

**THE FACTORS AFFECTING THE RETENTION OF BANKING EMPLOYEES:
SPECIAL REFERENCE TO LICENSED COMMERCIAL BANKS OPERATED IN
PUTTALAM DISTRICT, SRI LANKA**

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ABSTRACT

The banking industry in Sri Lanka plays a pivotal role in the economic growth of the country, yet it faces significant challenges in retaining skilled employees. Higher employee turnover among supervisory and junior grades threatens organizational stability and the effective delivery of services. In the context of Puttalam District, unique socioeconomic and cultural factors heighten these challenges and lead to a critical need for better employee retention strategies in licensed commercial banks. This study focuses on identifying specific factors, such as training and development, working environment, leadership styles, remuneration, and promotion, that influence employee retention in licensed commercial banks, offering insights to address turnover and enhance the overall effectiveness of the banking sector. The objective of this study is to identify the key determinants of employee turnover, provide actionable solutions to overcome this issue, and ensure a stable and skilled workforce in the commercial banking sector of Puttalam District. This study was based on a deductive approach and used a convenience sampling method to survey 200 banking employees in licensed commercial banks in the Puttalam District. Data were collected through a self-administered questionnaire focusing on factors such as the working environment, training, remuneration, promotion, and leadership style. SPSS software was used for data analysis, including reliability, correlation, and regression analyses, to validate the hypotheses. The findings of the study identified a significant positive impact of retention factors, such as training and development, working environment, leadership style, remuneration, and promotion of employee retention. These findings highlight the importance of these factors in enhancing employees' commitment and retention. Future studies should expand the geographic scope, implement mixed-methods research, and regularly update the findings to adapt to the dynamic banking environment.

Keywords: Banking sector, employee retention, promotions, training and development