



A STUDY ON EMPLOYEE TURNOVER IN THE BANKING SECTORS OF NEPAL

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Abstract

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<p>The term "employee turnover" is widely used in business circles. This study examined the numerous elements influencing employee turnover in order to find the most critical factors influencing employee turnover. The study is based on replies from two major commercial banks' personnel.</p> <p>The purpose of the research is to provide useful suggestions for organizational tactics, with a focus on the establishment of a work environment that encourages employee satisfaction and retention. Quantitative research design was used, and this design was chosen because its findings are generalizable and data objective. To acquire data from respondents, a self-developed questionnaire measuring on a Likert Scale was used. The collected data were being analyzed using a pivot table and carried out by calculating mean, standard deviation, and percentage. The difference between different variables was calculated by using cross-tabulation. The following factors have significantly influenced employee turnover in banking sector: Training and Development, Career Opportunities, Work-life policies and Career and Development. The findings of the study emphasized that employees believe that the career opportunities and reward and recognition is the most important factor for them to decide whether they leave or stay in the organization. Therefore, one suggestion for firms looking to develop better career opportunities for staff and proper incentives, salary, benefits, timely promotions, and recognition of the work for their staff members in the future may be the research's outcome.</p>
Keywords Employee Turnover, Banking Sector, Training and Development, Reward and Recognition, Work-life policies

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1 Introduction

Employee turnover is a phenomenon that affects the performance and sustainability of organizations, especially in the competitive and dynamic banking sector. Employee turnover refers to the number or percentage of employees who quit their jobs and must be substituted by new employees. It may occur for several reasons, such as dissatisfaction with a professional life, a lack of opportunities for promotion, inadequate leadership, or greater offers from other firms (Gupta 2023). Employee turnover can have positive or negative impacts on the organization, depending on the reasons, costs, and benefits involved. High employee turnover can indicate dissatisfaction, low commitment, poor management, or lack of opportunities among the existing employees, while low employee turnover can reflect satisfaction, loyalty, engagement, or retention strategies among the current employees. The number of workers who leave the company on their own initiative or are requested to do so is known as employee turnover where new hires who fit the same mold as existing staff members take their place (Bhat 2023). Turnover which are Voluntary turnover, Involuntary turnover, Desirable turnover, and Undesirable turnover.

Typically, employee turnover is determined annually. Whether they were fired or resigned, the absence of these workers has an impact on an organization's overall output. Workplaces are beginning to build and negotiate their new post-pandemic normal, even with the emergence of the COVID-19 variants. However, there is a further emerging concern that employers need to get ready for: employee turnover following the epidemic. The Achievers Workforce Institute commissioned the 2021 Employee Engagement and Retention Report, which states that 52% of North American workers plan to look for a new position soon. In the meantime, according to the 2020 Eagle Hill Consulting COVID-19 Workforce Burnout Survey, one in four workers intends to quit after the pandemic is ended (Chapman s.a.). We all know the economic situation of the world after covid, so it has affected Nepal also resulting huge number of youths going abroad for better future and opportunities. Due to the COVID-19 pandemic's effects, there has been a sharp increase in the number of young Nepalis looking for work overseas. In the fiscal year 2022–2023, over 771 thousand persons left the nation in search of employment (Khadka July 2023).

Other Organizations' Experience in Nepal there are both public and private businesses operating in the nation. Since the traditional education system in Asian nations like Nepal fails to adequately prepare recent graduates for the workforce, many young people spend the first few years of their jobs learning. Thus, a setting that prioritizes education and learning will probably enhance the recruitment and retention of talent. The current workforce is looking for greater advancement and development in their positions, and the pandemic's effects on the labor force are changing quickly, posing new and unexpected issues for organizations (Workforce solution s.a.). In Nepal, a lot of

business owners appear to micromanage their staff and provide very little leeway. As a result, the worker becomes unmotivated, and the company experiences a rise in employee turnover. The banking sector of Nepal is also one of the fastest growing and most important sectors of the economy, contributing to the financial intermediation, stability, and development of the country. However, the banking sector of Nepal also faces various challenges and risks, such as regulatory changes, technological disruptions, market competition, customer expectations, and human resource management. Among these, employee turnover is a critical issue that affects the performance, productivity, and profitability of the banks, as well as the quality, satisfaction, and loyalty of the customers. Research undertaken in Nepal by the United Nations Development Program (UNDP), found that the coronavirus (COVID-19) pandemic has caused three out of every five employees of micro, small, and medium-sized companies (MSMEs) in Nepal to lose their jobs (Koirala 2020). Therefore, it is essential to understand the causes, consequences, and solutions of employee turnover in the banking sector of Nepal. Here in this study Prabhu Bank and Prime Commercial Bank is the two chosen bank to study the condition of employee turnover. The primary reasons to choose these banks is recently these banks have been merged with other bigger banks so I thought that there could be different types of individuals who have seen different management practices and other reason is that I have many years of working experience in Prabhu Bank so I myself might know the operational management and employee aspects of the banks so that I can develop a better set of survey questions.

1.1 Purpose and Objectives

This study's primary goal is to examine the variables that influence employee turnover in Nepal's banking industry, and to suggest some recommendations for improving employee retention and reducing employee turnover. The study analyses the relationship between employee turnover and various independent variables such as training and development, career development, work-life policies, reward. And recognition. The study shows the condition of employee turnover of Prabhu Bank and Prime Commercial Bank. Here the two main objectives of this study are (1) to study the factors which affects the employee turnover in the Nepalese banking sectors and (2) How Nepalese banks can solve the problem of high employee turnover and which factor is most important to maintain the employee within the organization. The study will contribute to the existing literature and knowledge on employee turnover and provide some practical implications and suggestions for the banking sector of Nepal.

The study will offer the targeted employers significant and practical insights as well as recommendations that will assist them all improve their levels of satisfaction and, eventually, help them keep their jobs. Therefore, the importance of this research lies in its ability to accurately

assess the sentiments of the employee group, enabling the implementation of strategic and tactical adjustments through the provision of valuable recommendations aimed at enhancing their satisfaction levels and stay longer working for one organization.

1.2 Limitations

The limitations and difficulties that could compromise the study's validity, reliability, and generalizability are known as its limits. Every research has some limitations, and it is important to acknowledge and address them in the research report. Some of the possible limitations of this research might be:

- The research is based on primary data collected from larger sample of employees in two banks in Nepal. This may limit the representativeness and diversity of the population and reduce the statistical power and accuracy of the analysis. A larger and more random sample of employees from different banks and regions would increase the confidence and precision of the results.
- The research uses only quantitative methods and measures to examine the factors and dimensions of employee turnover. This may limit the depth and richness of the data and overlook the qualitative aspects and nuances of the phenomenon. Here the quantitative data and techniques would provide a more holistic and comprehensive understanding of employee turnover.
- The research focuses on five factors that affect employee turnover, namely Training and development, Career opportunities, work-life balance, and Reward and recognition. These factors may not capture all the possible causes and consequences of employee turnover, and may ignore other relevant factors, such as uncertainty about a role, career level, work qualities, and other factors. A broader and more inclusive framework that incorporates more factors and dimensions would provide a more complete and realistic picture of employee turnover.
- The research relies on self-reported data from the employees, which may be subject to bias, error, or distortion. The employees may not answer the questions honestly, accurately, or consistently, due to factors such as social desirability, memory lapse, or fear of reprisal. The use of objective and verifiable data, such as turnover records, performance ratings, or exit interviews, would enhance the validity and reliability of the data.
- The research is conducted in a specific context and time period, which may limit the applicability and transferability of the findings to other settings and situations. The banking sector of Nepal may have unique characteristics and challenges that may not be generalizable to other sectors or countries. The COVID-19 pandemic may have also affected the employee turnover process and outcomes in unprecedented ways. The use of

comparative and longitudinal studies, as well as the consideration of contextual and temporal factors, would improve the external validity and relevance of the study.

1.3 Structure of the Thesis

The research is divided into eight chapters, which are as follows: The first chapter is the introduction, which is divided into three sub-chapters that describe the background, context, and reason of the study, its limitation, and arrangement of the thesis.

The second chapter is about the concept of banking and the slight introduction to the banking system and structure in Nepal, which describes the different types and categories of banks in Nepal. And the second chapter there is short. Introduction and information about commissioners of this research which are Prabhu Bank Limited and Prime Commercial Bank Limited which are one of the biggest banks of Nepal.

In fourth chapter, the literature reviews which defines and explains employee turnover and its concepts and models are discussed and the previous research on this topic and their view on employee turnover is presented. The fifth chapter is the research methodology and design, which details the data collection and analysis methods, the questionnaire design, and the sample selection. The sixth chapter is the data presentation and analysis, which presents, analyzes, and interprets the data variables into different format of tables according to the objectives of the study.

The seventh chapter is conclusion part which summarizes the main findings and contributions of the study and provide some recommendations for future research and practice. The eighth and final chapter is the discussion and suggestions which evaluates and discusses the findings and their implications for theory and practice and give suggestions for future research.

