamic Bank Bangladesh Limited, founded in 1983, became the first Islamic bank in Bangladesh. Subsequently, other Islamic banks and Islamic banking branches of conventional banks emerged. The process of privatization gained momentum in the 1990s, leading to the establishment of many private banks.

Today, the banking sector in Bangladesh consists of a mix of state-owned, private, foreign, and Islamic banks. Currently, there are **61 scheduled banks** in Bangladesh who operate under full control and regulation of Bangladesh Bank that is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991. The following categories apply to different types of scheduled banks:

State Owned Commercial Banks (SOCBs): There are six SOCBs that are wholly or primarily controlled by the Bangladeshi government.

Specialized Banks (SDBs): Three specialized banks, intended to work toward certain goals like agricultural or industrial development, are entirely or primarily controlled by the government of Bangladesh.

Private Commercial Banks (PCBs): There are 43 privately owned commercial banks, and they can be divided into two groups based on who owns them:

Conventional PCBs: 33 traditional PCBs are currently in operation in the sector, carrying out traditional banking operations such interest-based ones.

Islami Shariah based PCBs: There are ten PCBs in Bangladesh that are based on Islami Shariah and conduct banking operations in accordance with its precepts, such as the Profit-Loss Sharing (PLS) mode.

Foreign Commercial Banks (FCBs): As the banks' branches are overseas-incorporated, there are 9 FCBs functioning in Bangladesh.

Along with the emergent of banking sector, during 1970s, Non-Governmental Organizations (NGOs) started offering microfinance services to uplift the poor and promote financial inclusion.

Following this, Grameen Bank, founded by Muhammad Yunus in 1976, became a renowned microfinance institution that pioneered the concept of microcredit. Moreover, there are now **5**

non-scheduled banks in Bangladesh which are: Ansar VDP Unnayan Bank, Karmashangosthan Bank, Grameen Bank, Jubilee Bank, Palli Sanchay Bank. (Bangladesh Bank, 2023)

It is to mention that with the advent of technology, the banking sector in Bangladesh witnessed significant changes. Automated Teller Machines (ATMs), online banking, mobile banking, and other digital services have gained popularity, making banking more accessible and convenient for customers. The ultimate purpose of this sector has been instrumental in supporting economic growth, promoting financial inclusion, and facilitating trade and investment in the country.

2.3 Contribution of banking industry

It's important to note that the contributions of the banking industry may vary across countries and regions based on their specific financial systems, regulatory frameworks, and economic conditions. Here, we are concerned to discuss about the contribution of banking industry in respect to Bangladeshi market condition.

2.3.1 Economic contribution

The banking industry plays a crucial role in the economy and makes significant contributions in several ways:

Financial Intermediation: Banks act as intermediaries between depositors and borrowers, channeling funds from those with surplus funds to those in need of capital. They facilitate the flow of funds in the economy, providing loans to individuals, businesses, and governments. This promotes investment, consumption, and economic growth.

Credit Creation: Banks have the ability to create credit through the process of fractional reserve banking. By accepting deposits and maintaining only a fraction of those deposits as reserves, banks can lend out the remaining funds. This credit creation mechanism expands the money supply, stimulating economic activity and supporting investment and business expansion.

Mobilizing Savings: Banks encourage savings by offering various deposit products and incentives. By mobilizing savings, banks provide a stable and reliable source of funds that can be channeled into productive investments. These savings help finance capital projects, infrastructure development, and other economic activities.

Facilitating Payments and Transactions: Banks provide a range of payment services, such as check clearing, electronic funds transfers, and online banking. By facilitating secure and efficient

transactions, banks contribute to the smooth functioning of the economy. This reduces the reliance on cash transactions and promotes economic efficiency.

Risk Management and Financial Services: Banks offer a wide array of financial services to individuals, businesses, and governments. These include risk management tools like insurance, hedging, and derivatives. Banks also provide advisory services, capital market access, and trade financing, enabling businesses to manage risks and undertake investment and expansion.

Employment Generation: The banking industry is a significant employer, providing jobs to a large number of people directly and indirectly will be described elaborately later. Banks require a diverse workforce, including bankers, economists, accountants, IT professionals, lawyers and customer service representatives. The industry's employment opportunities contribute to income generation and overall economic well-being.

Economic Stability and Financial System Resilience: Banks play a critical role in maintaining financial stability and resilience. They act as custodians of public trust and confidence by ensuring the safety and soundness of the financial system. Effective regulation, supervision, and risk management practices by banks help prevent financial crises and promote stability in the economy.

Infrastructure Development: Banks often participate in financing infrastructure projects such as roads, bridges, power plants, and telecommunications networks. By providing long-term financing and project advisory services, banks contribute to the development of vital infrastructure, which is essential for economic growth and productivity enhancement.

Overall, the banking industry's economic contributions are multifaceted and pervasive, ranging from financial intermediation and credit creation to promoting savings, facilitating transactions, providing employment, and fostering economic stability.

2.3.2 Social Contribution

The banking industry has significant social contributions that extend beyond its economic functions. Here are some key ways in which the banking industry contributes to society:

Financial Inclusion: Banks play a crucial role in promoting financial inclusion by providing access to banking services for individuals and communities. They offer basic banking products and services, such as savings accounts, payment facilities, and loans, to individuals who were previously excluded from the formal financial system. This helps empower marginalized populations, reduces poverty, and promotes economic and social development.

Small and Medium Enterprises (SMEs) Support: Banks provide financing and advisory services to small and medium-sized enterprises, which are vital for job creation, innovation, and economic growth. By supporting SMEs, banks contribute to entrepreneurship, fostering a vibrant business environment, and enabling economic diversification.

Education and Student Loans: Banks offer educational loans and student financing options, making higher education more accessible to individuals who may not have the financial means to pursue their studies. This helps promote educational attainment, skill development, and social mobility.

Housing Finance: By providing mortgage loans and housing finance options, banks enable individuals and families to purchase homes and invest in real estate. This contributes to improving living standards, promoting social stability, and enhancing the quality of life.

Corporate Social Responsibility (CSR): Many banks have robust CSR programs through which they contribute to social welfare and community development. They engage in initiatives such as philanthropy, supporting healthcare, education, environmental conservation, disaster

relief, and other social causes. These efforts address social needs and contribute to sustainable development.

Consumer Protection: Banks have a responsibility to protect the interests of their customers. They implement measures to ensure fair practices, transparency, and compliance with regulations. By safeguarding consumer rights, banks contribute to building trust, enhancing financial literacy, and promoting a responsible banking culture.

Digital and Technological Inclusion: With the rise of digital banking, banks are increasingly investing in technology to provide inclusive financial services. They develop digital platforms, mobile banking apps, and online payment systems, making banking accessible to underserved populations. This digital inclusion helps bridge the digital divide and promotes financial empowerment.

Financial Education: Banks have a part to play in advancing financial education and literacy. They organize workshops, training programs, and awareness campaigns to educate individuals about financial management, investment, budgeting, and responsible borrowing. This empowers individuals to make informed financial decisions, avoid debt traps, and improve their financial well-being.

The social contributions of the banking industry are integral to fostering inclusive growth, reducing inequality, empowering individuals and communities, and promoting overall social welfare. By providing access to financial services, supporting education, housing, and SMEs, and engaging in responsible practices, banks contribute to a more equitable and prosperous society.

2.3.3 Contribution on employment generation

The banking industry plays a significant role in employment generation, both directly and indirectly. Here are the key ways in which the banking industry contributes to employment:

Direct Employment: Banks are major employers, offering a wide range of job opportunities across various roles and functions. They employ professionals in fields such as banking operations, customer service, risk management, finance, accounting, information technology, marketing, human resources, and administration. These direct employment opportunities provide livelihoods for a large number of individuals.

Indirect Employment: The banking industry has a multiplier effect on employment generation through its interactions with other sectors of the economy. When banks lend to businesses, it enables those businesses to expand, invest, and create job opportunities. For example, small and medium-sized enterprises (SMEs) rely on bank financing to fund their operations and hire employees. Additionally, the demand for various goods and services generated by the banking industry stimulates employment in sectors such as construction, real estate, retail, transportation, and professional services.

Support Services: Banks require support services from external providers, such as security services, cleaning services, IT support, maintenance, legal services, and auditing. These support services create additional employment opportunities for various service providers and professionals.

Financial Technology (Fintech) Sector: With the growing adoption of technology in banking, the fintech sector has emerged as a significant contributor to employment. Fintech companies develop innovative solutions, digital platforms, and mobile applications for banking and

financial services. These companies employ professionals skilled in software development, data analytics, cyber security, user experience design, and digital marketing.

Entrepreneurship and Startups: Banks support entrepreneurship and the growth of startups through their lending and advisory services. Startups often require initial capital and financing to establish and expand their businesses. Banks that specialize in providing support to startups and entrepreneurs contribute to job creation in the startup ecosystem.

Economic Stability and Job Security: A stable and healthy banking industry is essential for economic stability, which, in turn, promotes job security. Banks provide stability to the financial system by managing risks, maintaining liquidity, and ensuring the smooth functioning of the economy. This stability helps create a conducive environment for businesses to operate, expand, and sustain employment.

Training and Skill Development: Banks invest in training and skill development programs for their employees, enhancing their expertise and career growth opportunities. Through training initiatives, banks contribute to improving the employability and skill levels of the workforce, thereby supporting overall employment in the economy.

Overall, the banking industry's employment generation extends beyond its own workforce. It creates direct employment opportunities, stimulates job creation in other sectors, supports entrepreneurship, fosters the growth of the fintech sector, and contributes to economic stability and job security. The industry's role in employment generation is crucial for promoting economic growth, reducing unemployment, and improving livelihoods.

