



Human Capital Retention In Emerging Market Banks: A Qualitative Study On Junior-Level Employees

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KEYWORDS

Human Capital Retention, Employee Retention, Emerging Market Banks, Junior-Level Employees, Organizational Commitment, Banking Sector, Work-Life Balance, Employee Engagement.

ABSTRACT

Due to rising competition, digitization, and changing expectations of employees, the retention of human capital has become an important issue for banks in developing economies. Through a qualitative research methodology, the present study assessed the factors which influence human capital retention in the banks of the emerging market at the junior level. The study was focused on the employee perceptions of organisational retention practices and workplace environment, managerial support, career development, compensation and work-life balance issue. Through the purposive sampling technique, the researcher gathered data through semi-structured interviews of 100 junior-level jobholders working in public and private sector banks. In order to produce essential themes related to retention which are also representative of the employees' narrative. In essence, the findings were the most critical retention factors for employees in the organization were career development, compensation and benefits, supportive leadership, and organizational culture. The workload stress burnout due to limited growth opportunities were the major causes of employee dissatisfaction and turnover intentions. The organizational retention practices have a significant association with employee retention. The researcher concluded that human resources strategy, when employee-centric, coupled with supportive organisation practices will enhance stability of workforce and sustainable performance of the organisation....

1. INTRODUCTION

Human capital has become one of the most valuable strategic assets in the banking sector. Emerging market banks work in a vibrant, competitive, and fierce environment where technology plays a vital role. Further, changes in financial markets make it necessary for the banking organizations to upgrade their functional capabilities continuously. Retaining skilled employees is today one of the key organizational challenges in these markets. Therefore, it is essential for financial institutions to consider retention strategies for employees at the junior level.

The banking industry has seen a lot of employee churn in emerging markets as employees at junior-level feel the prospects for upward mobility are limited and excessive work pressure, low salary, poor work-life balance and lack of managerial support leads to job dissatisfaction and intention to quit. The issue gets complicated in the emerging economy where private and foreign banks compete with one another for the same pool of skilled manpower, thus poaching and turnover have increased largely for junior employees.

It is important to retain human capital in banks because of the cost associated with recruitment, orientation, training, and skill development. The bank has to incur the cost of replacement recruitment, loss in productivity, disruption of customer relationship, knowledge attrition, when junior staff leaves the bank organisation. Moreover, employee turnover generates resentment and disintegration of the institutional integrity and fabric. A powerful human resource has become essential for sustainable competitive advantage (Pahuja, 2024). Recent human resource policies place importance on employee welfare, reliable systems, career development, organizational commitment, recognition and feedback systems, and leadership practices that help employees stay.

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Interestingly, the junior-level employees working in emerging market banks belong to the Millennial and Generation Z cohorts or are a combination of both Generation Y. Employees today seek development opportunities, flexibility in completing work, recognition for performance, psychological well-being, and to a lesser extent job security, which is declining in a great magnitude, before they switch jobs. Consequently, the same retention practices will not work now. According to Dixit (2021), banking organization must look up with relationship management to organize series of activities. The downside of sector getting positive note. In the same way, the opportunity for training and career development positively affect employee loyalty and organizational commitment.

The banking sector in emerging economies faces multiple issues related to digitalisation, mandated productivity, sales targets and long hours. As a result, junior employees suffer occupational stress (Gupta & Bhaskar, 2015). In addition, the pressure leads to burnout and intent to resign. Recent work on drivers of attrition within Private Sector Banking Industry reveals that factors such as workload, role ambiguity, lack of recognition, and inadequate managerial support are among the major exit drivers (especially of junior banking professionals) (Pati & Chauhan, 2026). Hence, it is important to understand employee perception towards organisation support and work-related experiences for retention strategy development.