2 Concept of Banking

In simple terms the bank is an organization that creates credit by taking deposits from the general population and using those funds to extend loans. The debts that banks hold which are typically referred to as "bank deposits" are frequently taken as final payment for the debts of other persons. The banking system played a significant role in the economy of the country. A bank is a type of financial institution that is authorized to issue loans and take savings and checking deposits. In addition, banks offer additional facilities like locker facilities, foreign currency exchange, individual retirement accounts (IRAs) and balance certificate (Adam 2023). Lending and borrowing are the two main activities in banking. Operating capital is necessary for banks, just like it is for other businesses, however the amount of capital banks need is relatively small compared to the overall number of transactions they process. Rather, banks make use of the money they receive from deposits and, as a safety measure, keep capital and reserve accounts to guard against losses on their loans and investments as well as to cover unforeseen cash withdrawals. At least some of the liabilities (also known as IOUs) that legitimate banks have are easily transferable or "spendable," meaning that they can be used as means of exchange, or money, setting them apart from other types of financial intermediaries.

A bank is an institution which deals in money. Broadly speaking, banks draw surplus money from the people who are not using it at the time and lend to those who are in a position to use it for productive purpose (Dewett 1987). A banker is a dealer in debts. The banker's business is to take the debts of other people to after his own in exchange and thereby to create money. A bank collects money from those who have it to spare, or who are saving it out of their incomes, and it lends this money that require it (Ahuja 1992).

We are aware that another name for bank is financial institution, which refers to the financial market, its participants, and the openness of all varieties of depository and non-depository financial institutions to the commercial sectors. Depository institutions encompass a wide range of organizations, including cooperative banks, commercial banks, development banks, and financing firms. Non-financial institutions include money market mutual funds, pension funds, provident and retirement funds, manual funds, unit trust mortgage banks, and life and non-life insurance businesses, among others.

2.1 Introduction of Nepalese Banks

The history Nepalese banking represents the nation's social and economic development. Banking in Nepal has its roots in the past, when traders and moneylenders exchanged goods and services for metallic coins and other types of money. However, Nepal Bank Limited, the country's first

commercial bank, was founded in 1937 A.D, marking the beginning of the country's official banking system. Nepal's banking sector has undergone a significant transformation that has improved it in practically every way. But prior to the founding of Nepal Bank Limited, Tejarath Adda, a semi-banking entity, was founded in Nepal during the tenure of Ranodip Singh as prime minister. However, its actions were restricted, it did not take any form of deposit; it solely made loans. But after that in 1955 A.D. establishment of Nepal Rastra Bank which is now central bank of Nepal, which is responsible for issuing banknotes, regulating the whole banking sectors and formulate and. Maintaining the monetary policies of Nepal. Since then, there have been many ups and downs for Nepal's banking industry, including the introduction of banknotes, the creation of the central bank, the growth of banking services, the rise of development and cooperative banks, the adoption of contemporary technology, merger, acquisitions, and the regulation of the industry.

Pantha (2020, 11-14) in her study on employee job satisfaction in banking sector of Nepal has also classified and introduce the structure of the banking system of Nepal, where she mentioned that there are 5 types of banks and financial institution in Nepal. The banking industry in Nepal has evolved greatly over the years, with many banks now offering a broad range of services, in contrast to the previous situation when there were only a few government banks offering a small number of services. Nepal's banking sectors are divided into various classes which are 'A' class (commercial banks), 'B' class (development banks), 'C' class (finance Companies) and "D" class (Micro Finance Companies). According to Nepal Rastra Bank there are now 20 'A' class Commercial Bank, 17 'B' class Development Banks, 17 'C' class Finance Companies and 65 'D' class Micro Finance Companies as of mid-July 2023. The industry is currently going through a period of severe competition, and customers have seen a significant improvement in the caliber and range of services provided by commercial banks.

2.1.1 Central Banks

A central bank is an institution of government tasked with enforcing and regulating the monetary system of a nation or set of nations and managing the money supply. (Santander 2023). A central bank is a financial organization that has been granted exclusive authority over the creation and disbursement of credit and money for a country or collection of countries. The central bank is typically in charge of monetary policy formulation and member bank regulation in modern economies. Because of its nature, central banks are anti-competitive or at least not based on the market. Many central banks are regarded as politically autonomous since they are not government organizations, even though some have been nationalized. Even yet, a central bank's privileges are set forth and safeguarded by law, even though it is not the government's legal owner.

The Nepal Rastra Bank Act, 1955, allowed for the establishment of Nepal Rastra Bank (NRB), the country's central bank, in 1956 to discharge the central banking responsibilities including guiding the development of the embryonic domestic financial sector. Since establishment, there has been significant growth in both the number and the activities of the domestic financial institutions in the country (Nepal Rastra Bank 2023). The Central Bank's primary objectives are to organize Nepal's other banks and financial organizations that possess NRB licenses and to coordinate financial strategies with other commercial banks. The NRB is responsible for regulating and overseeing the banking sector in Nepal thanks to the Nepal Rastra Bank Act of 2002. In a similar vein, the Bank and Financial Institution Act, 2017 gives the NRB the authority to oversee and control institutions that it establishes. NRB has given licensed institutions a number of directives, guidelines, and regulations, taking into account both local banking circumstances and global best practices (Bank Supervision Report 2022).

2.1.2 'A' Class Commercial Bank

A commercial bank is a type of financial organization that offers its clients services like overdraft protection, savings accounts, certificates of deposit, loans, and so on. (Pantha 2020) Lending money to individuals and collecting interest on such loans is how these institutions generate revenue. Commercial bank offers a variety of loans, including loans for businesses, vehicles, homes, people, and education. Commercial banks make profit by providing loans from the money they have collected as a deposit from various customer and charging interest on them. As of Ashad end, 2080 BS (Mid- July 2023), there are 20 'A' class commercial banks in Nepal. All Commercial Bank in Nepal provide deposit facility, various loan facilities, advance ABBS services, Internet Banking along with the ATM facilities through their network (Investopaper 2023). Nepal's first commercial bank, Nepal Bank Limited, was established in 1937.

2.1.3 'B' Class Development Bank

A development bank is a type of national or regional financial institution that is intended to give developing nations access to medium- and long-term financing for profitable investments, frequently along with technical support (Britannica Money sa). Development banks are those organizations that were established and expanded with the goal of advancing various industries, including the agricultural, infrastructural, and industrial sectors. They use cutting-edge technology to deliver their services, imitating contemporary processes and procedures with administrative, technological, and financial backing. The development of all other areas necessary to raise Nepal's standing overall falls within the purview of development banks operating in the country. The operation contributes to the nation's economic growth. In Nepal development banks are the 'B' class financial institution which are divided into three different categories which are National Level

Development Banks, 4-10 Districts Development Banks and 1-3 Districts Development Banks. According to Nepal Rastra Bank there are 17 development banks and out of total, eight development banks are operating at the National Level.

2.1.4 'C' Class Finance Companies

Finance company, specialized financial institution that supplies credit for the purchase of consumer goods and services by purchasing the time-sales contracts of merchants or by granting small loans directly to consumers (Britannica Money sa). It is assumed that the formation and development of financial companies are relatively new. Finance businesses were founded in industrialized countries such as the United States and the United Kingdom in 1960. They were formed and expanded when banking sectors began to offer financial services. It did not take long for finance corporations to catch up with the banking industries around the world. There are no such financing companies were established in Nepal; instead, people pooled their resources to form Dhukuti and other public organizations, from which they later initiated a mutual aid scheme. (Pantha 2020) To meet their demands, the program was operating illegally, but it wasn't totally safe because participants were frequently duped by the organizers. Subsequently, the government determined that certain corporations ought to oversee the public's finances. As a result, the concept was formed for those who are prepared to start their own businesses with financing from finance companies and repay it according to their criteria. So, Government Nepal has established the finance companies in 1992 A.D. And until 2023 there are 17 'C' class Finance companies in Nepal.

2.1.5 'D' Class Micro- Finance Financial Institutions

According to Nepal Rastra Bank, Micro-Finance is a class "D" financial institution in Nepal. It provides financial services to those with low incomes or those without direct access to standard banking services. A wide range of financial services, including savings, money transfers, microlending, microcredit, and microinsurance, are included in microfinance. Communities without security for loans but with the ability and willingness to participate in income-generating and self-employment activities are served by microfinance institutions. In Nepal, microfinance programs are implemented with a focus on the poor and have a strong rural orientation. The idea behind these programs is that providing low-income people with access to financial services can help them escape poverty. MFIs in Nepal have been operating for several decades, adhering to a few prominent microfinance models. They consist of the Grameen Bank model, Self-Help Groups (SHGs) model, the Cooperative model, the Small, and the Community Based Organizations (COs) and Farmer Cooperative Limited (SFCL) model. Furthermore, distinct microfinance program or concept is regarded as a Village Bank (VB) in Nepal (NIMB Ace Capital limited 2023).

3 Commissioners

Here two major commercial banks from Nepal have been chosen for this study which are Prabhu Bank and Prime Commercial Bank. These two banks will be studied to find out the situation of employee turnover and its factors affecting it. Prabhu bank is one of the biggest private commercial banks of Nepal which was recently merged with Century Commercial Bank in the starting of 2023 and now extended its service in huge locations in Nepal. Prabhu is also listed in Nepal Stock Exchange trading since 2014 having PRVU as its symbol in stock exchange of Nepal. And another bank is Prime Commercial Bank which is established in 2007 and providing its service all over Nepal successfully and growing its network by merging with different banks and financial institution. Ranjit Budhathoki, an Assistant from PRVU and Nakul Poudel, a Junior Officer from PCBL are those who supported for this study.