2.4 Overview of IFIC Bank PLC

IFIC Bank PLC is a banking company integrated with the People's Republic of Bangladesh with limited liability. It began as a joint venture between the Bangladeshi government and sponsors in the corporate sector in 1976. IFIC was converted into a full-fledged commercial bank in 1983 when the Government started allowing banks in the private sectors. Here, The Government holds 32.75% share of the capital of the bank. From 1985, they set themselves as a joint venture exchange company with Oman, named as Oman Exchange.

IFIC bank is concerned to attain its **vision** of ensuring the preferred financial service through innovativeness, sustainability with inclusive growth and delivering the best outcome to all the stakeholders. The **mission** of this bank is to deliver such services to the clients through ensuring the skilled, competent, and creative workforce who will assist the institution with their hardworking, integrity and innovative actions to attain the competitive edge with quality service. As a result, the bank is always committed to the welfare and economic prosperity of the people and the community with onward progress to prosperity.

IFIC Bank always focus on its four **core values** by following the abbreviation of the name as – **I** for ***Integrity*** by upholding it for always and everywhere. **F** for ***Fairness*** by striving to offer the best, equitable and transparent customer services. **I** for ***Innovation*** by encouraging and nurturing creativity. And **C** for ***Commitment*** to give dedicated customer service and maximize the stakeholders' value through teamwork. With the purpose of reaching every corner of the country, they are concerned to mount state-of-the-art technologies and adopt innovative ideas for financial inclusion. So far, the bank is running with the biggest network in the country with 187 branches and 1113 sub branches over the country. This bank is concerned for continuous development with offering the innovative product facilities to its valuable customers. Some of the flagship

products of the bank are- IFIC Amar Account, IFIC Shohoj Account, IFIC Amar Vobisshot, and IFIC Amar Bari by which the bank is enjoying the competitive advantage around the industry. Furthermore, it is to mention that though the bank is concerned to technological advancement, it believes to grow with and through people as well. Consequently, the bank is cautious to give employment opportunities by hiring more employees at a market standard pay scale and empowering them by providing the required training opportunities to the newcomers and the existing employees conducted by the dedicated inhouse training institute of the bank and also associated with the outside experts if required. (IFIC Bank PLC, 2023)

2.5 Summary

This chapter clarifies the historical and current overview of banking industry in Bangladesh along with its contribution in the diversified area such as in economy, society as well as employment generation. Lastly, it presents some key concepts of IFIC Bank PLC where we conducted our survey.

CHAPTER THREE

LITERATURE REVIEW AND RESEARCH

FRAMEWORK

CHAPTER THREE

LITERATURE REVIEW AND RESEARCH FRAMEWORK

3.1 Introduction

The present chapter focusses on the literature review depending on the variables of the study framework along with outlining the research framework and developing the hypothesis. This literature review aims to examine the existing body of research on the impact of HRM practices on employee retention and employee creative behavior. By synthesizing the findings of previous studies, this review seeks to provide a comprehensive understanding of the relationship between HRM practices, retention, and creative behavior and highlight key implications for organizations. Understanding the relationship between HRM practices with employee retention, and employee retention with creative behavior is essential for organizations seeking to attract, develop, and retain talented individuals while fostering a culture of innovation. By synthesizing the existing literature, this review will shed light on the key factors that influence employee retention and creative behavior and provide valuable insights for HR practitioners, managers, and researchers. Last but not least, it is to mention that future research should continue to explore these factors and their interactions to further advance understanding of HRM practices on employee retention and influence of the retained employees towards employee creative behavior and its implications for organizations.

3.2 Employee Creativity

Employee creative behavior refers to the ability and inclination of employees to generate novel and valuable ideas, solutions, and approaches within the context of their work. It involves thinking outside the box, being innovative, and contributing to the organization's goals through new and unique perspectives (Amabile, 1988). Creative employees often demonstrate traits such

as curiosity and thirst for learning, open-mindedness, collaborative with team members, and a willingness to take risks. Creativity plays a crucial role in driving innovation, problem-solving, and organizational success. Organizations are increasingly recognizing the significance of fostering a creative work environment to enhance productivity and competitive advantage.

3.2.1 Factors of Employee Creativity: This literature review aims to explore the key factors influencing employee creative behavior, including individual, organizational, and contextual factors, and provide an overview of current research in the field.

As per the Individual Factors, numerous studies have identified personality traits, such as openness to experience, as significant predictors of employee creative behavior. Individuals high in openness tend to exhibit higher levels of creativity due to their willingness to explore new ideas, challenge the status quo, and embrace novel perspectives (Amabile, 1988). Then comes to the Cognitive Abilities, are referred by many scholars those higher cognitive abilities, including divergent thinking, problem-solving skills, and analytical reasoning, have been linked to increased creative behavior (Amabile T. M., 2017). These abilities enable individuals to generate unique ideas, think critically, and effectively overcome obstacles during the creative process. Some authors linked motivation with the creativity as Intrinsic motivation, such as the desire for autonomy, mastery, and purpose, has been found to foster employee creative behavior. Individuals who are intrinsically motivated are more likely to engage in creative endeavors, take risks, and persist in their efforts to find innovative solutions (Amabile T. M., 1988).

While discussing about the Organizational Factors, many scholars emphasis on the leadership support as such supportive leaders who encourage and recognize creative contributions create a conducive environment for employee creative behavior (Agbor, 2008). It has been observed that leaders who provide resources, establish clear goals, and promote risk-taking empower

employees to think creatively and contribute their ideas. Apparently, it seems that organizational Culture that values and rewards creativity can significantly influence employee creative behavior (Schein, 2004). Organizations that encourage experimentation, tolerate failures, and promote collaboration foster an atmosphere where employees feel safe to express and explore their creative ideas. Similarly, the Resources and Time such as, sufficient resources, including financial support, training opportunities, and dedicated time for creative pursuits, are essential for fostering employee creative behavior. Adequate resources enable employees to experiment, develop their skills, and turn their ideas into tangible outcomes (Altmann, Rundquist, & Florén, 2011). Some studies find relationships between the contextual factors like Team Dynamics, Organizational Structure, External Environment with the employee creative behavior. As diverse teams have been found to enhance employee creative behavior, interactions with team members from varied backgrounds and perspectives can stimulate idea generation, facilitate brainstorming, and provide constructive feedback, thereby boosting creativity (Agbor, 2008). Organizational Structure also influence the creativity like many authors find that flexible organizational structures that promote autonomy, communication, and knowledge sharing tend to foster employee creative behavior (Amabile & Pratt, 2016). Additionally, flat hierarchies, decentralized decision-making, and cross-functional teams encourage information flow and empower individuals to take ownership of their creative endeavors. Again, the external environment, including market competition, customer demands, and technological advancements, can influence employee creative behavior. It has been found that the organizations operating in dynamic and uncertain environments may be more inclined to encourage creative thinking and adaptability (Amabile & Pratt, 2016).

Furthermore, Human Resource Management practices play a crucial role in shaping employee behaviors and outcomes within organizations. The areas of Human Resource Management have received considerable attention in recent years by the researchers to find the impact of HRM practices on employee creative behavior (Lengnick-Hall, 2009). Initially, Recruitment and selection practices are considered in attracting and hiring employees with the right skills and qualifications. Several studies have suggested that organizations that adopt a rigorous selection process and focus on hiring individuals with diverse backgrounds and experiences tend to have a more creative workforce as such practices bring in employees with different perspectives, knowledge, and expertise, which can foster creativity and innovation (Altmann, Rundquist, & Florén, 2011). Research (Cooke & Saini, 2010) has shown that organizations that invest in providing training opportunities for employees to develop creative and problem-solving skills tend to have a more innovative work environment as training programs focused on creative thinking, brainstorming techniques, and encouraging risk-taking can positively impact employee creative behavior. Moreover, feedback and appraisal systems that recognize and reward creative contributions can encourage employees to exhibit creative behavior (Altmann, Rundquist, & Florén, 2011). Furthermore, Compensation and rewards systems including financial incentives, promotions, public recognition, and opportunities for career advancement can also influence employee creative behavior. Research suggests that organizations that provide incentives and recognition for creative contributions are more likely to foster a culture of innovation (Altmann, Rundquist, & Florén, 2011).

3.3 Employee Retention

Employee Retention refers to the hierarchical arrangements and practices that is utilized by the organization to keep key employees from leaving the association. The employers give full of

their effort to keep the key employees for the long run and squeeze the well performance to achieve the competitive advantage. Employee Retention relies upon the way how the organizations maintain their HRM practices however, retention is a multi-dimensional factor of the human resource policies of the organizations that start with recruiting the right people and to stick them with the business portfolio to achieve the goal of the organization (Azeez, 2017). Additionally, the author deliberated a range of **retention strategies** such as, bonuses, promotions, and personal communication from top managers to tie the performance of the employees with the firm's target. The concept of employee retention first emerged between the 1970s and the middle of the 1980s, when neither individuals nor organizations were aware of how crucial it was to keep potential employees engaged or of the positive consequences it would bring to the company. Prior to that, as is customary, people join the company in order to make enough money to cover their daily expenses; they remain for a longer period of time, sometimes even for the rest of their working lives (Ng'ethe, Namusonge, & Iravo, 2012). However, as employees began to experience the issue of employee turnover, job mobility and voluntary job transitions experienced an evolution in numerous industries. Therefore, as a management tool to keep the organization's potential employees, the management of the organizations critically assessed and developed employee retention (Nair & Malewar, 2013).

