

Major: HUMAN RESOURCE MANAGEMENT

Sr. No. (14)

**THE IMPACT OF NON-MONETARY FACTORS ON
EMPLOYEE RETENTION IN THE BANKING
INDUSTRY OF PAKISTAN**



By:

Bilal Khan

01-121181-005

Supervisor:

ARIF KHATTAK

Department of Management Sciences

Bahria University Islamabad

Spring 2019

ACKNOWLEDEMENTS

From the deepest of my heart, I would like to thank Almighty ALLAH for the unconditional love He has shown me throughout my life and strength He has provided me to cope with any challenges that come across in my life. I would like to thank and appreciate the effort of my supervisor Mr. Arif Khattak who has shown his devotional commitment towards the accomplishment of this dissertation. His professional guidance, overwhelming attitude and irresistible support has made this dissertation a possibility within limited span of time allowed. I would like to thank my family as I am very grateful for their love and support through every thick and thin phase of my life. My family has been the prime reason behind the success and achievements that I have in my master's degree. I owe a great debt of gratitude to my parents for their continuous support and for being my motivation throughout my life. I would like to appreciate the supporting effort of my graduate friends who has helped me a lot throughout my graduate degree.

ABSTRACT

This study is focused mainly on identifying the impact of Non-Monetary Factors on the Employee Retention. This study has selected banking industry of Pakistan and targeted the employees of banking institutions to collect the data to be used within this study. It has been found that Job Security, Career Growth Opportunities, and Job Flexibility (Independent Variables) have significant positive impact on the Employee Retention (Dependent Variable). Research instrument used within this study for the collection of data from respondents has been the structured questionnaire. Various statistical instruments that are used primarily to analyze the relationship between these variables includes descriptive frequencies, reliability, correlation, regression, ANOVA, coefficient etc. The results interpreted through correlation and regression by the help of SPSS software have shown the significant impact that Non-Monetary Factors (Job Security, Career Growth Opportunities, and Job Flexibility) has on influencing the employee retention. The findings have explained that non-monetary factors prove highly significant in influencing employee retention within banking industry of Pakistan.

Key Words: Non-Monetary Factors, Job Security, Career Growth Opportunities, Job Flexibility, Employee Retention etc.

Table of Contents

ACKNOWLEDGEMENTS	2
ABSTRACT	3
CHAPTER 1: INTRODUCTION	7
<i>1.1 Contextual Background of the Study</i>	7
<i>1.2 Industry Analysis (Banking Industry of Pakistan)</i>	9
<i>1.3 Research Gap</i>	10
<i>1.4 Problem Statement</i>	10
<i>1.5 Research Questions</i>	11
<i>1.6 Research Objectives</i>	11
<i>1.7 Research Significance</i>	11
<i>1.8 Definition of Key Terms</i>	12
CHAPTER 2: LITERATURE REVIEW	13
<i>Introduction</i>	13
<i>2.1 Streams of Research</i>	13
<i>2.2 Theoretical Background</i>	13
<i>2.3 Employee Retention</i>	15
<i>2.4 Job Security</i>	18
<i>2.5 Job Flexibility</i>	20
<i>2.6 Career Growth Opportunities</i>	22
<i>2.7 Relationship Between Job Security and Employee Retention</i>	24
<i>2.8 Relationship Between Career Growth Opportunities and Employee Retention</i>	27
<i>2.9 Relationship Between Job Flexibility and Employee Retention</i>	30

<i>Chapter Summary</i>	33
CHAPTER 3: THEORETICAL FRAMEWORK MODEL	34
<i>3.1 Hypothesis</i>	35
CHAPTER 4: METHODOLOGY	36
<i>4.1 Variables of the Study</i>	36
<i>4.2 Type of Investigation</i>	36
<i>4.3 Unit of Analysis</i>	36
<i>4.4 Role of Researcher</i>	36
<i>4.5 Data Collection Technique</i>	37
<i>4.5.1 Sampling Technique</i>	37
<i>4.5.2 Pilot Study</i>	37
<i>4.6 Data Analysis</i>	38
<i>4.7 Reliability and Validity</i>	38
<i>4.7.1 Variables</i>	38
<i>4.7.2 Sampling</i>	38
<i>4.7.3 Instrumentation</i>	38
<i>4.7.4 Procedure</i>	38
CHAPTER 5: ANALYSIS AND FINDINGS	39
<i>5.1 Data Analysis</i>	39
<i>5.1.1 Descriptive Analysis</i>	39
<i>5.1.2 Reliability</i>	40
<i>5.1.3 Correlation</i>	40
<i>5.1.4 Regression Analysis</i>	41
CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS	44

<i>6.1 Discussion</i>	44
<i>6.2 Conclusions</i>	45
<i>6.3 Recommendations and Future Research</i>	46
<i>6.4 Limitations</i>	46
REFERENCES	48
APPENDIX	51