

## HRM PRACTICES ON EMPLOYEE RETENTION IN HDFC BANK

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### Abstract

The study on *HRM Practices on Employee Retention in HDFC Bank* explores how strategic human resource management practices influence employee loyalty and reduce turnover in one of India's leading private sector banks. The research highlights key HRM dimensions such as recruitment and selection, training and development, performance appraisal, compensation management, and employee engagement. It emphasizes how these practices contribute to a supportive work environment, enhance job satisfaction, and foster long-term employee commitment. By analyzing the effectiveness of HDFC Bank's HR initiatives, the study aims to provide insights into best practices that can be adopted to strengthen retention strategies and sustain a competitive workforce in the banking sector.

**Keywords Team:** Human Resource Management (HRM), Employee Retention, HDFC BANK, Talent Management

### Introduction

The Indian banking industry plays a crucial role in contributing to the economic soundness of the country. It serves as the backbone for the growth of the economy and is a vital component of the financial sector, ensuring the proper management of financial resources worldwide. It is regarded as a hub and barometer of the financial system within a country. The banking sector plays a pivotal role in India's economic development and is one of the oldest sectors in the country.

India is an emerging economic powerhouse with a vast pool of human and natural resources and an ever-growing number of skilled professionals. The Indian banking sector is highly developed, well-organized, and diversified, playing a significant role in facilitating the country's economic growth. In major cities, private sector banks have established multiple branches, ensuring comprehensive coverage across the nation. The liberalization policies introduced by the Reserve Bank of India (RBI) facilitated the expansion of private sector banks.

## Objective

- To Know the HRM practice and employee retention in private sector bank
- To Assess HRM practices contribute to employee motivation in HDFC Banks.
- To determine the impact of leadership and workplace issues on employee's decision to stay with the organization.
- To examine the correlation between perceived HRM practices and employee retention in HDFC bank.

## RESEARCH DESIGN

The research aims to examine the impact of Human Resource Management (HRM) practices on employee retention in private sector banks. It seeks to identify which HR practices, such as recruitment, training, performance management, and compensation, most significantly influence employees' decisions to stay with the organization. The study will use a quantitative research design, focusing on a sample of employees from various private banks. Data will be collected through structured questionnaires assessing HRM practices and retention factors like job satisfaction and engagement. The analysis will include correlation and regression tests to determine the relationship between HRM practices and employee retention, while also exploring potential mediators such as job satisfaction.

## REVIEW OF LITERATURE

1. **Kanwal Ambreen and Majid Muhammad (2013)**<sup>1</sup> explores retention management practices in the banking sector, with a focus on Multan, Punjab, Pakistan. The research aims to identify key strategies employed by banks to retain customers and maintain long-term relationships. It examines various factors influencing customer retention, such as service quality, customer satisfaction, and trust. The study finds that banks in the region adopt multiple retention techniques, including personalized services, loyalty programs, and consistent communication. It highlights the importance of customer-centric approaches for enhancing loyalty and reducing churn. The authors also emphasize the role of employee satisfaction and training in improving customer retention. The findings suggest that banks must focus on improving service quality to foster stronger relationships with customers. The research concludes that effective retention management is crucial for the long-term success of banks in a competitive market. It provides valuable insights for banking professionals aiming to enhance customer loyalty. The study

contributes to the understanding of retention practices in Pakistan's banking industry.