3.3.1 Factors of Employee Retention: According to (Drucker, 1999), Employees that willingly leave their jobs are a potential retention concern. As per the description of (Mitchell, Holtom, & Lee, 2001), there are two types of turnover: i) voluntary or involuntary and ii) functional or dysfunctional. **Voluntary turnovers** refer to an employee leaving a company freely, such as, the employee makes the decision to leave the company on his or her own. When an employee leaves a company against their will and the employer fires them, it refers the **involuntary turnover**. It

can be because of dispute, poor performance, or employment-at-will. Functional turnover is the term used to describe when a low performer departs the company. Dysfunctional turnover, which costs an organization money, occurs when a strong performer leaves. Terence et al., (2001) stated *several reasons* for the employees that leads them to leave voluntarily - some may be impacted by organizational issues, while others may be personal. Personal factors, including the state of the family, professional advancement, and tempting job opportunities etc. While lack of promotion chances, unjust employee treatment, and a mismatch between personal and organizational values are some organizational factors. A major issue for both organizations and individuals are general turnover. Further, it is made explicit that experiencing the expected or unexpected shocks, triggers strong desires to leave. In a study, (Abeysekera, 2007) assessed that the *impact of HR policies* on employees' intents to quit, that involves realistic job information, job analysis, work-life balance, career prospects, supervisor support, and salary, leads towards the conclusion that compensation and job analysis have a favorable impact on employee turnover. (Haider & Rasli, 2015) discussed that effective human resource management techniques have been shown to have a significant and positive effect on employee retention and the competition to find and keep talent is getting stronger all the time. Additionally, this analysis shows that while culture and salary have a beneficial effect on employee retention, training and development have the opposite effect. In the study of exploratory factor of employee turnover intention, (Priyanka & Dubey, 2016) identified *eight factors* as - quality of management practices, less salary, less career development opportunities, lack of support from the peer, supervisors and family members, limited learning opportunities, unfavorable working conditions, lack of workplace safety, less job security, and communication gap. (Kossivi, Xu, & Kalgora, 2016) further made an effort to analyze the different *retention factors* from the results of various

prior research studies, and they included some factors like the chance for development, work-life balance, compensation, management's leadership style, the work environment, autonomy, training & development, social support, etc. Their research focuses more on leadership, supervision and less on organizational culture, autonomy, and training & development. Again, (Khatun, Rahman, & Khatun, 2023) attempted to analyze the influencing factors of employee retention in banking industries in Bangladesh. The objective of the study is to find the relationship between development opportunities and compensation with employee retention to develop job satisfaction that leads to employee retention.

3.4 HRM Practices

3.4.1 Concepts of HRM

Human Resource Management refers to the strategic approach taken by organizations to manage their workforce effectively and maximize employee performance and productivity (Armstrong, 2009). Over the years, HRM has evolved from a transactional and administrative function to a more strategic role that aligns human capital with organizational goals (Lengnick-Hall C. A., 2001). Numerous studies have examined the relationship between HRM practices and organizational performance. Research suggests that effective HRM practices positively impact employee satisfaction, motivation, and performance, leading to improved organizational outcomes (Forster, 2005). The key components of HRM are - **Recruitment and Selection** that is the process of attracting, screening, and selecting suitable candidates for job positions; **Training and Development** that enhance the employees' skills and knowledge through training programs and continuous learning initiatives; **Performance Management** to set appraising employee performance, providing feedback, and meeting performance expectations; developing **compensation** systems and reward structures to motivate and retain employees; **managing**

employee relationships between employers and employees, including conflict resolution and employee engagement; **handling workforce diversity** and inclusion in the workplace to create an inclusive and equitable environment; as well as ensuring **talent management** through identifying and nurturing high-potential employees to ensure a sustainable pipeline of talent. (Armstrong, 2009).

As per different studies, there are many challenges in practicing HRM and some strategies to meet those as well. Now a days, the most common studies are about the impact of technology on HRM including artificial intelligence (AI) and automation in HR processes, remote work and virtual teams, such as the use of HRIS (Human Resource Information Systems) and HR analytics to improve decision-making (Budhwar, Malik, Thevisuthan, & Silva, 2022). Secondly, due to globalization, managing a diverse and globally dispersed workforce, addressing cross-cultural challenges, and adapting HRM practices to local contexts (Stofkova & Sukalova, 2020) (Srivastava & Agarwal, 2012). Again, setting the sustainable strategies to enhance employee engagement, job satisfaction, and retention, including flexible work arrangements, work-life balance initiatives, and career development opportunities are another crucial challenge of the employers (Podgorodnichenko, Edgar, & McAndrew, 2020).

3.4.2 Dimensions of HRM

3.4.2.1 Recruitment and Selection: Recruitment and selection are crucial processes in the field of Human Resources Management that involves finding and selecting the most suitable candidates to fill job vacancies within an organization (Armstrong, 2009). The literature explores different recruitment and selection sources and strategies employed by the organizations. Recruitment is the process of attracting a pool of qualified candidates who are interested in and capable of filling open positions in an organization whereas selection is the process of choosing

the most suitable candidate from the pool of applicants (Usmani, 2020). Here, we can find the separate reviews of different authors on the recruitment and selection process.

The first step before recruiting involves with **Job Analysis** that refers determining the requirements, responsibilities, and qualifications for a specific job position (Lengnick-Hall C. A., 2001). It helps in creating a clear *job description and person specification*. Various methods can be used to source potential candidates including internal referrals (current employees) and external sources (job boards, social media, career fairs and professional networks) in attracting qualified candidates (Armstrong, 2009). Studies have examined the advantages and disadvantages of each method and their impact on the quality and diversity of applicant pools. Researchers have explored the perceptions of the job applicants based on their experiences during the recruitment process. They find some factors like recruitment process transparency, communication, and candidate treatment that influence applicants' perceptions of fairness, satisfaction, and organizational attractiveness that proceed with the further employee behaviors towards the organization (Alserhan & Shbail, 2020). Once applications are received, the initial screening is conducted to assess basic qualifications, skills, and experience of the candidates. This can involve reviewing resumes, conducting telephone interviews, or using applicant tracking systems. There are a wide range of selection methods and techniques used to evaluate candidate suitability. Many studies examine the effectiveness of different assessment tools, such as interviews, cognitive ability tests, personality assessments, and work samples. Again, studies have explored the validity, reliability, and fairness of these methods in predicting job performance and minimizing biasness (Abbas & Shah, 2021).

The literature addresses issues of bias and diversity in recruitment and selection processes and examines potential biases in candidate evaluation, such as gender, racial, and age biases, and

explores ways to mitigate these biases (Yarger, Payton, & Neupane, 2019). Research has also investigated the impact of diversity initiatives, affirmative action, and inclusive hiring practices on organizational outcomes. With the advancements in technology, the literature discusses the use of applicant tracking systems, artificial intelligence, and other automated tools in recruitment and selection (Johnson, 2020). It examines the benefits and challenges associated with technology-driven approaches and explores their impact on efficiency, fairness, and candidate experience (Hunkenschroer & Luetge, 2022).

3.4.2.2 Training and Development: Training and development refer to the process of improving the knowledge, skills, abilities, and competencies of individuals within an organization (Haugen, Seiler, Sandbakk, & Tønnessen, 2019). Many researchers emphasize the importance of conducting a thorough Training Needs Analysis before designing and implementing training programs that helps identifying skill gaps, individual and organizational training requirements, and aligning training initiatives with strategic goals (Mohd, Julan, & Besar, 2020).

Various training methods and techniques have been explored in the literature. Traditional approaches, such as classroom-based training and on-the-job training, are commonly used. However, e-learning, blended learning, simulations, virtual reality, and gamification are gaining popularity due to their effectiveness in engaging learners and enhancing knowledge retention (Zhang, Bengio, & Hardt, 2021). Additionally, the organizations provide workshops and seminars, coaching and mentoring, job rotations and cross-training to support individual skill development and career growth with the opportunities to work in different roles or departments (Anh, Luong, & Niyato, 2019). It has been studied that the advancements in technology have significantly influenced training and development practices (Nigam & Rajendra, 2019). E-

learning platforms, virtual classrooms, mobile learning applications, and other digital tools offer flexibility, accessibility, and cost-effectiveness in delivering training content (Mingyue & Krampah, 2020).

Apparently, the studies highlight the role of training and development in fostering employee growth and career advancement. Providing opportunities for continuous learning and skill development positively influences employee engagement, retention, and commitment to the organization (Rahayu, Rasid, & Tannady, 2019). Moreover, the Transfer of Training refers to the application of learned skills and knowledge in the workplace. However, the researchers have explored factors that facilitate or hinder the Transfer of Training, such as trainee characteristics, organizational support, and the training environment (Yaqub, Singh, & Dutta, 2021). Strategies like post-training support, managerial reinforcement, and creating a supportive work environment enhance the Transfer of Training (Mdhlalose, 2022). Furthermore, assessing the effectiveness of training programs is crucial for organizations. Studies have examined various evaluation methods, including Kirkpatrick's model (Sahni, 2020), Return on Investment (ROI) analysis (Dadd & Hinton, 2022), and pre-training and post-training assessments (Samuel, Azen, & Campbell-Kyureghyan, 2019) that emphasizes the importance of using multiple evaluation measures to capture both short-term and long-term training outcomes. Again, there are many studies that focus on developing cultural competence, enhancing global leadership skills, and managing diversity through training initiatives as organizations operate in diverse and global environments (Kezar, 2023).

3.4.2.3 Employee Participation: Employee participation refers to the involvement and engagement of employees in decision-making processes, problem-solving, and contributing their ideas and opinions within an organization (Yu Zhou & Son, 2019). It is based on the belief that

employees have valuable insights and knowledge that can positively impact the organization's performance and success. It has been observed that when employees are actively involved and engaged in their work, they are more likely to develop a strong commitment to the organization and its goals (Dahmardeh & Nastiezaie, 2019). Again, studies suggest that employee participation can have a positive impact on productivity and performance (Zhou, Fan, & Son, 2019). When employees are given the opportunity to contribute their ideas and expertise, they often exhibit higher levels of task performance, creativity, and innovation. Additionally, research indicates that involving employees in the change process can increase their acceptance of change initiatives and reduce resistance (Errida & Lotfi, 2021). When employees feel that their voices are heard and their opinions matter, it strengthens the overall communication climate and builds trust between employees and management.