The method employed in the paper is qualitative research, but it primarily makes use of secondary data. The qualitative perspective is specifically important because this study investigates how junior employees in emerging market banks perceive and make sense of the workplace practices and dynamics that impact their career growth, earnings, recognition in the community, work-life balance, and feelings of loyalty or disengagement towards the organisation. Estimating the emotional and psychological experience of participants is not possible using quantitative research methods. Using qualitative research, one can also analyse how participants' experiences varied from each other. Noticing patterns and understanding their meanings is a primary concern of qualitative research. Further, neither the meanings nor the interpretations associated with a certain behaviour can be found out by employing quantitative methods (Miles and Gilbert, 2005). As a result, qualitative.

By undertaking this study, HRM literature in the banking context of a developing economy would be enriched. Past research focused on numbers regarding employee turnover and retention. At the same time, not much research is reported on the use of qualitative inquiry to understand the lived experiences and perceptions of banking staff at a junior level. The findings of this study could help banks, policy makers and human resource practitioners to develop employee centered retention policy. Moreover, the findings from the study may be of help to the banks in strengthening the organizational commitment among the employees and more.

Emerging markets are characterized by stiff competition among players. The industries are changing day by day with a newer dimension for emergence and competition. Governments around the world are paying serious attention and developing the emerging markets for effective competition. With competitive markets, the banking industry is having an emerging workforce.

2. LITERATURE REVIEW

Scholars are paying ever more attention to the retention of human capital. The organization's performance is highly dependent on employees retention. It means that retaining staff leads to improved productivity and growth of an organization. Research confirms employee retention is critical in the banking industry.

Employee engagement has become a key factor in predicting retention. According to Dixit (2021), talent management practices enhance retention and organizational commitment through employee engagement in Indian public sector banks. The results revealed that employed with emotional attachments are highly loyal and have low turnover intentions. When employees are engaged, they tend to be motivated and productive while carrying out organizational citizen behaviour. Therefore, it is an important part of the plan.

The development of organizational culture is important to motivate employees for their retention. Many researchers have suggested that the retention behaviour of employees is influenced by organisational culture. For example, according to Zameer, Humayun and Hailey (2014), the functions of human resource management are affected significantly by organisational culture. When an organisation is founded on a strong culture with transparent and teamwork-oriented practices, it helps in holding onto employees for longer. Mishra and Bhanu (2017) were commentators that organisational culture provides a strong base for managing human resources for a long time.

Junior employees in organizations want to have more learning activities and opportunities for growth. Compared to their older senior colleagues, younger employees don't value long-term security as much. People like to be given the chance to learn new skills, get training and promotions. An organization that does not offer growth opportunities might lose its bright employees to other organizations which offer better career growth opportunities. Furthermore, research shows that providing continuous learning opportunities could make employees happier and engaged while also developing a feeling of attachment to the organization.

The literature still continues to favour compensation and reward as a popular area. Information from the literature on the topic is that competitive salary and benefit packages, effective incentives, proper recognition programs and performance-related awards can be given to retain employees. Different researchers suggest that financial benefits give employees a reason to remain with the organization in order to encourage the employees. Several companies give incentives to their employees based on their work performance.

Moreover, banks' employee retention is influenced by job stress and occupational burnout. In emerging market banks, employees often face aggressive sales targets, long hours, pressure to master technology and customer-related stress, all in an environment of aggressive targets, complex operating systems, and high-stakes money transactions. Due to these issues employees become emotionally exhausted and can't carry on to work in the same organization. As per a study by Pati and Chauhan (2026), junior employees of private banks in India suffer from a lack of ability to deal with stress and coping mechanisms. An organizational support system along with an employee wellness program will help in reducing attrition, their study shows.

Leadership style influences behaviour of employee retention. Transformational and supportive leadership styles help create an atmosphere of trust and motivation. When managers offer mentoring, communication support and recognition of employees, better relationships and loyalty are developed. Authoritarian leaders and inadequate manager support negatively affect employees behaviour and performance, as evident here.

Research regarding employee retention in banking sector has been done a lot but not much studies have tried to use qualitative methodology in order to understand the psychology of employee. Some junior-level banker working in emerging-market operations has been researched. This may require a comprehensive understanding of an employee's lived experience, feelings and perceptions about the workplace.