3.1 Prabhu Bank Limited

Prabhu bank Limited is one of the largest private commercial banks operating since 2016 after merging four financial institutions Grand Bank Nepal Limited, Kist Bank Ltd, Prabhu Bikash Bank Ltd, Gaurishankar Development Bank Ltd and Zenith Finance Limited, getting the status of “A” class financial institution license, and regulated by central bank of Nepal, Nepal Rastra Bank. And after merging with Century Commercial Bank Limited which was “A” class commercial bank in 2023 Prabhu Bank has a huge network of total 301 branches, 71 extension counters, 310 ATMs and 3.1 million customers all over Nepal. Prabhu Bank Limited released its fourth quarter corporate analysis for the fiscal year 2079–2080 and reported a net profit of Rs 2.82 billion (ShareSansar 2023). Prabhu bank has total paid up value up to Rs. 23.54 billion.

Prabhu Bank offers various products and services, such as deposit schemes, loans and advances, foreign exchange facilities, trade financing, inward/outward remittances, market maker for government securities, non-fund-based services like issuing guarantees, letter of credits, etc (Prabhu Bank 2023). Reaching out to the general public with a variety of beneficial goods and services that will ensure their future prosperity is one of the bank's main goals. The bank has been quite successful in achieving this goal in a short amount of time, which has led to the creation of a sizable base of devoted clients. The bank's primary strengths include its broad network, mobile banking, real-time account credit, quick transactions, and personalized service. It has been engaged in a range of deposit schemes, advances and loans, foreign exchange operations, trade financing, inward and outbound remittances, market maker for government securities, and non-fund-based services such as providing letters of credit and guarantees, among other things. Although securing sufficient funding is essential to the establishment and operation of any firm, success cannot be ensured by it alone. Other elements, such high-quality counseling and advice,

are necessary for success. Therefore, the bank has placed a high focus on creating human resources who are able to comprehend consumer needs and fulfill their expectations. The bank always puts its customers first in all it does. According to Prabhu Bank, a bank can only be considered successful if its clients are also prosperous.

3.2 Prime Commercial Bank Limited

Prime Commercial Bank Limited is a prominent financial institution based in Nepal established in 2007, it has grown to become one of the leading commercial banks in the country. It has been established by prominent business personnel and professionals from diversified areas with a prime objective of providing 'Banking Services to Everyone' in the country where still large number of populations are deprived of Banking Services (Prime Commercial Bank 2023). "PCBL" which is the symbol of Prime Commercial Bank for trading in Nepal Stock Exchange (NEPSE) was listed there since 2007. PCBL has total Rs. 19.4 billion paid up value since it has been merged with Kailash Bikash Bank which was "B" class bank of Nepal. Now PCBL has total 189 branches and 134 ATMs providing active service all over Nepal. Prime Commercial Bank Limited released its fourth quarter corporate analysis for the fiscal year 2079–2080 and reported a net profit of Rs 2.26 billion (ShareSansar 2023). The bank offers a wide range of banking and financial services to meet the diverse needs of its customers, including savings and current accounts, loans and advances, foreign exchange services, and various digital banking solutions. The bank has established itself as an emerging player in financial sector with focus in customer service excellence maintaining excellent relationship with valued customers. It is counted among the top 10 commercial banks in Nepal by independent raters and publications in the country (Prime Commercial Bank 2023).

4 Literature Review

In literature review I am going to discuss about the employee turnover in general and will be trying to understand why employee join and quit any jobs, what are the reasons and factors of this behaviors.

4.1 Employee Turnover

The percentage of workers who leave your company in a certain time frame is known as employee turnover. Turnover rates are usually calculated regularly or annually by organizations. In order to evaluate the success of their hiring practices, they may also decide to compute the turnover rate for recent personnel (Shweta & Kelly 2022). A wide variety of people's attitudes toward their jobs, which can vary from high levels of contentment to extreme levels of unhappiness, is known as employee turnover. The nature of the work, coworkers, pay, job security, or supervisors are some of the factors that can influence an employee's decision to stay or quit (George & Jones 2008). Although there are many studies on employee turnover, this term is very vast and hard to study. The movement of workers within the labor market, between companies, positions, and professions, as well as between the jobless and employed states, is known as employee turnover (Abassi SM & Hollman KW 2000). Employers make significant investments in their staff members' training, development, retention, and maintenance of skills. Managers must therefore have to make every effort to reduce employee turnover. (Henry Ongori 2007) in his review on employee turnover conclude that employees are the backbone of any business success and therefore, they need to be motivated and maintained in organization at all costs to aid the organization to be globally competitive in terms of providing quality products and services to the society. And in the long run the returns on investments on the employees would be achieved. The employee turnover rate differs among them, as do the working conditions, incentive packages, and wage amounts, which fluctuate greatly. Therefore, there has been a lot of research done to lower the staff turnover rate. A key element in the success of an organization is employee turnover. It is a component that influences both worker morale and efficiency. Employee turnover is an outside variable that may be used to gauge how happy or unhappy workers are with their positions and working circumstances. Therefore, an employee would be less inclined to quit if they found their work to be fulfilling and rewarding.

The idea of employee turnover refers to the percentage of workers who depart from a firm within a specific timeframe, typically one year. Numerous academic fields, including psychology, sociology, economics, and management sciences, have researched employee turnover. Organizations frequently use this data to assess and enhance their human resource practices and policies. This is mostly due to the general acceptance among experts that labor market behavior and productivity

both in terms of quantity and quality of work can be impacted by trends in employee turnover. Every worker anticipates being satisfied with their place of employment. An employee's level of comfort at work determines how satisfied they are with their life. A stressed-out employee cannot perform effectively in the position. The two main competitive drawbacks that many today's companies suffer are personnel turnover and job unhappiness.

Employee unhappiness resulting from negative and unfavorable emotions from the organization causes them to consider changing workplaces (Armstrong 2006). Employee turnover is a complicated issue that, depending on the demands of the individual, can be viewed differently by different people. Although employee turnover is more of an attitude than an internal condition, it is typically compared to inspiration. It may, for instance, be connected to a subjective sense of accomplishment, whether it be qualitative or quantitative (Mullins 2005). The study of employee turnover reveals employee turnover theory, employee turnover measurement tools, and indicators. Price (2001, 600-624) in his Casual Model of Turnover stated that "Opportunity is the availability of alternative jobs in career environment. It has been found to have a direct positive relationship to turnover intention. In other words, increased opportunity led to more turnover intention as greater awareness of employee on alternative jobs available in their job fields. Employees will then evaluate the costs, risks, and benefits of the alternative jobs. When the alternative job provided better benefit than their current jobs, this may produce greater job dissatisfaction of employees, hence a trigger to quit their current job."

4.2 Intermediate Linkage Model

The Mobley (1977, 237-240) Intermediate Linkage model, which explains the psychological process of how job dissatisfaction leads to employee turnover. Mobley's model proposed the intermediary links in the voluntary turnover decision between discontent and desire to resign based on the idea that intent to quit or stay is the cognitive event immediately before turnover behavior. Following a job review, discontent leads to withdrawal cognitions, which leads to an assessment of the utility of a job hunt. A positive utility results in a desire to look for work, followed by the search itself. Following that, the alternative(s) discovered are evaluated in comparison to the current task. An unfavorable contrast leads to a desire to leave, which leads to voluntary turnover.

According to this model, there are seven sequential and intermediate stages between job dissatisfaction and eventual turnover. These are:

- Evaluation of existing job: The employee evaluates his or her current job in terms of satisfaction, rewards, expectations, and alternatives.
- Experience of dissatisfaction: The employee feels dissatisfied with his or her current job due to various factors, such as pay, work environment, supervision, etc.

- Thinking of quitting: The employee considers quitting his or her current job as a possible solution to the dissatisfaction.
- Evaluation of expected utility of search and cost of quitting: The employee weighs the benefits and costs of searching for a new job and quitting the current one, such as time, effort, risk, and opportunity.
- Intention to search for alternatives: The employee decides to look for other job opportunities that might offer better satisfaction and rewards.
- Search for alternatives: The employee actively searches for alternative jobs through various sources, such as personal contacts, advertisements, agencies, etc.
- Evaluation of alternatives: The employee compares and evaluates the alternative jobs in terms of attractiveness, feasibility, and compatibility.
- Intention to quit/stay: The employee makes a final decision to quit or stay in the current job based on the evaluation of alternatives and the expected utility of quitting.
- Quit/stay: The employee either quits or stays in the current job as a result of the decision.

Intermediate Linkage model also provides a comprehensive and logical explanation of the relationship between job satisfaction and employee turnover. It also identifies the possible factors and variables that influence each stage of the process, which can be tested empirically.



Figure 1. Mobley (1977, 237-240) Intermediate Linkage Model

Some other models which explains the term employee turnover is Cusp Catastrophe Model by Sheridan and Abelsonin (1983) that attempts to explain the phenomenon of employee turnover using the concept of catastrophe theory which is a branch of mathematics that studies the behavior of systems that can undergo sudden and discontinuous changes in response to small and continuous changes in the input variables and this model is one of the simplest forms of catastrophe theory, which involves two control variables (called normal and splitting factors) and one output variable (called behavior).