Organizations may consider some strategies including establishing a supportive culture to make the employees feeling comfortable to share their ideas and opinions without fear (Zacharias, Rahawarin, & Yusriadi, 2021); equipping employees with the necessary skills and knowledge through appropriate training so that their problem-solving and communication skills, and effective teamwork can develop (Kareem & Hussein, 2019); building transparent communication that may help building trust and encouraging employee involvement (Jiang & Shen, 2020); acknowledging and appreciating the contributions of employees to motivate and encourage them and others to get involved (Weiss & Zacher, 2022). It has been found in different studies that employee participation plays a crucial role in creating an inclusive and engaging work environment and when employees feel valued, involved, and empowered, they are more likely to contribute to the organization's success and achieve higher levels of job satisfaction (Ali & Anwar, 2021).

3.4.2.4 Rewards and Recognition: Rewards and recognition are crucial elements in motivating and engaging employees within organizations (Asaari, Desa, & Subramaniam1, 2019). This literature review aims to explore the research and theories surrounding rewards and recognition, their impact on employee behavior and performance, and the factors that contribute to their effectiveness. Several theoretical frameworks guide the understanding of rewards and recognition. According to the Expectancy Theory, people are driven by the expectation that their efforts will result in desired benefits (Lee, 2018). The Social Exchange Theory posits that employees perceive rewards as an exchange for their contributions and effort (Sungu, Weng, & Kitule, 2019). The Self-Determination Theory emphasizes the importance of intrinsic motivation and the role of rewards in supporting individuals' sense of competence, autonomy, and relatedness (Dodds, Holmes, & Novotny, 2020).

Again, Research identifies various types of rewards, including monetary and non-monetary rewards. Monetary rewards, such as bonuses and incentives, have a direct impact on employee motivation and performance. Non-monetary rewards, such as flexible work arrangements and recognition programs, contribute to job satisfaction and work-life balance (Dodds, Holmes, & Novotny, 2020). Several factors influence the effectiveness of rewards and recognition programs. These include the perceived fairness and equity of the reward system, the clarity of performance criteria, the timeliness of feedback and recognition, and the perceived value of the rewards. Individual differences, such as age, gender, and cultural background, can also influence employees' response to rewards and recognition (Froese, Peltokorpi, Varma, & Hitotsuyanagi-Hansel, 2018).

However, while rewards and recognition programs have many benefits, there are challenges to consider. Overemphasis on extrinsic rewards can diminish intrinsic motivation such as,

inadequate or inconsistent recognition can lead to dissatisfaction. Tailoring rewards to individual preferences and recognizing diverse contributions are essential for program success (Fishbach & Woolley, 2022). Additionally, the dynamic nature of the workforce requires continuous evaluation and adjustment of reward strategies. Thus, it is important for organizations to tailor rewards and recognition programs to their specific culture, values, and employee preferences with evaluating and adjusting regularly these programs based on feedback and changing circumstances is crucial to ensuring their effectiveness and relevance (Agbenyegah, 2019).

3.4.2.5 Career Development Opportunity: A career development opportunity refers to a chance for individuals in the organization to enhance their skills, knowledge, and experience in order to advance in their chosen profession or explore new career paths (Zacher, Rudolph, Todorovic, & Ammann, 2019). The researchers examined the concept of career development opportunities and their impact on individuals' professional growth and advancement (Iis, Thoyib, Sinta, Wahyuddin, & Ilham, 2022). The review synthesizes research from various scholarly sources to explore different types of career development opportunities, their benefits, and their effectiveness in fostering career progression. Some findings highlight the importance of career development opportunities for individuals' skill development, job satisfaction, and long-term career success. Such opportunities can arise within an organization or externally through various programs, courses, or initiatives. Some common career development opportunities are related with several areas provided by the employers. For instance, Researchers found that training and workshops may cover areas like leadership, communication, project management, and technical skills relevant to the required field (Niati, Siregar, & Prayoga, 2021); mentorship or coaching can offer insights, advice, and help to navigate career challenges or opportunities (Mcilongo & Strydom, 2021); **Continuing Education** for pursuing further education, such as earning

advanced degrees, certifications, or specialized courses can enhance the qualifications and open doors to higher-level positions or different career paths (Borgen & Edwards, Context Counts in Career Development, 2019); **Job Rotation** may offer opportunities to work in different roles or departments temporarily to gain a broader understanding of the organization, expand the skill set, and potentially discover new areas of interest of the employees (Iberahim, 2020); **cross-functional projects** or task forces can help to develop new skills, expand the network, and demonstrate the ability to work collaboratively across teams (Moldoveanu & Narayandas, 2019); **conferences, seminars and industry events** can create a chance to learn from industry experts, connect with peers, and stay updated on industry developments (Zepeda, 2019); the internal job postings within the organization can create an opportunity to career growth.

The researchers identify some influencing factors like organizational support and culture, individual motivation and commitment, availability of resources and access to opportunities, alignment with individual career goals and interests, evaluation and feedback mechanisms with suggesting the strategies for maximizing their effectiveness as well. (Anghel & Ciocodeică, 2010). The scholars also find some challenges like lack of organizational support and investment, limited access to resources and training programs, inequality and bias in opportunity distribution, lack of awareness and information about available opportunities, huge workload and time constraints may hinder the career development opportunities (Burnette, Pollack, & Coy, 2019). The authors suggest that by understanding and pursuing career development opportunities actively, setting career goals and objectives clearly and balancing short-term goals with long-term career planning can empower individuals to proactively shape their careers, adapt to changing work environments, and achieve long-term success and satisfaction in their chosen fields (McDonald & Hite, 2023).

3.5 Gap of Research / Study

Human Resource Management is the widely research area having impact on managing the employees in the organization. In the competitive platform, researchers have identified different roles of HRM regarding the better utilization of the human as a crucial resource for retaining the sustained competitive advantage. According to a study (Son, Park, Bae, & Ok, 2020), personnel management affects firm outcomes on two fronts, including innovation and the percentage of voluntary turnover. This study serves as a reference for future research on talent management, particularly that which seeks to identify the mechanisms determining the distinctive role of talent management in organizational outcomes. It does this by demonstrating the dual direct effect and contextual influence of talent management. Again, research finding shows that some HRM methods have an effect on employee capabilities, which in turn has an impact on organizational performance and showed that the association between HRM practices and organizational performance is mediated by employee competencies (Otoo, 2019). Moreover, Employee Empowerment, Employee Training and development, Compensation, Performance Appraisal are the key factors of the HRM Practices that have impact on the Employee Retention and at a time it is influenced by the perceived Supervisor Support (Malik, Baig, & Manzoor, 2020). Furthermore, in earlier research, the Employee retention seem as a predictor of organizational performance (Kurdi, Alshurideh, & afaishat, 2020) as well as it works as a mediating role of organisational commitment (Arasanmi & Krishna, 2019).

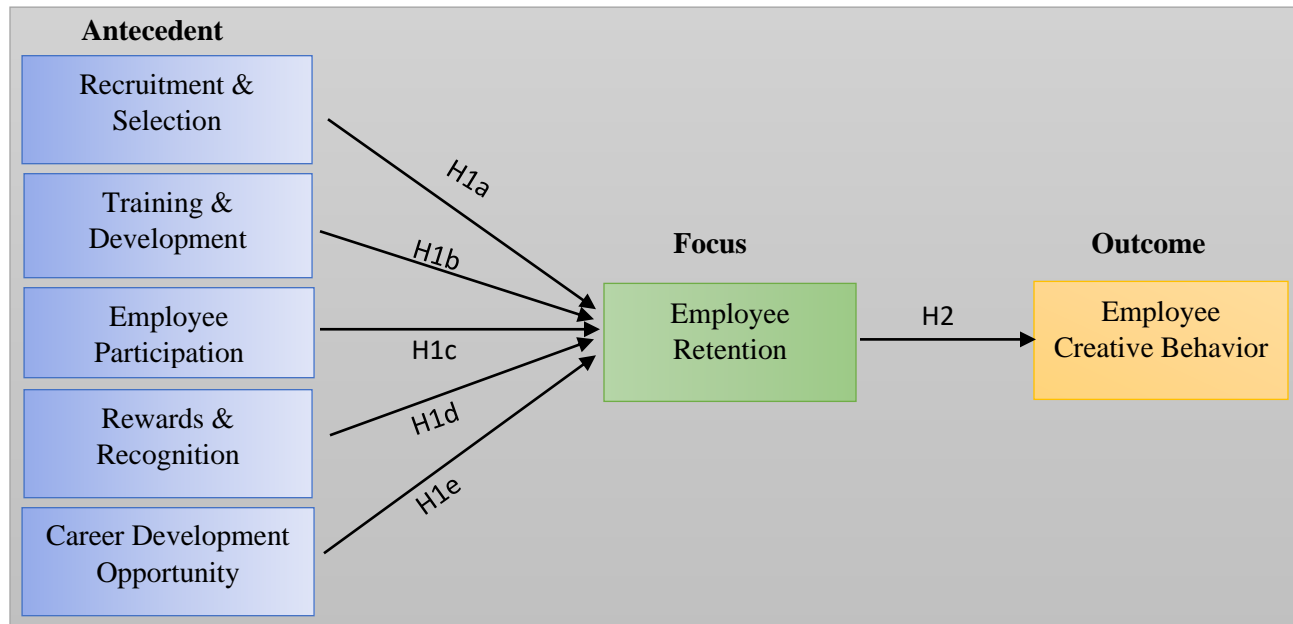
Several studies have been found to explore the relationship among the different HRM Practices on the employee retention. But it has been observed that there are still some scopes to identify the relationship among the mentioned factors of HRM practices as a antecedent with the focused

area of employee retention as well as to study the further connection of the employee retention with the employee creative behavior as a research outcome.

3.6 Research Framework

The purpose of the present research is to examine the influences of HRM practices on employee retention in the context of banking sector in Bangladesh. In this research five dimensions are considered to explain HRM practices such as, recruitment and selection, training and development, employee participation, rewards and recognition, and career development opportunity on employee retention. Again, to find the impact of the employee retention on the creative behavior. The following *figure 1.1* proposes the research framework of the current study.