This study seeks to contribute the existing literature by examining the retention of human capital of junior-level employees in banking in the developing countries. Through qualitative inquiry instead of statistical inference will produce meaningful insight into their experiences. Additionally, examining their experiences could reflect the retention challenges, and organizational expectations and realities that they face in banks.

3. OBJECTIVES:

To identify factors affecting retention of junior-level employees in emerging market banks.

To study how organizational practices affect employee retention in banks.

To explore the Employee perception towards retention and organizational commitment.

4. METHODOLOGY

The present study has adopted a qualitative and exploratory research design which explores the human capital retention in junior level employees of emerging market banks. The study examines the perception, experience and issues faced by the employees at their workplace, which aid in creating and implementation of activities and practices, which may aid in human capital retention in banking sector. Moreover, the survey gathered data from junior-level employees employed in the banking sector. The sample size was 100 which was achieved through semi-structured interviews. Participants were chosen through a purposive sampling technique after first identifying the public and private sector banks followed by selection of junior level employees from the banking sector on the basis of their working experience and working involvement in banking operations and functions. The method of analysis we used is thematic analysis. Researchers gathered information from diverse credible sources that included academic journals, research articles, banking-related reports, books, articles, and essays about banking and the banking sector.

5. RESULTS AND ANALYSIS

The thematic analysis was carried out on qualitative data collected from 100 junior level employees working in emerging market-based banks. In addition, a frequency based analysis was also run to observe which retention factors were most important as perceived by employees.



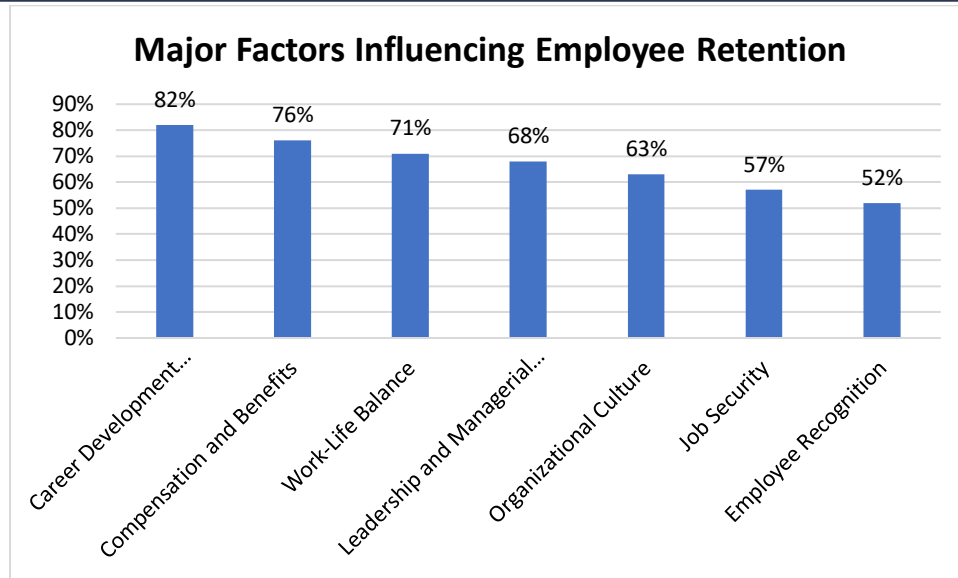


Fig. 1 Factors influencing Employee Retention

According to the study, opportunities for career development are the most important factor which affects the retention of the employees. Most of the respondents (82 per cent) stated that the scope for promotion and training and learning opportunities would encourage them to stay with the organisation for a long period. In addition, 76 per cent of the respondents stated that compensation and benefits are the top contributing factors for employee retention. The banking industry employees find monetary benefits are an important aspect of their work life. Moreover, work-life balance serves as an indispensable retention factor according to 71 per cent of employees. Employees feel overburdened with a heavy workload and long hours of work. Leadership backing, organizational culture and other factors were notable drivers of satisfaction and retention.