An Integrated Process Model (Jackofsky 1984, 74–83) is another theoretical framework that attempts to explain the phenomenon of employee turnover using the concept of catastrophe theory and the influence of job performance where the decision to quit a job is not a linear and gradual process, but rather a sudden and unpredictable one that depends on two control variables: job tension and organizational commitment.

According to Chaudhary M.K (2022) in his finding of the study on rational of employee turnover which is also the analysis of Nepalese commercial bank, highlights a crucial link between job embeddedness and employee turnover intentions in sample banks, indicating that a lack of managerial awareness in promoting employee engagement may lead to a heightened risk of turnover. The findings emphasize the significance of addressing factors such as career growth, fair incentives, and job security to enhance employee satisfaction, ultimately fostering higher productivity and organizational efficiency.

Chalise D.R. (2019) in his study of employee retention in Nepalese commercial banks concluded that they could enhance employee retention by prioritizing factors such as a conducive work environment, promotions, competitive salaries, and opportunities for career growth. While training and development programs may not be the primary driver for retention, the study suggests that a comprehensive approach, including well-designed organizational career growth policies and effective work-life balance initiatives, is essential for fostering employee satisfaction and loyalty in the banking industry.

Shukla & Sinha (2013) conduct the research on employee turnover in banking sector where the primary drivers of employee turnover in the surveyed banks are job satisfaction and work environment, with employees displaying a strong inclination towards seeking new opportunities for improved working conditions and satisfaction, irrespective of salary considerations. Career development, though slightly less significant, still plays a noteworthy role, with the availability of opportunities and management relations as contributing factors. To retain career-oriented employees, effective management that emphasizes satisfaction, supervision, and autonomy is

crucial, as the study finds no significant mean difference between responses from new and old employees regarding turnover factors.

4.3 Factors affecting Employee Turnover

Employee turnover is a serious issue for many organizations across industries and sectors, since it can lead to decreased production, profitability, and morale. High turnover rates can lead to increased costs, decreased productivity, and a negative impact on an organization's overall performance. As a result, it is critical to comprehend the elements that impact employees' decisions to leave or remain at their positions. According to several research, some of the common factors influencing employee turnover include a lack of growth and progression, a lack of innovation, insufficient compensation, ineffective management, and terrible working environment. Chowdhury and Hasan (2017) in their research on factors affecting employee turnover explains managerial factors, working environment, pay, career promotion, job fit, clear job expectation, Perceived alternative employment opportunity and influence of co-workers as a causes and influential factors for employee turnover. These variables can lead to employee unhappiness, frustration, stress, and burnout, leading them to seek new possibilities elsewhere. Organizations, on the other hand, can address and improve these elements to establish a pleasant and engaging work culture that attracts and retains talent. Understanding the factors that contribute to employee turnover is essential for organizations seeking to mitigate these risks and maintain a stable and engaged workforce.

There are many reasons of employee turnover which can be either due to voluntary turnover where employee willingly leaves the job by having personal issues for example dissatisfaction, seek for better opportunities, for educational reason or retirement and due to involuntary turnover, which can be termination of employees who does not meet the set of performance level set by company or have committed some serious misconduct. Nepalese banking sectors are offering and providing various facilities to attracts the best talents but still there are some factors such as training and development, career opportunities and work-life policies may have a significance relationship (Chalise D.R 2019) and with the reflection of his research some of the factors which affects employee turnover are presented in the figure below as a conceptual framework for this study.

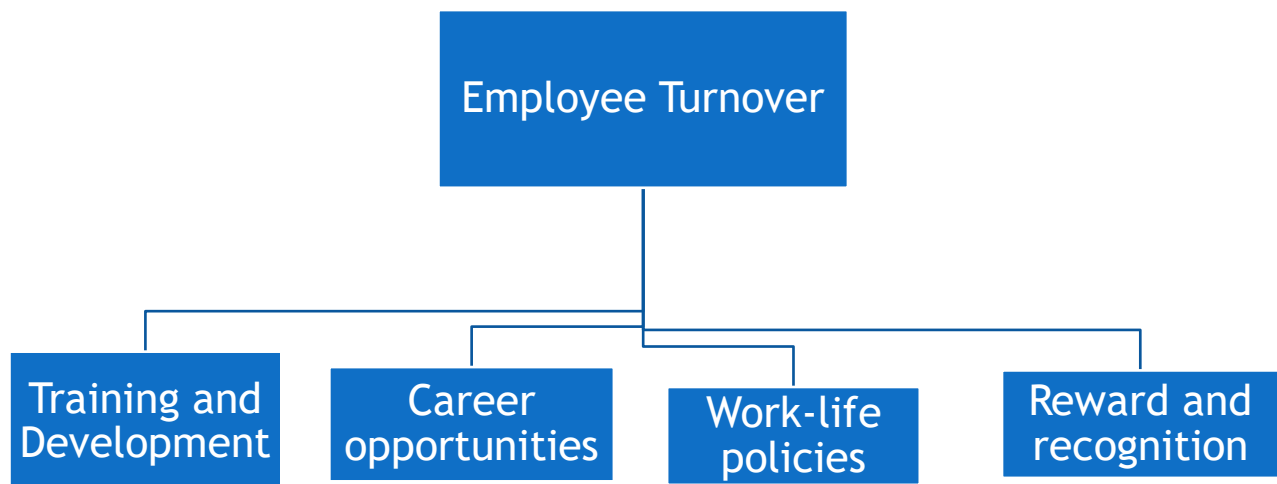


Figure 2. Conceptual framework of factors affecting the employee turnover (Adapted from Chalise, D.R 2019).

4.3.1 Training and Development Opportunities

Investment in employee training and development is vital for enhancing employee retention. Training programs aimed at improving job-related competencies not only help employees master the necessary skills but also contribute to their job satisfaction. Properly trained employees are more likely to take on greater responsibilities and exhibit lower turnover rates. Moreover, training and development can boost employee motivation and performance by providing recognition, feedback, cross-training, and internal training sessions (Trainual 2021).

4.3.2 Career Opportunities

Career progression and growth opportunities are essential for employee turnover. The potential for employees to advance in their careers and achieve their professional goals is closely associated with their loyalty to the organization (Graddick 1988, 283-289). The human resource department plays a critical role in formulating strategies that inspire employee commitment to the firm's objectives, fostering a positive working environment and retaining top talent. Organization should provide an enough reason and opportunities to stay in the organization. There can be huge competition in the market for retaining the best talent so that company should always try to focus

on employee's mindset where they always seek for new adaptation in overall organization culture and their career advancement.

4.3.3 Work-Life Policies

Work-life balance is a critical factor in employee retention. Organizations that recognize the importance of work-life balance and implement policies to support it tend to enjoy higher levels of employee loyalty (Dubie 2000). Issues such as flexible working hours, parental leave, and support for childcare significantly impact an employee's decision to stay with an organization. This is the employee's ability to balance their personal and professional responsibilities and interests, based on factors such as flexibility, autonomy, workload, stress, and support, that affect their well-being and happiness. Work-life policies can affect employee turnover by enhancing the employee's health, morale, and engagement, or by reducing the employee's stress, fatigue, and frustration. (Korzun 2023). Work-life policies can be influenced by the organization's culture and values, the design and layout of the workplace, and the policies and practices regarding working hours, telecommuting, leave, and wellness (Indeed 2023).

4.3.4 Reward and recognition

Reward and recognition programs are essential for motivating and retaining employees. Recognizing and appreciating employees' contributions and performance create a positive work environment and enhance job satisfaction (Robbins & Judge 2018). It has been observed that employees who receive regular recognition and rewards are more likely to remain loyal to their organizations.

This theoretical framework underscores the significance of training and development, career opportunities, and work-life policies as factors which affects employee turnover. These factors play a central role in retaining talent and ensuring that employees remain committed to their organizations. The study of these factors of employee retention will find out the condition of employee turnover and problem and solution for Nepalese commercial Banks. Nepal's banking sector has undergone a significant transformation that has improved it in practically every way. The banking industry in Nepal has evolved greatly over the years, with many banks now offering a broad range of services, in contrast to the previous situation when there were only a few government banks offering a small number of services. The industry is currently going through a period of severe competition, and customers have seen a significant improvement in the caliber and range of services provided by commercial banks.

5 Research Design and Methodology of Data collection

This chapter explains the study's approaches employed in the current study, including every aspect of the methodology, the process, plan of action, and tool used for the purpose of the study, as well as the rationale for choosing them. The chapter starts by choosing up a method of quantitative study for the current investigation. It is accompanied by contemporary forms of research inquiry. A thorough data collection method including the sources and types of data obtained is provided in the next section. Furthermore, discussion of how the gathered data was analyzed. Each part offers thorough information that will be valuable for further research on the subject.

A quantitative research method is used to investigate employee turnover. A survey is carried out to investigate the link between several variables. A structured questionnaire is used to collect survey data from respondents and descriptive statistics (frequency distribution, mean, and standard deviation) and cross tabulation analysis are used to analyze the survey data. Finding out how the entire population feels about a certain subject and quantifying opinions, attitudes, and behaviors are two benefits of quantitative research. For example, setting baselines (e.g., measuring customer's reactions and behaviors toward an issue prior to a marketing) and ensuring that students can contribute comments or ideas to a new course are examples of situations when we want to know the precise number of people who think a specific way (Sukamolson s.a.). In the social sciences, quantitative approach is the dominant research framework which refers to a set of tactics, methodologies, and assumptions used to investigate psychological, social, and economic processes by examining numerical patterns (Coghlan, D. & Brydon-Miller, M. 2014).