Figure 1 Proposed Framework



3.7 Hypotheses Development

3.7.1 Relationship between HRM Practices and employee retention

3.7.1.1 Relationship between Recruitment & Selection and Employee Retention: Scholars have observed the relationship between recruitment and selection practices and organizational outcomes. They investigate the impact of effective recruitment and selection processes on employee performance, retention, engagement, and overall organizational success (Aboramadan, Albashiti, Alharazin, & Dahleez, 2019). Studies have also explored the cost-effectiveness of different recruitment and selection strategies (Acikgoz, 2019). Once a candidate is selected, a job offer is extended, including details about the position, compensation, benefits, and other terms of employment. Negotiations may occur before a final acceptance. After the candidate accepts the job offer, the onboarding process begins (Armstrong, 2009). This involves welcoming the new employee, providing necessary training and resources, and integrating them into the organization.

Hypothesis 1a: There is a positive relationship between Recruitment & Selection and Employee Retention.

3.7.1.2 Relationship between Training & Development and Employee Retention: Numerous studies highlight the significance of training and development in improving employee performance, organizational effectiveness, and overall competitiveness (Niati, Siregar, & Prayoga, The Effect of Training on Work Performance and Career Development: The Role of Motivation as Intervening Variable, 2021). It can be said that effective training programs positively impact employee knowledge, skills, motivation, job satisfaction, and commitment to the organization (Karim, Choudhury, & Latif, 2019). (Ozkeser, 2019) suggests that the primary

objectives of training and development are enhancing job performance, bridging skill gaps, employee growth and development, adaptation to change, and talent attraction and retention.

Hypothesis 1b: There is a positive relationship between Training & Development and Employee Retention.

3.7.1.3 Relationship between Employee Participation and Employee Retention: Several studies have explored the concept of employee participation and its impact on various organizational outcomes. Research consistently shows a positive relationship between employee participation and job satisfaction (Goestjahjanti, Novitasari, Hutagalung, Asbari, & Supono, 2020). They suggested that when employees have a say in decision-making and feel that their opinions are valued, they feel empowered and tend to experience higher levels of job satisfaction and motivation.

Hypothesis 1c: There is a positive relationship between Employee Participation and Employee Retention.

3.7.1.4 Relationship between Reward & Recognition and Employee Retention: Rewards and recognition have been found to influence employee behavior and performance positively (Noorazem, Sabri, & Nazir, 2021). They enhance job satisfaction, increase motivation, and promote engagement. Recognition programs have shown to boost employee morale, job commitment, and organizational loyalty. Monetary rewards tied to performance have a direct impact on individual and team performance outcomes (Ngwa, Adeleke, Agbaeze, Ghasi, & Imhanrenialena, 2019).

Hypothesis 1d: There is a positive relationship between Reward & Recognition and Employee Retention.

3.7.1.5 Relationship between Career Development Opportunity and Employee Retention:

The relationship between Career Development Opportunities and Employee Retention is crucial for organizations looking to attract and retain talented and motivated employees. According to (Stamolampros, Korfiatis, Chalvatzis, & Buhalis, 2019), when employees see a clear path for advancement and growth within the organization, they are more likely to feel valued and committed to their work. (Singh, 2019) found that when employees perceive that their efforts and hard work will be recognized and rewarded with career advancement, they tend to be more motivated and productive. He further observed that Career Development Opportunities can act as a differentiating factor that sets one organization apart from others. When employees feel that their career aspirations are aligned with the company's goals, they are more likely to stay with the organization rather than seek opportunities elsewhere.

Hypothesis 1e: There is a positive relationship between Career Development Opportunity and Employee Retention.

3.7.2 Relationship between Employee Retention and Employee Creative Behavior

Kurdi, Alshurideh, & afaishat told in their research of Employee retention and organizational performance: Evidence from banking industry, 2020 that Organizations that prioritize creativity, foster a positive work culture, provide growth opportunities, recognize and reward creativity, and support work-life balance are more likely to retain their creative talent. They also found that retaining creative employees can lead to continuous innovation, improved productivity, and a competitive advantage in the market. (Naz, Li, & Anwar, 2020) examine that when employees are satisfied with their jobs, they are more likely to stay with the organization for a longer period as well as when they feel their creativity is appreciated and rewarded, they are more likely to remain loyal to the organization. Again, (Arasanmi & Krishna, 2019) finds significance on

Employee engagement that refers to the emotional commitment employees have towards their work and organization. So, they feel a sense of ownership and connection to their work, which can lead to higher retention rates as they are invested in the success of the organization.

Hypothesis 2: There is a positive relationship between Employee Retention and Employee Creative Behavior.

3.8 Summary

The chapter explains the literature review depending on the variables of the study framework and the research framework related to the impact of HRM practices on employee retention and the influence of employee retention to their creative behavior. It is followed by the relevant hypotheses based on the previous literature support. Mostly the current chapter clarifies the literature gap, the important part of any research. Next chapter of the current study focuses on the methodology part.

CHAPTER FOUR
RESEARCH METHODOLOGY

CHAPTER FOUR - RESEARCH METHODOLOGY

4.1 Introduction

The methodology of the present study is explained in the current chapter. The research design, sample size, sample size determination method, measuring items used in the current study, and questionnaire design are all covered in detail in this chapter. At the end of the chapter, a discussion of the data collecting and analysis process is included.

4.2 Research Design

The term "research design" describes a methodical procedure for choosing between competing hypotheses by gathering and examining data and its results (Sileyew, 2019). The present research is a cross-sectional inquiry that focused on a particular point in time, from February 2023 to August 2023, where data were gathered and conclusions were drawn. The supervisors' perceptions of several aspects of human resource management, employee retention, and creative behavior were included in the data for the current study. A questionnaire survey was employed in the current research as the prime source of measurement instrument. (Shrestha, 2021) advised that questionnaire surveys be used to study the connections between various factors in social science research.

4.3 Population, Sample and Unit of Analysis

Population consists of the whole people or events which are brought under study (Sekaran & Bougie, 2010). Identification of the target population is essential for every research to avoid the mistakes in picking the samples (Cavana, Delahaye, & Sekaran, 2010). Target population of the current research is employees working in IFIC Bank PLC as they are the mainstream respondents of this survey in Bangladeshi banking sector. The full-time employees are considered the main human resources in this sector as they are responsible to control the behavior of the operators,

the majority group in this industry. Therefore, the current research employs them as the valid sample respondents.

In total, the bank is running with 187 branches and 1113 sub branches (overall 1300 networks) over the country through approximately 5020 employees. As the survey is done through the Google form, the sample data can be collected vastly across the country via internet. (Bhardwaj, 2019) reported that sampling is the process of choosing a sample from a person or from a big population for a certain type of research goal. Therefore, the current research considered some of the full-time employees as the sampling frame which would represent the entire organization. Sekaran and Bougie (2010) suggested to take minimum samples equal to the number of ten times or more higher than the number of variables proposed in the research. Thus, based on the guideline of these authors the sample size of the current research is considered 80 (8x10) or more. Again, Hoe (2008) indicated that 200 cases or more should be the minimum sample size for any multivariate research. For partial least square structural equation modeling (SEM-PLS), 100 samples are advised by Hair et al. (2017). Additionally, the research has the potential to produce a suitable outcome when 100 respondents are used, according to these writers. A non-probability sampling technique called judgmental sampling was used in the current study. Because there wasn't a comprehensive list of the responders, a judgmental sampling procedure was applied. (Bhardwaj, 2019) also advised using the judgmental sampling technique when there isn't an extensive list of the respondents. This sampling technique was used to compile data from a specific group of respondents who were specifically chosen for the study.

Based on the following factor, the employees were selected as respondents for the current study:

- Work as a full-time employee for more than One year in the organization.

4.4 Research Instrument

This part describes the measurement instrument used in the current study. There are Eight Parts in the questionnaire on total 33 items measuring the five-dimensional approach. Part I provides the necessary information about the respondent's demography (age, gender, religion, marital status, education, monthly income, total experience, current organization experience). Part II encompasses 4 items of Recruitment & Selection, Part III entails 5 items of Training & Development, Part IV shows 5 items of Reward and Recognition, Part V expresses 5 items of Employee Participation, Part VI is for 6 items of Career Development Opportunity. Again, Part VII provides the information about 4 items about Employee Recruitment and lastly, Part VIII incorporates 4 items about Employee Creative Behavior.

4.5 Data Collection Procedures

In the preliminary stage of the data collection process an email was sent to IFIC Bank PLC seeking permission to conduct the study through Human Resource Department. The email includes a brief explanation of the purpose of the study, the procedures for distribution and collecting data from the organizations. For collecting data, the full-time employees were contacted in different branches, sub-branches and Head-Office of the particular bank who agreed to participate. In this regard the questionnaire doc was distributed through Google Form. We used Drop off/pick up (DOPU) technique to distribute and collect the questionnaires from the respondents who agreed and this method is considered suitable for the current study as, this method helps to minimize the biasness in the questionnaire collection process.

4.6 Data preparation

Calculation of data errors and missing values

It is crucial to confirm that the survey checks the accuracy of the dataset before beginning data analysis. Using the SPSS 25.0 version, the frequencies and out-of-range values for individual variables were examined. Researchers also looked for missing numbers after examining the dataset for mistakes. Mean replacement was employed in this study to reduce the impact of missing values in datasets suggested by Farhangfar, Kurgan, and Dy (2008).

The questioner includes a variety of measures as well as instructions for each component that are displayed separately. The variables are rated on a 5-point scale, where 1 is for "strongly agree" and 5 is for "strongly disagree."