2. **Mathur Atul and Dr. P.K. Agarwal (2013)<sup>2</sup>** investigates the impact of employee retention in private sector sugar mills. It focuses on identifying the factors that contribute to employee retention in this industry. The research examines the role of job satisfaction, compensation, work environment, and career development opportunities in retaining employees. It highlights the importance of employee loyalty and commitment for improving organizational performance. The study also addresses challenges faced by sugar mills in retaining skilled employees amidst competition. Findings suggest that a supportive work culture and effective management practices are key to retaining talent. The authors emphasize the need for private sector sugar mills to implement employee-centric policies. Employee retention strategies are seen as essential for reducing turnover and maintaining productivity. The research contributes to a better understanding of human resource management in the sugar industry. Overall, the study offers insights for improving employee retention in private sector organizations.
3. **Kwenin Ofosuhene Daisy, Muathe Stephen, and others (2013)<sup>3</sup>** explores the factors influencing employee retention at Vodafone Ghana Limited. It examines the impact of employee rewards, human resource policies, and job satisfaction on retention. The research identifies that competitive compensation and benefits significantly enhance employee loyalty. It also highlights the role of clear and fair HR policies in fostering a supportive work environment. Job satisfaction is found to be a critical determinant of retention, with employees more likely to stay in organizations where they feel valued and engaged. The study emphasizes the importance of aligning HR strategies with employee needs for better retention outcomes. Findings suggest that Vodafone Ghana must continuously improve rewards and career development programs.
4. **Haider et al. (2015)<sup>4</sup>** examines the impact of Human Resource (HR) practices on employee retention in the telecom sector. It focuses on key HR practices such as recruitment, training, compensation, career development, and performance management. The research finds that effective HR practices significantly enhance employee job satisfaction and reduce turnover in the telecom industry. It highlights that competitive compensation and opportunities for career growth play a vital role in retaining employees. The study also emphasizes the importance of training programs that enhance employees' skills and knowledge. Moreover, regular performance appraisals help in recognizing employee contributions, further increasing their loyalty. The research concludes that HR practices aligned with employees' needs lead to higher retention rates. It suggests that telecom companies should invest in HR strategies that promote employee welfare and development

**GARRET RANKING****TABLE SHOWING THE DISTRIBUTION OF RESPONDENTS BASED ON THEIR EFFECTIVENESS IN MOTIVATING EMPLOYEES**

S.no	Factors	Agree	Strongly Agree	Neutral	Disagree	Strongly disagree	Total
1	Training and development	62 56.4%	25 22.7%	19 17.3%	3 2.7%	1 0.9%	110 100%
2	Performance appraisals	23 20.9%	58 52.7%	27 24.5%	1 0.9%	1 0.9%	110 100%
3	Compensation packages	28 25.5%	32 29.1%	39 35.5%	10 9.1%	1 0.9%	110 100%
4	Leadership support	28 25.5%	42 38.2%	27 24.5%	12 10.9%	1 0.9%	110 100%
5	Resource availability	30 27.3%	35 31.8%	33 30.0%	5 4.5%	7 6.4%	110 100%
6	Policy clarity	29 26.4%	41 37.3%	30 27.3%	7 6.4%	3 2.7%	110 100%
7	Rewards programs	32 29.1%	32 29.1%	36 32.7%	9 8.2%	1 0.9%	110 100%
8	Mentorship programs	35 31.8%	4 36.4%	27 24.5%	6 5.5%	2 1.8%	110 100%

**INFERENCE**

The above table shows that majority (56.4%) of the employees agree with training and

development, and 22.7% of the respondents are strongly agree, followed by 17.3% of the respondents who are feeling neutral and 2.7% of the respondents are disagree while 0.9% of the respondents are highly strongly disagree.

The above table shows that majority (52.7%) of the employees agree with performance appraisal, and 20.9% of the respondents are agree, followed by 24.5% of the respondents who are feeling neutral and 0.9% of the respondents are disagree while 0.9% of the respondents are highly strongly disagree.

The above table shows that majority (52.7%) of the employees agree with compensation packages, and 20.9% of the respondents are agree, followed by 24.5% of the respondents who are feeling neutral and 0.9% of the respondents are disagree while 0.9% of the respondents are highly strongly disagree.

The above table shows that 25.5% of the employees agree with leadership support, and 38.2% of the respondents are strongly agree, followed by 24.5% of the respondents who are feeling neutral and 10.9% of the respondents are disagree while 0.9% of the respondents are highly strongly disagree.

The above table shows that 27.3% of the employees agree with resource availability, and 31.8% of the respondents are strongly agree, followed by 30% of the respondents who are feeling neutral and 4.5% of the respondents are disagree while 6.4% of the respondents are highly strongly disagree.

The above table shows that 26.4% of the employees agree with policy clarity, and 37.3% of the respondents are strongly agree, followed by 27.3% of the respondents who are feeling neutral and 6.4% of the respondents are disagree while 2.7% of the respondents are highly strongly disagree.

The above table shows that 29.1% of the employees agree and strongly agree with rewards programs, followed by 32.7% of the respondents who are feeling neutral and 8.2% of the respondents are disagree while 0.9% of the respondents are highly strongly disagree.