Prabhu Bank Limited employs more than 2000 people and Prime Commercial Bank employs more than 1540 people in several branches throughout the inside and outside the Kathmandu valley. The standardized questionnaire was distributed to various employees working in various roles from the whole population. The reason for choosing this whole population as the study location is that to study the view of workers from remote areas of these two banks as well, and the youths are also accepting to work in remote areas of Nepal with great aspirations of finding better career opportunities. In addition, taking survey in the branches inside and outside of Kathmandu, will collect every individuals view and thoughts which ultimately helps in my study. A set of survey questionnaires were in google form was sent to the respondents of Prabhu Bank Limited and Prime Commercial Bank Limited through links by the help of my two supporters (Ranjit Budhathoki and Padam Lal Shrestha) from each bank.

For data collection I have made a well-structured questionnaire and distributed to the banks employees which was mainly into two segments i.e., Personal Information which will collect the

basic information and working history of the employees and Employee's perception on Employee Turnover which will collect the information related to the different factors affecting employee turnover and employees thought process in these factors. Other sources of secondary data that were examined to prepare the questionnaire include books, online magazines, websites, and earlier research and theses. The purpose of the questionnaire survey was to learn what the respondents thought about many factors which has connection to the employee turnover of any organization, including Training and Development, Career Opportunities, Work-Life Policies and rewards and recognition. A series of questions was created, comprising multi-item Likert scale questions, ranking method questions, Multiple choice questions and yes/no questions. A survey's purpose is to gather information on research objectives by asking targeted questions. Questionnaires are in the appendix part.

6 DATA PRESENTATION AND ANALYSIS

The survey data is presented and analyzed methodically in this chapter. Three sub-chapters include the results of the study, which was conducted using a variety of statistical analytic tools and the basic information on the respondents and their qualifications, including their banking work experience, is presented in Chapter 6.1. The individual employee's subjective opinions about the organizational culture and organizational procedures are presented in Chapter 6.2. The results of each factor's importance in relation to employee turnover are presented in Chapter 6.3. The relationship between designation and employee turnover is finally examined in chapter 6.4. This chapter is based on survey done by Pantha (2020) a survey to find out the job satisfaction level of employee in Nepalese banks, where she has Nepal bank and Nepal SBI bank as a sample.

6.1 Personal information of respondents

Any study that uses primary data analysis must begin with a discussion of the respondent characteristics. Demographic variables are crucial in understanding employee turnover. As a result, this section presents the demographic features of employees of PRBHU and PCBL who have responded in this survey. The following information provides respondent information to serve as the foundation for data display and analysis by Pantha (2020) has also used distributive analysis for job satisfaction where she has distributed the data into age, gender, education, designation, job placement with education, experience of respondents, working environment, job security and perception and training and development. Similarly, here in this study employee turnover is distributed according to respondents age, their gender, what educational qualification they have, in which position they are working in the organization (designation), their thoughts on their own job which is suitable for their current education or not (job suits education), how long has been they are serving in the organization (work experience), and the factors which affects employee turnover which are rewards, recognition, training & development, career opportunity, and work life policies.

Table 1.Number employees by Age

Age	Number	Population (%)
18- 25 years	20	37
26-35 years	22	40.7
Above 36 years	36	22.2

Total	54	100
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Above table contains the total 54 employees and their age who gave their response in this survey, in which 37% are underage of 18-24 years, 40.7% are underage 26-35 and 22.2% are above the age of 36 years.

Table 2. Number employees by Gender

Gender	Number	Population (%)
Male	28	51.9
Female	26	48.1
Total	54	100

The employee gender is displayed in the above table. Of the total, 51.9% of the employees are male and 48.1% are female, representing nearly equal responses from each gender.

Table 3. Number employees by Education Qualification

Education Qualification	Number	Population (%)
S.L.C	0	0
+2	13	24.1
Bachelor Level	27	50
Master's Level	14	25.9
Total	54	100

Above table shows the education qualification of employee, 24.1% have +2, 50% have done bachelor level and 25.9.% have master's degree and there are no one who only have education level of S.L.C.

Table 4. Number employees by Designation

Job suits education	Number	Population (%)
Trainee Level	16	21.6
Assistant Level	17	31.5
Officer Level	10	18.5
Above Officer Level	11	20.4
Total	54	100

Here among 54 employees 21.6% are Trainee Assistant, 31.5% are Assistant, 18.5% are officer and 20.4% are above the Officer level regarding the position they acquire in their organization.

Table 5. Number employees by Experience

Experience	Number	Population (%)
Less than 2 years	15	27.8
Less than 4 years	11	20.4
Less than 6 years	12	22.2
Above 6 years	16	29.6
Total	54	100

Here in the above table are the table for experience of the employee. Among 54 employees 27.8% have less than 2 years of experience, 20.4% have less than 4 years, 22.3% have less than 6 years and 29.6% have more than 6 years of experience working in their banks.

Table 6. Employees' perception of how well their job fits their education.

Job fits education	Number	Population (%)
Yes	44	81.5
No	10	18.5
Total	54	100

Above table shows the thinking of employees whether their job fits with their education or not. And out of 54 employees 81.5% employees feels that their job is perfect for their education and 18.5% employees feels that their jobs are not suitable for their education.

6.2 Results on Employee Turnover

This section includes the results from the respondents measuring the factors affecting employee turnover according to the organization's operational activities.

Table 7. Results on Training and development

Statements	N.	Minimum	Maximum	Mean	Std. Deviation
The training and development opportunities provided by the organization contribute to my job satisfaction and commitment.	54	1	5	3.98	0.7645
I believe the training programs offered by the organization help me acquire the skills and knowledge necessary for my job.	54	1	5	3.96	0.8006
I receive recognition for my participation in training and development activities.	54	1	5	3.88	0.8614
The organization encourages crosstraining and internal knowledge sharing.	54	1	5	3.79	0.7861
Opportunities for continuous learning and development play a significant role in my decision to stay with the organization.	54	1	5	3.90	0.8527

Here in the above table 7 shows that from total 54 employees most of the employees are neutral on all the above mentioned 5 statements related with training development practices and facilities they get from organization. The highest mean in this table 7 is 3.98 which means that most of the employees are neutral on their decision that they believe that they are getting such trainings and development programs which will tribute to their job satisfaction and commitment. Similarly, here the highest standard deviation is 0.8614 which explains that employees are getting enough recognition for their participation in training and development activities.

Table 8. Results on Career Opportunities

Statements	N.	Minimum	Maximum	Mean	Std. Deviation
The organization provides clear and achievable career advancement paths for employees.	54	1	5	3.98	0.9005
I feel motivated to stay with the organization because of the growth opportunities it offers.	54	1	5	3.92	0.9080
The human resource department plays an active role in helping employees plan their career development.	54	1	5	3.83	0.9466
I am satisfied with the prospects for career progression and personal growth within the organization	54	1	5	4	0.7770
The organization recognizes and promotes internal talent for leadership roles and advancement.	54	1	5	3.92	0.7486

Table 8 consist of the statement related with career opportunities in which all 54 employees have given their response. Here all employees agree every statement with having highest mean of 4 which also explains that employees are satisfied with the prospects for career progression and personal growth within the organization. And here we have highest standard deviation of 0.9466 which explains that everyone agrees that human resource depart are playing active role in. helping employees in career development. In average many employees are neutral with on the above statements related with career and development.

Table 9. Results on Work-life Policies

Statements	N.	Minimum	Maximum	Mean	Std. Deviation
The organization supports flexible working hours and arrangements to help maintain a healthy work-life balance.	54	1	5	3.87	0.9721
I have access to parental leave and childcare support, which enhances my commitment to the organization.	54	1	5	3.85	0.6561
The organization provides employees with the resources and assistance they need to manage their work and personal life effectively.	54	1	5	3.75	0.7754
Work-life policies, such as remote work options, contribute to my overall job satisfaction and retention.	54	1	5	3.81	0.7542
I believe that the organization values the well-being and work-life balance of its employees.	54	1	5	3.74	0.7316

Above is the table 9 for consisting of the statement for work-life policies and the results on the response from employees. Most of the employees are neutral with the statement that work-life policies in the organization because the results shows that the highest mean is 3.87. And the maximum standard deviation is 0.9721 which explains that organization have good support on flexible working hours. All the employees thinks that work-life policies such as remote work option, contribute to overall satisfaction and retention of their organization. They also believe that they have access to parental leave and childcare support which enhance their commitment to the organization.

Table 10. Results on Reward and Recognition

Statements	N.	Minimum	Maximum	Mean	Std. Deviation
The organization frequently recognizes and appreciates employees' contributions and performance.	54	1	5	4.09	0.9166
I feel motivated and engaged when I receive regular recognition for my efforts at work.	54	1	5	4.14	0.7625
The organization's reward and recognition programs have a positive impact on my job satisfaction.	54	1	5	4.07	0.8207
I believe that my hard work and accomplishments are acknowledged by the organization.	54	1	5	4.03	0.8006
The presence of reward and recognition initiatives in the workplace contributes to my commitment to the organization.	54	1	5	4.05	0.7627

Table 10. is the table for statements regarding reward and recognition, which is another significance factors of employee turnover. Of the 54 employees, the maximum number of employees who agreed with all five statements of reward and recognition had a mean of 4.14, which is the highest. The maximum standard deviation in this case is 0.9166, indicating that when workers are consistently recognized for their contributions at work, they feel engaged and motivated.