4.7 Data analysis

Numerous methods and tools were employed in the current study to analyze the data and evaluate the hypotheses. For example, data insertion, descriptive analysis, reliability analysis, and model hypothesis testing were all done using the Social Science Statistics Package (SPSS version 21).

4.7.1 Demography: Demographic analysis (DA) is a technique for rating a census's accuracy. The highest point of traditional success is demographics. Specifically, accumulative academic study that has offered helpful viewpoints on numerous significant situations. This accomplishment is attributable to the demography, which is the main issue and is comparatively amenable to quantitative observational research (Morgan et al. 2015).

4.7.2 Correlation analysis: A correlation coefficient is a single number or value that shows there is a correlation between the two variables being studied. This value is computed using two different techniques -moment correlation coefficient by Karl Pearson r or simple

correlation coefficient by Karl Pearson r and rank correlation coefficient by Spearman ρ (or Spearman's ρ) for short and direction [given by the correlation coefficient r or ρ] (NJ Gogtay et al. 2017).

4.7.3 Regression analysis: The disturbance element in the simple regression model collapses the factors. The use of several regressions in the analysis enables to estimate each new factor's impact separately. It aids in calculating the effect of numerous concurrent inputs on a single dependent variable. Because simple regression is biased by omitted factors, multiple regressions are frequently necessary even when a researcher is only interested in one influence of an independent variable.

4.8 Summary

The present chapter covers study design, population, sample size, and data collection methods in addition to data analysis strategies. Analytical findings are presented in the following chapter of the current study to support the hypothesis established in Chapter 3.

CHAPTER FIVE
FINDINGS AND ANALYSIS

CHAPTER FIVE - FINDINGS AND ANALYSIS

5.1 Introduction

The data analysis findings and research hypotheses are discussed in the current section. Descriptive statistics of several variables utilized in this study and the demographic profile of the respondents are employed as the first step in the data analysis. Based on the Harman single factor analysis, common method bias was evaluated and reported. Later, the Smart PLS 2.0 program studied the relationship between reliability, validity, and hypotheses for both the structural model and the measurement model. Additionally, last predictive relevance was investigated and reported.

5.2 Response Rate

The following *Table 2* clarifies total responses of the respondents in the current research. Target respondents of this study were the full-time employees of IFIC Bank PLC, Bangladesh.

Table 2 Response Rate

| Questionnaire | Number | Percentage |
|-----------------------------|--------|------------|
| Distributed Questionnaires | 150 | 100% |
| Returned Questionnaires | 105 | 70% |
| Non-returned Questionnaires | 45 | 30% |
| Total | 150 | 100% |
| Usable Questionnaires | 70 | 67% |
| Unusable Questionnaires | 35 | 33% |

5.3 Profile of the Respondents

Table 3 summarizes the respondent's profile of the current research. With the help of the job title the goal was to understand their contribution in the organization. It was made sure that the respondents understand the questions and were qualified enough to fulfill the purpose of research. The emails have been stored for future use as well with the respondents' permission.

Table 3 Descriptive Analysis of Respondents' Demographic Data

| Demographic Data | Frequency (N= 70) | Percentage (%) |
|----------------------------|-------------------|----------------|
| Age: | | |
| 25 – 29 years | 10 | 14.29 |
| 30 – 34 years | 45 | 64.29 |
| 35 years above | 15 | 21.43 |
| Education (Faculty) | | |
| Bachelor | 18 | 25.71 |
| Masters | 52 | 74.29 |
| Income | | |
| Below 35000 | 26 | 37.14 |
| 35001- 55000 | 20 | 28.57 |
| 55001-75000 | 15 | 21.43 |
| 75000 and above | 9 | 12.86 |
| Experience | | |
| Below 5 years | 17 | 24.29 |
| 5 Years-10 years | 25 | 35.71 |
| 10 years- 15 years | 17 | 24.29 |
| 15 years above | 11 | 15.71 |

5.4 Descriptive Statistics

Table 4 shows the mean and standard deviation of the study variables. Here, both dependent and independent variable was measured by 5-point Likert scale. For 5-point scale data, the mean value was found near 4. For instance, the highest mean was found for Recruitment and Selection as it is mean=3.8143 and the highest standard deviation was found for Employee Retention as it is SD = 0.93994.

Table 4 Descriptive statistics of the Latent Constructs

| Descriptive Statistics | | | | | |
|-------------------------------|----------|----------------|----------------|-------------|-----------|
| | N | Minimum | Maximum | Mean | SD |
| ARS | 70 | 1.25 | 5.00 | 3.8143 | .78906 |
| ATD | 70 | 1.60 | 5.00 | 3.7829 | .86594 |
| ARWD | 70 | 1.00 | 5.00 | 3.3771 | .84066 |
| APART | 70 | 1.40 | 5.00 | 3.5086 | .87787 |
| ACD | 70 | 1.00 | 5.00 | 3.4810 | .84487 |
| AER | 70 | 1.00 | 5.00 | 3.3571 | .93994 |
| ACRB | 70 | 1.00 | 5.00 | 3.5943 | .77345 |
| Valid N (listwise) | 70 | | | | |

5.5 Output of analysis

5.5.1 Output of reliability

The Reliability Analysis technique computes a number of frequently used scale reliability metrics and also offers details on the connections between specific scale components. Estimates of inter-rater dependability can be computed using within-class correlation coefficients. Internal consistency is quantified by Cronbach's Alpha. In other words, it demonstrates how closely a group of items are related to one another. This study's findings suggest that the dependability criterion is 0.865, which is much higher than the minimum of 0.6. According to a widely acknowledged guideline, a value of between 0.6 and 0.7 denotes an acceptable standard of confidence, and a value of 0.8 or higher denotes a very good level (Bujang, Omar, & Baharum, 2018). Studying the features of the measuring scale and its individual components is made

possible by reliability analysis. This is a gauge of scale dependability. So, it can be said that a "high" value for alpha does not imply that the measure is one-dimensional.

Table 5 Reliability Statistics

| Reliability Statistics | |
|-------------------------------|-------------------|
| Cronbach's Alpha | N of Items |
| .865 | 30 |

5.5.2 Correlation output

The correlation coefficient, abbreviated r or R , measures how closely two variables are related. A statistical measure of correlation is the degree to which two variables are linearly connected, or if they change constantly. This is a general technique for explaining straightforward relationships without mentioning cause and effect. In statistics, a correlation or dependence is any statistical relationship, whether or not there is a causal relationship between two random variables or bivariate data. Although the term "correlation" can be used to refer to any sort of association, in statistics it is typically used to define the degree of linear relationship between two variables. The variables have a strong positive relation, as shown in the connection between them. In the current model all the variables are highly correlated with each other at 0.01%. Based on the correlation analysis it can be proclaimed that all the variables are related with each other.

Table 6 Output of Correlations Analysis

| | | ARS | ATD | ARWD | APART | ACD | AER | ACRB |
|--|---------------------|------------|------------|-------------|--------------|------------|------------|-------------|
| ARS | Pearson Correlation | 1 | .481** | .575** | .513** | .426** | .547** | .458** |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .000 | .000 | .000 |
| | N | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| ATD | Pearson Correlation | .481** | 1 | .715** | .764** | .686** | .712** | .620** |
| | Sig. (2-tailed) | .000 | | .000 | .000 | .000 | .000 | .000 |
| | N | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| ARWD | Pearson Correlation | .575** | .715** | 1 | .830** | .724** | .810** | .659** |
| | Sig. (2-tailed) | .000 | .000 | | .000 | .000 | .000 | .000 |
| | N | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| APART | Pearson Correlation | .513** | .764** | .830** | 1 | .667** | .785** | .727** |
| | Sig. (2-tailed) | .000 | .000 | .000 | | .000 | .000 | .000 |
| | N | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| ACD | Pearson Correlation | .426** | .686** | .724** | .667** | 1 | .719** | .615** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | | .000 | .000 |
| | N | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| AER | Pearson Correlation | .547** | .712** | .810** | .785** | .719** | 1 | .694** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | .000 | | .000 |
| | N | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| ACRB | Pearson Correlation | .458** | .620** | .659** | .727** | .615** | .694** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | .000 | .000 | |
| | N | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | | | | | | |

5.5.3 Findings of Regression Analysis

Regression analysis is a competent technique for locating factors that influence topics of interest. Running a regression enables one to accurately ascertain which elements are most crucial, which ones may be disregarded, and how they interact. The outcome of influence is clearly significant in the present study. The model 1 comprises the influence of HRM practices on Employee Retention. Here, R^2 means the dimension of HRM explains 73.33% variance. The following table is showing the R^2 value.

Table 7 Output of Coefficient of Determination (R2) – Model 1

| Model Summary | | | | |
|---|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .856 ^a | .733 | .712 | .50445 |
| a. Predictors: (Constant), ACD, ARS, APART, ATD, ARWD | | | | |

The findings of the regression analysis showed the influence of five dimensions of HRM practices on employee retention. Among the five dimensions three found have positive and significant effect on employee retention whereas, other two dimensions showed insignificant. Based on the result both recruitment and selection and training and development exhibits insignificant with employee retention and on the other hand rewards, employee participation and career development showed significant.

Table 8 Output of Regression analysis - Model 1

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t-Value | Sig. |
|-------|-------------------|-----------------------------|------------|---------------------------|---------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -.456 | .339 | | -1.345 | .183 |
| | ARS | .112 | .095 | .094 | 1.186 | .240 |
| | ATD | .105 | .118 | .097 | .890 | .377 |
| | ARWD | .364 | .148 | .326 | 2.457 | .017 |
| | APART | .271 | .138 | .254 | 1.968 | .053 |
| | ACD | .231 | .111 | .208 | 2.074 | .042 |

The model 2 comprises the influence of Employee Retention on Employee Creative Behavior. Here, R^2 means the dimension of HRM explains 48.20% variance. The following table is showing the R^2 value.