Table 1 Employee Perceptions Regarding Workplace Environment

Workplace Environment Factors	Agree (%)	Neutral (%)	Disagree (%)
Supportive Management	64%	18%	18%
Healthy Work Environment	59%	21%	20%
Adequate Training Opportunities	72%	15%	13%
Fair Performance Evaluation	54%	24%	22%
Work Pressure is High	81%	10%	9%

When employees are supported by their managers, they are two times more likely to stay in the organisation. In addition, 72% of those surveyed claimed that training opportunities cultivate skills and satisfaction on the job. Most respondents (81%) said work pressure in banks is quite high. Respondents still have a significant concern about meaningful employee evaluation systems according to the analysis too.

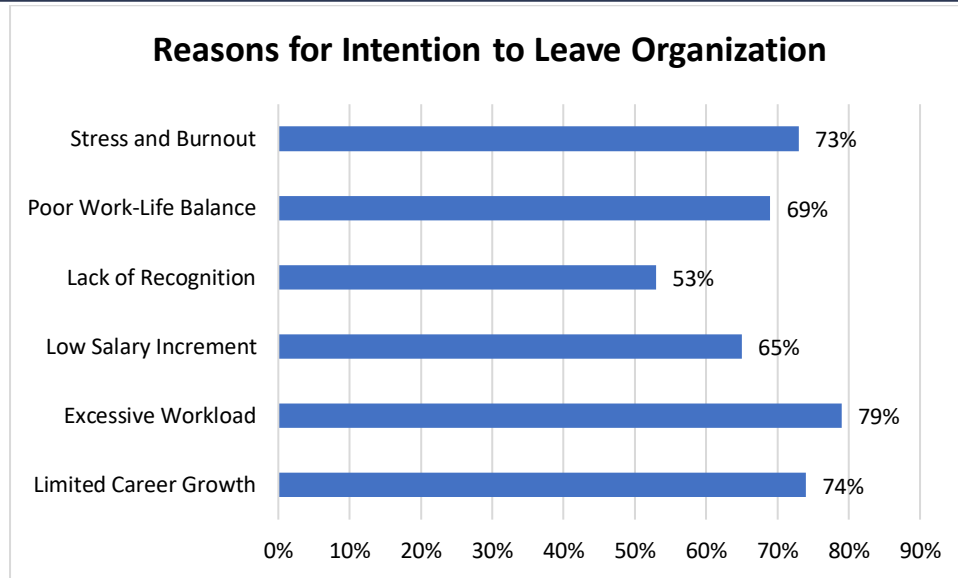


Fig. 2 Reasons for intention to leave

Seventy-nine per cent of the respondents mentioned that excessive workload is the most influencing factor affecting turnover intention of the employees. Moreover, as experienced by a whopping 73% of respondents, stress and burnout was also a major issue among junior-level employees. Besides, career growth opportunities and work-life balance also had a say in dissatisfaction and turnover intention among employees.

The retention of an employee in a banking institution at an emerging market is a comprehensive connected and interdependent condition consisting of several aspects namely, promotion and pay, organizational and personal characteristics, organizational culture, manager’s attitude and behaviour, employee attachment, stress, and work-life balance. Junior level employees favours organizations which offers higher opportunities to enhancement of learning, recognition, managerial support and work conditions. The high work pressure with continuous work causes burn-out and growth lack limits organizational commitment. In addition, it jointly impacts the intention of attrition at the same time. Conclusion of research is that banking institutions need to give utmost priority to employee assistance and maintenance of condition for improving organizational commitment and establishing sustainable retention strategies for reduction of attrition.

Hypothesis Testing

H₀: There is no significant relationship between organizational retention practices and employee retention among junior-level employees in emerging market banks.