Table 11. Summary table of independent variables

Independent Variable	Mean	Standard Deviation	Total respondents
Training and Development	3.870	0.7781	54
Career Opportunity	4.333	0.7523	54
Work-Life Policies	4.018	0.6584	54
Reward and Recognition	4.351	0.7309	54

Above table 11 is the summary table of all the variables where most of the employees have neutral responses, as indicated by the mean score of 3.870 for training and development. Career

Opportunities' mean score is 4.333, indicating that the majority of workers concur with the assertion. Employees also concur with the Work-Life Policies statement, which has a mean value of 4.018, and the Reward and Recognition statement, which has a mean value of 4.333.

6.3 Results on Importance of Different Factors of Employee Turnover

Table 12. Training and Development based on importance.

Training and Development	Number	Population (%)
Least Important	0	0
Less Important	0	0
Important	20	37.03
More Important	21	38.89
Highly Important	13	24.08
Total	54	100

As from the above table 12 which is the table for results from the survey on the importance of training and development, out of 54 respondents 37% of respondents believe training and development is essential or important, 21% believe it is more important, and 13% believe it is an extremely important component in employee turnover; no one in this study believes it is least or least important.

Table 13. Career Opportunities based on importance.

Career Opportunities	Number	Population (%)
Least Important	0	0
Less Important	1	1.85
Important	6	11.12
More Important	21	38.89
Highly Important	26	48.14
Total	54	100

As from the above table 13, out of 54 employees who gave the response 1.85% thinks career opportunities. Is less important, 11.12% thinks that the career opportunities are important, 38.89%

thinks it is more important and 48.14% of employee thinks that the career opportunities are highly important factor for employee turnover, and no one thinks it is least important.

Table 14. Work-Life Policies based on importance.

Ranking Work-life Policies	Number	Population (%)
Least Important	0	0
Less Important	0	0
Important	11	20.37
More Important	31	57.40
Highly Important	12	22.23
Total	54	100

As from the above table 14, out of 54 employees who gave the response in this survey 20.37% thinks that the work-life policies are important, 57.40% thinks it is more important and 22.23% of employee thinks that the work-life policies are highly important factor for employee turnover, and no one thinks it is least and less important.

Table 15. Reward and Recognition based on importance.

Ranking Rewards	Number	Population (%)
Least Important	0	0
Less Important	1	1.85
Important	5	9.26
More Important	22	40.74
Highly Important	26	48.15
Total	54	100

As from the above table 15, out of 54 employees who gave the response 1.85% thinks that the reward and recognition are less important, 9.26% thinks it is important, 40.74% thinks it is more important and 48.15% of employee thinks that the reward and recognition is highly important factor for employee turnover, and no one thinks it is least important.

Table 16. Distribution table for most important factor for banks to enhance retain the employees.

Independent Variable	Number	Population (%)
Training and Development	8	14.8
Career Opportunities	21	38.9
Work-life Policies	8	14.8
Rewards and Recognition	17	31.5
Total	54	100

Above table 16 measures the most important factors for banks to for enhancing to retain their employees. Out of 54 respondents 38.9% employees thinks that career opportunities is most important and after that reward and recognition with having 31.5% employees have chosen this whereas only 14.8% employees thinks training and development and work-life-policies are important factors for banks to enhance retain the. Employees within the organization.

Table 17. Distribution table for the primary reason of employees for switching or leaving the bank job.

Independent Variable	Number	Population (%)
Training and Development	2	3.7
Career Opportunities	36	66.7
Work-life Policies	2	3.7
Rewards and Recognition	14	25.9
Total	54	100

As from the above table 17, out of 54 respondents only 3.7% employees choose training and development and work-life policies, 66.7% employees choose career opportunities, and 25.9% employees choose reward and recognition are the primary reasons of employees for switching or leaving from one bank to another. Here from all 54 respondents more than half number of

employees think that the career opportunities are the main cause for employee's switches and leaves their job.

6.4 Cross-tabulation Results on Designation and Employee Turnover Factors

A cross-tabulation is a two- or more-dimensional table that shows the proportion of respondents who possess the particular attributes listed in each cell of the table. Cross-tabulation tables can reveal a lot about the relationship between variables. It is the analysis technique for comparing the relationship between two variables and mostly categorical (nominal measurement scale) data is the subject of cross-tabulation analysis.

Table 18. Cross-tabulation of Designation and Age

Qualification	Trainee Level	Assistant Level	Officer Level	Above Officer Level	Total
18-25	75.00	35.29	10.00	9.09	37.04
26-35 years	25.00	52.94	70.00	18.18	40.74
Above 36 years	0	11.76	20.00	72.73	22.22
Total	100	100	100	100	100

Above table 18 is the cross-tabulation analysis between designation and age of total 54 employees who have given response in this survey. And here most of the employees are of the age between 26-35 years where 70% are Officer, 52.94% are of Assistant level. From age group 18-25 most of the employees are in Trainee Level having 75% of the total and above 36 years of age are mostly from above officer level which is 72.73%.

Table 19. Cross-tabulation of Designation and Gender

Age Group	Trainee Level	Assistant Level	Officer Level	Above Officer Level	Total
Male	50.00	58.82	50.00	45.45	48.15
Female	50.00	41.18	50.00	54.55	51.85
Total	100	100	100	100	100

Table 19. is also the cross-tabulation analysis between designation and gender where from 54 employees almost male and female employees are in equal number where Trainee and Officer level has equal number of male and female and in Assistant level and above Officer level has 58.82% male, 41.18% female and 45.45% male and 54.55% female respectively.

Table 20. Cross-tabulation of Designation and Education Qualification

Education Qualification	Trainee Level	Assistant Level	Officer Level	Above Officer Level	Total
+2	68.75	11.76	0	0	24.07
Bachelors	31.25	70.59	90.00	9.09	50.00
Masters and above	0	17.65	10.00	90.91	25.93
Total	100	100	100	100	100

Above table. 20 shows the cross-tabulation analysis between designation and Education qualification and the maximum number of employees from every designation level has at least bachelor's degree which is 50% in average and 25.93% have master's degree, where only 24% have only +2 degree. In which most of the Assistant level of employees have bachelor's degree, most of the Trainee level employees have only +2 degree which is of 69.75%.

Table 21. Cross-tabulation of Designation and thinking of job suits their education.

Job suits education	Trainee Level	Assistant Level	Officer Level	Above Officer Level	Total
Yes	68.75	76.47	90.00	100.00	81.48
No	31.25	25.53	10.00	0	18.52
Total	100	100	100	100	100

Table 21 shows a cross-tabulation analysis of individuals' views on whether their work matches their education or not. In which the majority of Trainee, Assistant, Officer, and above Officer level employees agree or believe that their employment matches their educational qualifications. However, 31.25% of Trainee level employees, 25.53% of Assistant level employees, and 10% of Officer level employees believe that their employment does not match their educational qualifications.

Table 22. Cross-tabulation of Designation and Experience of respondents.

Work Experience	Trainee Level	Assistant Level	Officer Level	Above Officer Level	Total
Less than 2 years	62.5	17.65	20.00	0	27.78
Less than 4 years	31.25	35.29	0	0	20.37
Less than 6 years	6.25	23.53	50.00	18.18	22.22
Above 6 years	0	23.53	30.00	81.82	29.63
Total	100	100	100	100	100

Table 22 shows the cross-tabulation analysis of designation and work experience where maximum number of Officer and Above Office level of employees have work experience of less than 6 years and above 6 years respectively. And most of the Trainee level and Assistant level of employees have less than 2 and 4 years of experience.

Table 23. Cross-tabulation for Designation with Training and Development.

Ranking Training and Development	Trainee Level	Assistant Level	Officer Level	Above Officer Level	Total
Least Important	0	0	0	0	0
Less Important	0	0	0	0	0
Important	31.25	47.06	30.00	36.36	37.04
More Important	43.75	23.53	50.00	45.45	38.89
Highly Important	25.00	29.41	20.00	18.18	24.07
Total	100	100	100	100	100

Above table 23 shows the cross-tabulation analysis of relation between designation and one of the factors which affects employee turnover which is Training and Development where no one has analyzed training and development as least and less important. Maximum employees have ranked training and development as more important factor which is 38.89% in average. Only 18.18% from above Officer level of employee has ranked this factor as highly important and 50% from Officer level who choose this factor as more important which is highest from this section.

Table 24. Cross-tabulation for Designation and Career Opportunities

Ranking Career Opportunities	Trainee Level	Assistant Level	Officer Level	Above Officer Level	Total
Least Important	0		0	0	0
Less Important	0	5.88	0	0	1.85
Important	18.75	17.65	0	0	11.11
More Important	37.50	23.53	40.00	63.64	38.89
Highly Important	43.75	52.94	60.00	36.36	48.15
Total	100	100	100	100	100

Table 24 is the. Cross-tabulation analysis of designation and Career Opportunities where again above Officer level and Officer level of employee has ranked career opportunities as a. more. Important and highly important factor affecting the employee turnover. Some assistant level of employee which is about 5.88% employees has ranked it as a less important factor. 60% from officer level if maximum from officer level and 63.64% from above Officer. Level of employee has ranked this factor as a more important factor.