Table 9 Output of Coefficient of Determination (R2) – Model 2

| Model Summary | | | | |
|--------------------------------|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .694 ^a | .482 | .474 | .56100 |
| a. Predictors: (Constant), AER | | | | |

The findings of the regression analysis showed the influence of employee retention on creativity. Result of the regression showed significant positive influence of employee retention on employee creativity. Based on the findings the hypothesis 2 found supported.

Table 10 Output of Regression analysis – Model 2

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t-Value | Sig. |
|-----------------------------|------------|-----------------------------|------------|---------------------------|---------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.677 | .250 | | 6.699 | .000 |
| | AER | .571 | .072 | .694 | 7.947 | .000 |
| a. Dependent Variable: ACRB | | | | | | |

5.5.4 Hypothesis Analysis

In this research, total six hypotheses were considered. In the first model, influence of HRM Practices on Employee Retention was analyzed where five hypotheses were examined and identified total three significant. In the second model, one hypothesis from Employee Retention to Employee Creative Behavior was considered and found significant. The following table is showing the result of the hypotheses in a concise manner and identified the significant hypotheses as their t value is higher than 1.96.

Table 11 Result of the Hypothesis Analysis

| Sl. No. | Hypotheses | Beta | Std. Error | t value | P-Value | Decisions |
|---------|------------|------|------------|---------|---------|---------------|
| 1 | RS>ER | .112 | .095 | 1.186 | .240 | Not Supported |
| 2 | TD>ER | .105 | .118 | .890 | .377 | Not Supported |
| 3 | RWD>ER | .364 | .148 | 2.457** | .017 | Supported |
| 4 | PART>ER | .271 | .138 | 1.968** | .053 | Supported |
| 5 | CD>ER | .231 | .111 | 2.074** | .042 | Supported |
| 6 | ER>CRB | .571 | .072 | 7.947** | .000 | Supported |

5.6 Summary

In this chapter, the measurement model was evaluated in order to confirm the accuracy and reliability of the items and the variables utilized in the current study. Additionally, the structural model was looked at to confirm that the theories put forth in the previous chapter were still valid. Based on the analysis, the results found significant positive relationship between Reward and Recognition, Employee Participation and Career Development Opportunities with Employee Retention as well as Employee Retention with Employee Creative Behavior.

CHAPTER SIX
DISCUSSION

CHAPTER SIX - DISCUSSION

6.1 Introduction

The primary aim of the current research was to examine the influences of HRM Practices on Employee Retention and the influence of Employee Retention on Employee Creative Behavior. This chapter discusses the findings and the relevant justifications on the hypotheses developed in the previous chapter.

6.2 Recapitulation

The current research examined the association between HRM Practices and Employee Retention as well as the influence of Employee Retention on Employee Creative Behavior. Here, in the first model, Recruitment & Selection, Training and Development, Reward and Recognition, Employee Participation and Career Development Opportunities were considered as the independent variable. Whereas, employee retention was employed as dependent or outcome variable. Again, in the second model, Employee Retention was considered as an independent variable and Employee Creative Behavior was considered as a dependent variable. Total 6 direct hypotheses were developed between independent and dependent variables, dependent variables and mediating variables and, mediating variables and independent variables in the current research. Total four hypotheses were found significant and two hypotheses were found insignificant.

6.3 Discussion on the insignificant hypotheses

6.3.1 Recruitment and Selection with Employee Retention: The first hypothesis was to see the influence of Recruitment and Selection on Employee Retention. Based on the findings of the analysis, the relation is found insignificant. It is assumed that if there is a significant gap between

the expectations set during the recruitment process and the actual job, employees may become disengaged and ultimately leave the organization. Moreover, if employees cannot see opportunities for growth and career advancement within the organization are more likely to seek opportunities elsewhere. If the recruitment and selection process does not consider long-term career development, it can contribute to high turnover rates. Again, a poor work-life balance, including long hours, excessive stress, and a lack of flexibility, can contribute to burnout and employee turnover. If the recruitment process does not consider these factors, it can result in higher attrition rates. To address these issues and improve employee retention, organizations should take a holistic approach that goes beyond recruitment and selection. This includes effective onboarding, ongoing development and training, clear career pathways, competitive compensation and benefits, strong leadership, a healthy work culture, and regular communication and feedback mechanisms. Employee retention should be an ongoing focus, not just a consideration at the recruitment stage.

6.3.2 Training and Development with Employee Retention: The second hypothesis of the current study was to explore the influence of Training and Development on Employee Retention. The finding of the research also found insignificant that means negative influence. Initially, it can be assumed that when the training and development programs are not aligned with employees' career goals and aspirations, they may not see the value in participating and may become disengaged and eventually leave the organization. Though the bank has a dedicated training institute with adequate quality of training resources, they can consider some more issues to make training and development programs more effective in terms of employee retention. Such as, they can better leverage training and development to enhance employee retention and engagement through aligning training with career goals and advancement opportunities,

assessing continuously the impact of training on employee performance and engagement, soliciting feedback from employees to improve training programs.

6.4 Implication

The present research is finding the influence of HRM Practices on Employee Retention as well as the impact of retained employees on their creative behaviors. The study's conclusions call for both theoretical and practical implications, which are outlined below.

6.4.1 Theoretical implications

It has long been recognized that one of the best ways to ensure the existence of qualified and diligent employees that foster employee creativity is through employee retention. It's also notable when it comes to maintaining the organization's productivity. There are many goals following which, the employers can achieve through their employee retention strategy, but the most important are: mitigating the cost of employee management such as-

By retaining the existing employees, organizations can avoid the recurring **expenses of recruitment and selection** like expenses related to job advertising, recruitment agencies, interview processes, and background checks. Retaining employees reduces the **cost of investments** made in their **training and development**, as well as mitigates the wastage of time, effort, and resources. Controlling high turnover can lead to ongoing productivity fluctuations, impacting overall **performance and profitability**. Moreover, losing the knowledge and skilled employees can result for increasing cost to replace. Reducing turnover can lessen the **administrative costs** like processing terminations, conducting exit interviews, and managing legal and regulatory requirements. Moreover, specially in the service-oriented industry like bank, high employee turnover can negatively affect the **customer relationships** and even it lessens **team productivity**. Again, there is **reputational loss** for the organization that may hinder the

potential and talented job candidates to apply for the job. Additionally, employee retention can contribute to a more stable, productive and creative workforce that can positively impact an organization's bottom line and reputation.

6.4.2 Practical Implications

Human Resource Management practices have a significant impact on employee retention. Effective HRM practices can help organizations attract, engage, and retain their employees. Here are some key findings on the relationship between HRM practices and employee retention:

Reward and Recognition: Recognizing and rewarding employees for their efforts and achievements can foster a positive work environment and increase retention. Non-monetary rewards, such as public recognition and certificates of achievement, can also be effective. Moreover, competitive compensation and benefits packages are critical for retaining employees. When employees believe that they are fairly compensated for their work, they are more inclined to stay with the organization.

Employee Participation: Engaged employees are more likely to stay with their current employer. HR practices that encourage participation, such as regular communication, involvement in decision-making, and opportunities for feedback, contribute to higher retention rates.

Career Development Opportunities: Providing a clear career path and opportunities for advancement within the organization can motivate employees to stay. HR practices that help employees plan and navigate their careers within the company are valuable for retention.

So, HRM practices play a crucial role in shaping employee retention. Organizations that invest in effective HR practices are more likely to retain talent, reduce turnover costs, and maintain a skilled and engaged workforce. A holistic approach to HRM that considers various aspects of the

employee experience is essential for achieving higher retention rates. Again, Employee retention can have a significant impact on employee creativity. When employees feel secure and valued in their roles, they are more likely to be creative and innovative. Here are some key findings on the relationship between employee retention and employee creativity:

Job Security and Creativity: Employees who perceive their jobs as secure are more likely to take risks and think creatively. High job turnover can lead to a fear of job loss, which can stifle creativity as employees become risk-averse.

Long-Term Perspective: Employees who plan to stay with an organization for the long term are more invested in its success. This long-term perspective can lead to a greater willingness to suggest and implement creative ideas that benefit the company.

Organizational Commitment: When employees are committed to their organization and believe that it values their contributions, they are more likely to go the extra mile and engage in creative problem-solving.

Knowledge Retention: Employee turnover can lead to a loss of institutional knowledge. When experienced employees leave, valuable insights and creative solutions may be lost, hindering the organization's ability to innovate.

Team Dynamics: High turnover can disrupt team dynamics, making it harder for teams to collaborate and generate creative solutions. Stable teams are more likely to build trust and rapport, which are crucial for brainstorming and innovation. So, it can be said that there is a clear link between employee retention and employee creativity. Organizations that prioritize retention through various means such as job security, recognition, training, and a supportive culture are more likely to benefit from the creative contributions of their employees. High turnover, on the other hand, can disrupt creative processes and hinder an organization's ability to innovate.

6.5 Limitations and Future Research Direction

Even though the research purpose was carefully created to consider the research objectives focused on the important aspects of this research, the study's scope was nevertheless limited. Although these restrictions were carefully managed in order to conduct efficient study, future researchers should avoid these vulnerabilities.

First, the study was unable to cover every region of the nation due to time constraints and concerns about geographic location. As a result, the current study advises that future researchers investigate using different places as their sample frame. *Second*, since only one private commercial bank was the subject of the current study, it was unable to generalize this finding to other financial institutions. *Third*, the responders to the current study, who might not accurately represent other employees inside or outside of the organizations, were not assigned to any particular category or degree of categorization. Future studies will be able to include employees from different hierarchical groupings and report the differences as a result. *Fourth*, In the current study, data were gathered cross-sectionally from a single point in time and from a single source. Consequently, it might be advised to upcoming researchers to do a longitudinal study by gathering data from various time periods employing a variety of responder groups. *Last*, Future researchers may want to consider multilevel analysis, where information is gathered from several employee categories to examine the effects of job meaning and retention on both the individual and organizational levels (Soltis, S. M. et al., 2022). Future researchers can include more variables, such as a moderator between independent and dependent variables, to see the true relationship, as the current research only addressed independent variables, dependent variables, and mediator. *Finally*, Future researchers can include a few demographic factors like age, gender, marital status, and religion as control variables to see how closely the independent

and dependent variables actually relate to one another. Nevertheless, despite the limitations of the current study, the findings of the study described in the previous chapter have expanded understanding of the relationship between HRM practices and employee retention as well as the additional connection between employee retention and creative behavior. Based on the results, the current study makes the assumption that an organization will benefit from employee retention by implementing proper human resource management, and the retained employees propel the company forward with their innovation, skill, and knowledge, which aids them in gaining a competitive advantage in their industry.