The above table shows that 31.8% of the employees agree with mentorship programs, and 36.4% of the respondents are strongly agree, followed by 24.5% of the respondents who are feeling neutral and 5.5% of the respondents are disagree while 1.8% of the respondents are highly strongly disagree.

**TWO WAY TABLE  
SHOWS THE RELATIONSHIP BETWEEN JOB POSITION AND DECISION TO STAY WITH  
CURRENT EMPLOYER**

S.NO	Job position	Decision to stay with current employer				Total
		Job security	Work Environment	Career growth	Salary	
1	<b>Junior officer</b>	10 (45.4%)	21 (36.6%)	11 (50%)	6 (46.2%)	48
2	<b>Senior officer</b>	10 (45.4%)	17 (32.1%)	4 (18.1%)	3 (23.1%)	34
3	<b>Assistant manager</b>	1 (4.5%)	12 (22.6%)	6 (27.2%)	2 (15.3%)	21
4	<b>Clerk</b>	1 (4.5%)	3 (5.6%)	1 (4.5%)	2 (15.3%)	7
	<b>Total</b>	22	53	22	13	110

**INFERENCE**

The total number of respondents collected are 110 and they are grouped based on their job position and their decision to stay with their current employer. From the derived data we inferred that totally 48 of the respondents are at junior officer position, out of them majority (50%) of the respondents selected career growth as their decision to stay with current employer followed by 46.2% of the respondents selected salary, 45.4% of the respondents selected job security and 36.6% of the respondents selected work environment.



Out of total respondents 34 respondents are at senior officer position of which 45.4% of the respondents selected job security as their decision to stay with current employer followed by 32.1% of the respondents selected work environment as their decision to stay with current employer, 23.1% of the respondents selected salary and 18.1% of the respondents selected career growth as their decision to stay with current employer.

Out of the total respondents 21 respondents are at assistant manager position of which 27.2% of the respondents selected career growth as their decision to stay with followed by 22.6% of the respondents selected work environment, 15.3% of them selected salary and 4.5% of them selected job security as their decision to stay with current employer.

Out of the total respondents 7 of them are at clerk position, out of which 15.3% of the respondents selected salary as their decision to stay with current employer followed by 5.6% of them selected work environment, 4.5% of the respondents selected job security and career growth as their decision to stay with current employer

## **FINDINGS**

### **LIKERT SCALE**

- Majority of (66.4%) of the employees are satisfied with training and development.
- 46.4% of the employees agree with poor communication.

### **TWO WAY TABLE**

- Majority (61.1%) of the respondents selected employee on boarding as their need of improvement.
- Majority (50%) of the respondents selected career growth as their decision to stay with current employer.

## **SUGGESTION**

- The organization's management should incorporate intrinsic values into the jobs to enhance employee satisfaction and encourage them to stay.
- Human resources policies are closely linked to employee retention, so it is recommended that the company reassess its policies to foster growth and create opportunities for employees.
- The organization must focus on employee benefits tailored to their needs to retain skilled and productive employees.
- Retention cannot be achieved solely through financial incentives. A range of on-the-job and off-the-

job factors must be taken into account when developing an employee retention plan

- Organizations should offer their employees the best opportunities for career growth, a positive working environment, rewards, supervisor support, and work-life balance, and should actively work on improving these aspects.

## CONCLUSION

The study on HRM practices and employee retention in private sector banks highlights the critical role of effective human resource management in fostering a positive work environment and ensuring high employee retention. It is evident that practices such as recruitment, training and development, performance management, work-life balance, and recognition programs significantly influence employee satisfaction and commitment within private banks.

Moreover, the research emphasizes that when employees feel valued, supported, and provided with opportunities for growth, their motivation and loyalty to the organization increase, thereby reducing turnover rates. In contrast, ineffective HRM practices can lead to dissatisfaction, disengagement, and higher attrition rates.

Ultimately, private sector banks must continue to refine and adapt their HRM strategies to stay competitive, attract top talent, and retain skilled employees in an ever-evolving financial landscape. The findings suggest that a holistic, employee-centered approach to HRM can serve as a catalyst for organizational success and long-term sustainability.

## REFERENCE

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