Table 25. Cross-tabulation for Designation and Work-life Policies

Ranking Work-life Policies	Trainee Level	Assistant Level	Officer Level	Above Officer Level	Total
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Least Important	0	0	0	0	0
Less Important	0	0	0	0	0
Important	31.25	23.53	20.00	0	20.37
More Important	56.25	41.18	70.00	72.73	57.41
Highly Important	12.50	35.29	10.00	27.27	22.22
Total	100	100	100	100	100

Above table 25 shows the relationship between designation and Work-life Policies, maximum number of Officer and above Officer level of employees have ranked work-life policies as more important factor, maximum 56.25% Trainee level employee have ranked as more important as well and 41.18% Assistant level of employee also has ranked this factor as more important. No one has ranked this factor as least and less important.

Table 26. Cross-tabulation for Designation and Reward and Recognition

Ranking Reward and Recognition	Trainee Level	Assistant Level	Officer Level	Above Officer Level	Total
Least Important	0	0	0	0	0
Less Important	0	5.88	0	0	1.85
Important	18.75	11.76	0	0	9.26
More Important	43.75	35.29	40.00	45.45	40.74
Highly Important	37.50	47.06	60.00	54.55	48.15
Total	100	100	100	100	100

Here in table 26. Shows the relationship between designation and Reward and Recognition, maximum number of employees from officer level which is about 60% has ranked it as highly important factor. 45.45% of above Officer level of employee has ranked as more important, 18.75% ranked as important and. 5.88% has ranked this factor as less important factor. Here maximum employee ranked Reward and Recognition as highly important factor affecting employee turnover.

Table 27. Cross-tabulation for Designation and most important factors enhance to retain the employees.

Independent Variables	Trainee Level	Assistant Level	Officer Level	Above Officer Level	Total
Training & Development	12.50	17.65	10.00	18.18	14.81
Career Opportunities	37.50	41.18	30.00	45.45	38.89
Work Life Policies	18.75	11.76	20.00	9.09	14.81
Rewards and Recognition	31.25	29.41	40.00	27.27	31.48
Total	100	100	100	100	100

Above table. 27 shows that the maximum number of above Officer level of employees which is of 45.45% has chosen Career Opportunities as the most important factor enhance to retain the employees. For 40% of Officer Reward and Recognition is important and 18.75% Trainee level and 18.18% from above Officer level also thinks Work-life Policies and Training and Development are important respectively.

Table 28. Cross-tabulation summary for designation and the perception on the most important factors to enhance retain the employees.

Designation	Perception of the Most Important Factor to enhance retain the employee	Responses (%)
Trainee Level	Career Opportunities	37.50%
Assistant Level	Career Opportunities	41.18%
Officer Level	Reward and Recognition	40.00%
Above Officer Level	Career Opportunities	25.00%

In table 28. maximum employees from Assistant level (41.18%) have responded Career opportunities as an important factor to which enhance to retain employee in the organization while following this response 40% of Officer level of employee has ranked Reward and Recognition and 37.5% from Trainee level and above 25% of Officer level has also thinks that Career Opportunities is important factor for enhancing employee retention.

Table 29. Cross-tabulation of designation and the reason of employees for Switching or leaving from one bank to another.

Independent Variables	Trainee Level	Assistant Level	Officer Level	Above Officer Level	Total
Training & Development	0	11.76	0	0	3.70
Career Opportunities	62.50	70.59	80.00	54.55	66.67
Work Life Policies	6.25	5.88	0	0	3.70
Rewards and Recognition	31.25	11.76	20.00	45.45	25.93
Total	100	100	100	100	100

From above table number 29 maximum number of employees perceive Career Opportunities as the factor which is the reason of employees for switching or leaving from one organization to another, where 80% from Officer level, 70.59% from Assistant level, 62.50% from Trainee level and 54.55% from above Officer level of employee choose this factor. 11.76% employee from Assistant level choose Training and Development, 45.45% from above Officer level also choose Reward and Recognition as the reason of employee for switching their job.

Table 30. Summary Table of Cross-tabulation of designation and the reason of employees for switching/leaving the bank.

Designation	Reason for switching/leaving the bank	Maximum response
Trainee Level	Career Opportunities	62.50%
Assistant Level	Career Opportunities	70.59%
Officer Level	Career Opportunities	80.00%
Above Officer Level	Career Opportunities	54.55%

Above table.30 is the summary of cross-tabulation of designation and the reason of employees for switching or leaving from one bank to another. Here every level of employees which ARE Trainee level, Assistant level, Officer Level, and above Officer level have chosen Career Opportunities as the most important factors which is the reason for switching or leaving jobs. 80% employees from Officer level, 70.59% from Assistant level, 62.50% from Trainee level and 54.55% from above Officer level chosen Career Opportunities as the main reason for leaving of switching from one bank to another.

7 Conclusion

7.1 Key Findings

To sum up, this study has examined the complex terrain of staff attrition within Nepalese commercial banks, concentrating on Prabhu Bank and Prime Commercial Bank. The investigation started by classifying financial organizations and explaining how finance firms and microfinance institutions came to be in Nepal. This background information made it possible to conduct a thorough examination of staff turnover in the banking industry. The research has focused on two big commercial banks, analyzing the complexities of Prabhu Bank and Prime Commercial Bank. These organizations, while unique in their beginnings and operating paths, share a common concern: the issue of staff turnover. The main objective of this study Here the two main objectives of this study are (1) to study the factors which affects the employee turnover in the Nepalese banking sectors and (2) How Nepalese banks can solve the problem of high employee turnover and which factor is most important to maintain the employee within the organization. And to able to meet these objectives I have constructed a survey with verities of question for employees from the two banks. Employee data was gathered via a structured survey as part of a quantitative research strategy. In line with the body of research on turnover, the poll included important elements such career opportunities, work-life policies, training and development, and rewards.

Here I have expected to receive more that 100 responses but only got 54 responses, the reason for this was the geographical location and time frame during the research and may be also adding another method of data collection could be resulting more respondents. This study demonstrates that out of 54 respondents most of the respondents are from age group of 26-35 years and male and female numbers are equal who are mostly of Assistant level. From 18-25 years respondents are Trainee level and above 36 years aged respondents are Officer and above Officer level. Most of the employee have bachelor's degree and some have master's degree, and they perceive career opportunities as a most important factors which affects employee turnover and the reason of leaving and switching job. Only small number of employees thinks same for Training and development.

The extensive literature analysis served as a theoretical framework for clarifying the various components of turnover, including training and development, career opportunities, work-life balance, and the critical function of rewards and recognition. The literature review examined numerous models and hypotheses pertaining to employee turnover, providing a theoretical framework. Notably, the Cusp Catastrophe Model and the Intermediate Linkage Model offered insightful understandings of the psychological mechanisms and abrupt shifts that may be connected to turnover. Price (2001, 600-624) in his Casual Model of Turnover stated that

“Opportunity is the availability of alternative jobs in career environment and has a direct positive relationship to turnover intention” which seems to be true in terms of the results of this study because from this study we can say that the main reason of employees to leave or shift their job is for career opportunities where most of the respondents have same opinion that career. Opportunities is the most important factor for employee turnover.

Chowdhury and Hasan (2017) in their research on factors affecting employee turnover explains managerial factors, working environment, pay, career promotion, job fit, clear job expectation, perceived alternative employment opportunity and influence of co-workers as a causes and influential factors for employee turnover. In this thesis also I have given 4 factors which are training and development, career opportunities, work-life policies and reward and recognition which influence or has relationship with employee turnover and the most of the employees agrees on almost every statement and the results shows that these are the main reasons for them to leave their jobs to find better career opportunities, best reward and recognition and work-life policies with having quality training and development which helps every employee to enhance their organizational skills.

Similar to my study Chaudhary M.K (2022) in his study meticulously examines the impact of turnover on Nepalese Commercial Banks, utilizing both primary and secondary data through a structured questionnaire. The issue of employee turnover, particularly the migration of qualified professionals within the banking sector, has been a persistent concern in Nepal. The findings reveal a higher turnover trend in private-owned banks, influenced by variables such as age, gender, service period, and voluntary retirement schemes. The study underscores the crucial role of job embeddedness in predicting employee turnover intentions, highlighting the need for increased awareness among managers. To address the identified factors of turnover, banking institutions are advised to prioritize career growth, fair incentives, and job security, emphasizing the importance of employee satisfaction in enhancing productivity and organizational efficiency. According to a study conducted by Adhikari (2020), employees’ turnover intention in Nepalese commercial banks is positively and significantly correlated with compensation, leadership empowerment behavior, organization culture, job stress, and organizational justice. The study also found that organizational justice is the most influential factor followed by organization culture, whereas compensation is the least influential factor for employees’ turnover intention.