6.6 Conclusion

The impact of Human Resource Management (HRM) practices on employee retention and its subsequent influence on creativity is a complex and multifaceted relationship that has been extensively studied in the current research. Effective HRM practices that emphasize hiring individuals with financial acumen, compliance awareness, and customer service skills can lead to improved employee retention. Again, continuous training and development programs are essential in the banking sector to keep employees up-to-date with regulatory changes and technological advancements and even doing more accurately day to day activities. HRM practices that invest in employees' skills and knowledge can enhance their job satisfaction and job security, reducing turnover. Most importantly, Competitive compensation packages, including performance-based incentives and bonuses, can be a crucial factor in retaining talented banking professionals. High-quality benefit packages and retirement plans are also significant retention tools. Again, High employee retention can create a sense of stability and trust within a banking institution. Employees who feel secure in their jobs are more likely to

take calculated risks and propose innovative solutions without the fear of sudden turnover. Besides that, longer-tenured employees often have established relationships with clients. These relationships can provide valuable insights and opportunities for creative problem-solving and product development. Moreover, in the banking industry, effective risk management is crucial. Experienced employees with in-depth knowledge of the organization's operations and risk factors can contribute to creative risk mitigation strategies. Last but not the least, HRM practices have a significant impact on employee retention in the banking industry, which, in turn, can influence creativity and innovation. The banking sector's unique consideration on the reward and recognition, employee participation, career development opportunities make effective HRM practices even more critical. Again, retaining skilled and committed employees can foster a culture of stability, trust, and creativity, enabling banking institutions to navigate challenges and capitalize on opportunities in a highly competitive industry. However, banks must continually adapt their HRM strategies to align with industry trends and changing customer preferences to maintain their competitive edge.

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Appendices

Confidential

Dear Participant,

This survey aims to serve an MBA internship report (research based), and we need your kind participation with some insights for its accomplishment. The research aims to determine the effect of perceived support of business organization: a questionnaire analysis on IFIC Bank PLC. The enclosed questionnaire has been designed to collect information on organizational support, supervisory support, co-workers support, in-role service behavior and extra-role service behavior.

Your participation in this research is completely voluntary. There are no known risks of participation beyond those encountered in everyday life. Your responses will remain confidential and anonymous. Data from this research will be kept secret and reports only as a collective combined total. Moreover, the objective of the research is not to collect any type of confidential data about the organization.

We thank you sincerely for your valuable time and effort in completing the questionnaire. Your valuable feedback will definitely contribute to the advancement and success of this research. If you are interested to know about the research outcome later on, please do not hesitate to contact my academic supervisor or me.

Sincerely,

Ayasha Siddika
MBA Program, BRAC University

Questionnaires

Section 1

Background (demographic) information of the participants [Please tick (√) the appropriate box]

| | | | | | | | |
|---|-----------------------|----|------------------------|----|--------------------|----|-------------|
| 1 | Gender | 1. | Male | 2. | Female | 3. | |
| 2 | Age | 1. | 20-29 years | 2. | 30-39 years | 3. | 40-49 years |
| | | 4. | 50-59 years | 5. | 59 years above | | |
| 3 | Religion | 1. | Muslim | 2. | Hindu | 3. | Christian |
| | | 4. | Buddhist | 5. | Others | | |
| 4 | Marital status | 1. | Single | 2. | Married | 3. | Divorced |
| | | 4. | Widowed | | | | |
| 5 | Education | 1. | Honors/Bachelor degree | 2. | Master degree | 3. | PHD |
| 6 | Monthly Income | 1. | Below 35000 | 2. | 35000-55000 | | |
| | | 3. | 55000-75000 | 4. | 75000 above | | |
| 7 | Total Work Experience | 1. | 01 – 05 Years | 2. | 05 – 10 years | | |
| | | 3. | 10 – 15 Years | 4. | More than 15 years | | |

Section 2 Recruitment and Selection

This section is designed to measure your perceptions regarding the **recruitment and selection** of your organization. Please read each statement carefully and put (√) mark at the most appropriate option from your concept or opinion as a scale of 1 = strongly disagree to 5 = strongly agree.

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | In my organization recruitment process for a job is very extensive. | 1 | 2 | 3 | 4 | 5 |
| 2 | My organization places adequate importance on selecting the best person for a given job. | 1 | 2 | 3 | 4 | 5 |
| 3 | My organization provides adequate emphasize on recruiting the best person. | 1 | 2 | 3 | 4 | 5 |
| 4 | In my organization selection criteria are designed to select the best person for the job. | 1 | 2 | 3 | 4 | 5 |

Section 3 Training and Development

This section is designed to measure your perceptions regarding the **training and development** system in your organization. Please read each statement carefully and put (√) mark at the most appropriate option from your concept or opinion as a scale of 1 = strongly disagree to 5 = strongly agree.

| | | | | | | |
|----|--|---|---|---|---|---|
| 1 | In my organization all categories of employees have the opportunity to receive training. | 1 | 2 | 3 | 4 | 5 |
| 2 | My organization provides various kinds of training and development programs for every individual employee. | 1 | 2 | 3 | 4 | 5 |
| 3 | Each employee receives sufficient training in my organization. | 1 | 2 | 3 | 4 | 5 |
| 4 | My organization uses adequate time and resources to train every typical member. | 1 | 2 | 3 | 4 | 5 |
| 5. | In my organization all number of employees compulsorily receives training and development facilities. | 1 | 2 | 3 | 4 | 5 |

Section 4 Reward and Recognition

This section is designed to measure your perceptions regarding the **compensation** system of your organization. Please read each statement carefully and put (√) mark at the most appropriate option from your concept or opinion as a scale of 1 = strongly disagree to 5 = strongly agree.

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | In my organization rewards are sufficient. | 1 | 2 | 3 | 4 | 5 |
| 2 | When I do good quality work, my organization appreciates me. | 1 | 2 | 3 | 4 | 5 |
| 3 | In my organization, the benefits we receive are fair. | 1 | 2 | 3 | 4 | 5 |
| 4 | I feel that my organization is giving adequate reward for my performance. | 1 | 2 | 3 | 4 | 5 |
| 5 | My colleagues congratulated me in recognition of my efforts. | 1 | 2 | 3 | 4 | 5 |

Section 5 Employee Participation

This section is designed to measure your perceptions regarding the **employee participation** system of your organization. Please read each statement carefully and put (√) mark at the most appropriate option from your concept or opinion as a scale of 1 = strongly disagree to 5 = strongly agree.

| | | | | | | |
|---|--|---|---|---|---|---|
| 1 | In my organization employee participation are available. | 1 | 2 | 3 | 4 | 5 |
| 2 | In my organization employees have the opportunity to participate in organizational activities. | 1 | 2 | 3 | 4 | 5 |
| 3 | All level of employees in my organization is allowed to participate. | 1 | 2 | 3 | 4 | 5 |
| 4 | In my organization each employee gets fair chance to participate. | 1 | 2 | 3 | 4 | 5 |
| 5 | In my organization each employee is encouraged to participate in job activities. | 1 | 2 | 3 | 4 | 5 |

Section 6 Career Development Opportunity

This section is designed to measure your perceptions regarding the **Career Development Opportunity** system of your organization. Please read each statement carefully and put (√) mark at the most appropriate option from your concept or opinion as a scale of 1 = strongly disagree to 5 = strongly agree.

| | | | | | | |
|---|--|---|---|---|---|---|
| 1 | I have a clear understanding of my career path and promotion plan. | 1 | 2 | 3 | 4 | 5 |
| 2 | I have more than one potential position to be promoted to | 1 | 2 | 3 | 4 | 5 |
| 3 | My immediate supervisor knows my career aspirations. | 1 | 2 | 3 | 4 | 5 |

Section 7 Employee Retention

This section is designed to measure your perceptions regarding the employee retention of your organization. Please read each statement carefully and put (√) mark at the most appropriate option from your concept or opinion as a scale of 1 = strongly disagree to 5 = strongly agree.

| | | | | | | |
|---|--|---|---|---|---|---|
| 1 | I see myself working at the organization in a year | 1 | 2 | 3 | 4 | 5 |
| 2 | I see a future for myself in this organization. | 1 | 2 | 3 | 4 | 5 |
| 3 | I love working for this organization | 1 | 2 | 3 | 4 | 5 |
| 4 | The work I am doing is significant. | 1 | 2 | 3 | 4 | 5 |

Section 8

Employee Creative Behavior

This section is designed to measure your perceptions regarding the knowledge sharing behavior of your organization . Please read each statement carefully and put (√) mark at the most appropriate option from your concept or opinion as a scale of 1 = strongly disagree to 5 = strongly agree.

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | I suggest new ways to perform work activities. | 1 | 2 | 3 | 4 | 5 |
| 2 | I come up with new and practical ideas to improve my behavior in the workplace. | 1 | 2 | 3 | 4 | 5 |
| 3 | I exhibit creativity on my job. | 1 | 2 | 3 | 4 | 5 |
| 4 | I often have a fresh approach to work-related problems. | 1 | 2 | 3 | 4 | 5 |

Thank you for your kind participation and valuable time.

Google Form Link

<https://forms.gle/XnmquHYZvJvsaf36>