Table 2 Chi-Square Test

Variables	Chi-Square Value	Degrees of Freedom	p-value	Result
Organizational Retention Practices and Employee Retention	18.64	4	0.001	Significant

The p-value (0.001) produced by Chi-Square was less than the significance value 0.05. Thus, the null hypothesis got rejected and the alternative hypothesis got accepted. The emerging market banks’ organizational retention practices (that is, career development, compensation, managerial support, work-life balance and organization culture) have significant association with retention of junior level employees. Findings of this study demonstrate that human resource management practices have the impact on banking organizations to retain employees. This indicates that an organization’s human resource practices result in employee loyalty, showing a lesser tendency to quit in banking organizations.

6. DISCUSSION

The study's findings provide empirical evidence of the human capital retention of junior-level employees in an emerging market banking industry on organizational, managerial and psychological level. Moreover, the study's thematic analysis revealed junior staff members' retention is influenced by four crucial themes that include career development, compensation and benefits, work-life balance and leadership support. These results, effectively corroborates earlier studies which suggest employees tend to remain in organisations with senior-level colleagues particularly when there are opportunities for career development, recognition, organisational support and WLB.

According to the study findings, the research indicated that the most often cited retention factor by respondents was career development opportunities. According to research, junior level employees need continuous learning, promotion opportunities, skill upgradation program and clear career growth, which ensures this need. The study findings indicate that the younger employees are taking the profession seriously and looking for a long career journey with clear cut career growth and retention measures. These findings give support to the argument that the office climate and employee skills strengthening procedures build up the commitment among the employees and are effective in reducing turnover intention.

The biggest inducement for the employees was payment and benefit. About 83% of employees indicated financial benefits like competitive salaries, incentive scheme and the monetary benefits play a vital role in recruitment. Nonetheless, studying further showed that financial benefits were not sufficient, leading researchers to conclude. Any organization must also provide appreciation, recognition, flexibility and psychological support for retention.

The study depicts that high workload and workplace stress affect employee retention in the banks adversely. Due to this. A large number of respondents mentioned that they were under heavy pressure of work, long working hours, burnout due to demanding bank operation and performance targets. The situation disconcerts them and generates intention to exit the organization. The study revealed that a modern banking concern has created concern regarding employee well-being and WLB as a part of the retention strategy.

Effective employee retention includes leadership, support arrangements and organizational culture of the employees. It has been noted that employees preferred managers who offer communication, guide them and treat them fairly in the workplace to help retain employees. Moreover, the culture of the organisation further strengthened the trust of employees. The aspect of culture further increased the emotional attachment and engagement of the employees too. However, when managers who fail to maintain a proper relationship or recognition with the employees.

According to hypothesis testing, organizational retention practices have no significant relationship with employee retention. However, the results of hypothesis testing show the null hypothesis is rejected while the alternative hypothesis is accepted. Effective human resource practices by the bank can help employees to retain in the banking organizations further indicate.

7. CONCLUSION

Human capital retention of junior level employees in banks of emerging market is merged with organization techniques, organization climate, career development, reward system, and Managerial Support: Study. The study indicates that employees stay with organizations that provide ample opportunities for individual development, adequate rewards, supportive supervision, and a good work-life balance. Nonetheless, factors such as excessive workload, stress, burnout, and limited workplace development opportunities do lead to employee dissatisfaction and turnover intention. According to this study, banks operating in emerging market must strategically retain human capital for development. The retention of human capital helps maintain an employee's commitment and an organization's stability. It also impacts banking performance positively.

8. RECOMMENDATIONS

The researchers suggested that there is a need for the banking institutions to improve their employee retention strategy by strengthening the career development, continuous training, transparent promotion and competitive compensation. In addition, banks need to have wellness programmes for employees, flexible work practices and stress management initiatives to enhance work-life balance and reduce burnout of junior-level employees. Equally, managers must use supportive and participative leadership styles so that employees become involved and feel involved and acknowledged. Banks must also foster a culture of fairness, trust, collaboration, and engagement within the organization. By becoming employee-centred in their HR practices, organizations can reduce attrition and improve workforce stability and long term sustenance.

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