Prior to my finding on the factors of employee turnover which is essential to the organization to retain their talent Chalise D.R (2019) conduct a study on employee retention in Nepalese commercial banks which employ various factors including a conducive work environment, promotions, competitive salaries, and training programs, to retain employees. The research

suggests that high turnover in banks may result from a misplaced emphasis on training and development as the primary factor for employee satisfaction. While the study focuses on two banks, it underscores the positive impact of factors like career opportunities and work-life policies on employee retention, urging a comprehensive approach in the banking industry. Similarly in my study also employees choose career opportunities and reward, and recognition are more important than training and development but still has a positive impact. Another research like my study is from Pantha (2020) on employee job satisfaction in the banking sector of Nepal where the purpose of the thesis was to assess the degree of employee satisfaction in Nepal's banking industry. The study concluded that while bank workers appear to be generally happy with their jobs, there are aspects of their careers where they are not as satisfied. The banking sector should put more of an emphasis on its facilities and services in order to draw in more workers, and it should inspire each worker to give their job their whole attention and heart. It is strongly advised to assess employees' job happiness levels frequently and properly by looking at their work environments, pay and benefits, rewards and recognition, training and development, and job security. This will help to raise employees' job satisfaction levels.

7.2 Validity and Reliability

In research, reliability and validity are essential concepts that assess the quality and accuracy of data. The consistency of a technique or test is referred to as its reliability, whereas the validity of a method or test relates to how well it measures what it is designed to measure. Depending on the sort of research and data collection methods employed, reliability and validity can be examined in a variety of ways.

The survey questions were carefully created following a thorough analysis of the literature, business conditions, and the banking environment in Nepal to guarantee the study's validity. Standardized questionnaires and a strict data gathering procedure helped to preserve reliability. External validity was guaranteed by picking a sample from inside a population with considerable care to ensure that it accurately represented that population. However, in order to evaluate statistical generalizability, the study must be replicated in various circumstances. Furthermore, the main restriction in the sample group was due to the limited sample size. As a result, the variety of responses may have been limited. To reduce misunderstandings and make answers as understandable as possible, the survey is built with a straightforward structure and easily understandable language. A slightly internal threat of validity could be arising due to after covid-19 pandemic situation and digitalization which leads to job lost, lay-off which might impact or changes on the perception of employees from the selected organization.

The consistency and stability of the research tool are referred to as reliability. To make sure that the results could be relied upon and repeated, the study gave great thought to the survey instrument's reliability. The survey's structure, as well as its design, takes data validity and dependability into account. Aside from that, the hypothesis was thoroughly researched to draw clear conclusions from the survey results. This thesis research is reputable since the findings are consistent with the theoretical framework and earlier research on this topic. The reliability of the survey designed for this study was ensured by using straightforward and easy-to-understand questions, as well as anonymity and secrecy to allow respondents to answer honestly.

7.3 Recommendations

The primary goal of the thesis was to identify the significant factors influencing staff turnover in Nepal's banking sector. Banking services help customers protect their funds and property. Banking is one of the most dependable sectors. As a result, banks must maintain and train their employees to perfection. It is also critical that employees are satisfied with their working environment and the facilities they get in the organization. This process allows the employees to work more efficiently and provide better service to their customers. First, organization should find out what thoughts, desires, and sentiments workers have about their jobs and workplace through regular feedback sessions and/or surveys. The data gathered from staff members is extremely helpful in directing the company's HR strategy since it can serve as a foundation for creating better HR initiatives and as a manual for activities throughout the entire business. For the recommendation over data collection qualitative data collection method and peer-to-peer interviews is also recommended to get expected responses from sample.

To become motivated and perform at their best, employees should be given the chance to participate in the organization's decision-making processes and, most importantly, feel appreciated and satisfied with their work. As per the survey result career opportunities and reward and recognition are two main factor which is the primary reasons of employee to think that they should change their job or organization, so organization should be careful in these factors. Organization should acknowledge the work of every employee and should provide them better reward and recognition upon their accomplishments and success related with the organizational work by giving them a better career development opportunity with appropriate training and development opportunities, promotions, incentives, better work environment and attractive salaries etc.

8 DISCUSSION AND SUGGESTIONS

8.1 Implications of the Study

Organizations, particularly those in the banking industry, should deliberately engage in staff development programs, offer clear professional growth tracks, and implement rules that promote work-life balance. This can improve staff retention and satisfaction. Banks should consider developing or improving employee recognition programs. Recognizing and praising employees' accomplishments can contribute to a pleasant work environment and long-term employee engagement. The banking industry's dynamic nature makes predicting and controlling employee turnover difficult. Organizations must implement constant monitoring systems in order to keep on top of shifting employee needs and industry trends. Frequent surveys, feedback sessions, and a dynamic approach to human resource policies are all part of this.

The result of the study has shown that the career development is most important factor for employee turnover similarly, reward and recognition, work-life policies and training and development respectively are also chosen as key factors for employee to leave their jobs. So, organization should invest on employee's self-development part such as promotion, adequate salary increasement, incentive and bonus, training programs which will enhance their skills and organization should provide better working environment for employees to prevent their thinking of leaving their job.

8.2 Suggestion for Further Research

Numerous strongly statistically supported findings and conclusions have been limited by the restrictions. The following recommendations should be considered for future study. The current study only looks at four factors; more research should investigate the possible connections and impacts of additional aspects, like organizational culture, role of manager, job design and description, job level, job satisfaction and more, on employee turnover. Larger sample sizes should be taken into consideration in future research to ensure accurate statistical results and findings. Qualitative data collection methods are also recommended for future research so that with peer-to-peer interviews will add more view of employees on this topic.

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Appendices

Appendix

Dear respondents,

I am a student studying Leading Business Transformation at Haaga Helia University of Applied Sciences of Finland, doing the thesis and conducting a survey. And I am doing thesis on the topic **"A STUDY ON EMPLOYEE TURNOVER IN THE BANKING SECTORS OF NEPAL"**.

All your answers will be kept private and used exclusively for research purposes. Your assistance will be crucial to my ability to finish this research effectively. If you could complete the questionnaire and give your thoughts, I would be overjoyed and appreciative.

Segment 1: Personal Information

A. What is your name? (optional)

B. What is your age?

- 18-25 years ()
- 26-35 years ()
- Above 36 year ()

C. What is your gender?

- Male
- Female
- Other (please specify)

D. What is your education qualification?

- S.L.C
- +2
- Bachelor
- Masters and Above

E. Designation?

- Trainees Level
- Assistant Level
- Officer Level
- Above Officer Level

F. How many years have you been working in this bank?

- Less than two years
- Less than 4 years
- Less than 6 years
- Above 6 years

G. Do you think your job suits your education?

- Yes
- No

Segment 2: Employee Turnover segment

In this segment below are the individual's perceptions in the relationship with the factors affecting employee turnover and organizational practices. After carefully reading each of the following statements, rate your agreement or disagreement with each one on a scale of 1 (strongly disagree) to 5 (strongly agree). (Mark one.)

(Strongly Agree=5, Agree=4, Neutral (Neither agree nor disagree) =3, Disagree=2, and Strongly Disagree=1)

A. Training and Development

S. N	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	The training and development opportunities provided by the organization contribute to my job satisfaction and commitment.					
2	I believe the training programs offered by the organization help me acquire the skills and knowledge necessary for my job.					
3	I receive recognition for my participation in training and development activities.					
4	The organization encourages cross-training and internal knowledge sharing.					
5	Opportunities for continuous learning and development play a significant role in my decision to stay with the organization.					

B. Career Opportunities

S. N	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The organization provides clear and achievable career advancement paths for employees.					
2	I feel motivated to stay with the organization because of the growth opportunities it offers.					
3	The human resource department plays an active role in helping employees plan their career development.					
4	I am satisfied with the prospects for career progression and personal growth within the organization.					
5	The organization recognizes and promotes internal talent for leadership roles and advancement.					

C. Work-life Policies

S. N	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The organization supports flexible working hours and arrangements to help maintain a healthy work-life balance.					

2	I have access to parental leave and childcare support, which enhances my commitment to the organization.					
3	The organization provides employees with the resources and assistance they need to manage their work and personal life effectively.					
4	Work-life policies, such as remote work options, contribute to my overall job satisfaction and retention.					
5	I believe that the organization values the well-being and work-life balance of its employees.					

D. Reward & Recognition

S. N	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The organization frequently recognizes and appreciates employees' contributions and performance.					
2	I feel motivated and engaged when I receive regular recognition for my efforts at work.					
3	The organization's reward and recognition programs have a positive impact on my job satisfaction.					
4	I believe that my hard work and accomplishments are					

	acknowledged by the organization.					
5	The presence of reward and recognition initiatives in the workplace contributes to my commitment to the organization.					

E. Employee perceptions of the variables influencing turnover and how it affects their jobs.

1. Rank the following factors in the basis of importance which affects employee turnover? (5 being highly important and 1 being low important)

(Highly Important=5, More Important=4, Less Important=3, Less Important=2, and Least Important=1)

- a) Training and Development ()
- b) Career Opportunities ()
- c) Work-life Policies ()
- d) Reward and Recognition ()

2. Which of the following factor in your opinion is the most important for the banks to improve employee retention? Click the items that is highly important.

- a) Training and Development ()
- b) Career Opportunities ()
- c) Work-life Policies ()
- d) Reward and Recognition ()

3. Which one is the primary reason of employees for switching or leaving from one bank to another? Please select only one factor that you think is the main cause.

- a) Training and Development ()
- b) Career Opportunities ()
- c) Work-life Policies ()
- d) Reward and Recognition ()

4. I think that the overall factors, Training and Development, Career Opportunities, Work-life policies and Reward and Recognition has significance role on employee turnover.

- Strongly agree ()
- Agree ()
- Neutral ()
- Disagree ()
- Strongly disagree ()

Thank You for your response.