

Influence of Employee Compensation, Job Satisfaction, and Working Environment on Employee Retention in Nepalese Commercial Banks

Prakash Pandey and Binita Sharma*

Abstract

This study examines the influence of employee compensation, job satisfaction, and working environment on employee retention in Nepalese commercial banks. Employee retention is the dependent variable. The selected independent variables are employee compensation, job satisfaction, organizational culture, working environment, career development, and employee recognition. The primary source of data is used to assess the opinions of the respondents regarding employee compensation, job satisfaction, organizational culture, working environment, career development, employee recognition, and employee retention. The study is based on primary data of 115 respondents. To achieve the purpose of the study, structured questionnaire is prepared. The correlation coefficients and regression models are estimated to test the significance and importance of employee compensation, job satisfaction, and working environment on employee retention in Nepalese commercial banks.

The study showed that employee compensation has a positive impact on employee retention. It indicates that increase in employee compensation leads to increase in employee retention. Similarly, job satisfaction has a positive impact on employee retention. It indicates that higher the level of job satisfaction, higher would be the employee retention. Likewise, organizational culture has a positive impact on employee retention. It indicates that supportive organizational culture leads to increase in employee retention. In addition, working environment has a positive impact on employee retention. It indicates that healthy working environment leads to increase in employee retention. Further, career development has a positive impact on employee retention. It indicates that better opportunities of career development within the organization leads to increase in employee retention. In addition, employee recognition has a positive impact on employee retention. It indicates that better mechanism of employee recognition leads to increase in employee retention.

Keywords: employee compensation, job satisfaction, organizational culture, working environment, career development, employee recognition, employee retention

1. Introduction

Employees are a very significant parts of businesses and organizations. Employees that are well treated would affect improving the company's overall performance. Employees' performance is linked to the roles and functions of employees employed in a business so that the management of employees as human resources in company must be appropriately handled. Companies that can boost their workers' performance have hoped that the company's performance can also be improved so that the company's objectives can be accomplished. Employee accomplishments and results at work are referred to as employee performance. According to Ahmad *et al.* (2015), employee performance refers to the duties and activities that an employee completes successfully. Similarly, According to Sparrow (2015), employees are the primary force behind and control how smoothly business operations go. When a company's human resources have achieved the standards or benchmarks established by the business, the performance of an employee can be observed. Competition is getting tighter so that any business or organization wants to develop for the better. Strong defense capabilities

* Mr. Pandey and Ms. Sharma are Freelance Researchers, Kathmandu, Nepal.

are required to beat a competitor in the business world. Improving the efficiency and quality of human resources is one of the strategies put in place by the organization to improve the quality, performance, and expertise of human resources according to the times' needs.

Employee performance certainly has an impact on the progress of the organization to achieve various organizational goals that have been set. Performance is basically what employees do or don't do. There are several factors that can affect performance, such as training, information systems and work environment that are considered by the organization. Organization must have a goal to be achieved by the organizational members (Niati *et al.*, 2021). The success of leadership is partly determined by the ability of leaders to develop their organizational culture (Arif *et al.*, 2019). The decrease in a company's performance generally cannot be separated from its employees' performance in which human resources in an organization constitutes the key success of a company in achieving its goal (Karami *et al.*, 2004). In other words, if employee performance is good, the performance of the company or organization will also be good. On the other hand, the bad performance of the members of an organization will cause the company to fail in running its business which will eventually have an impact on its incapability of achieving its goal. Mishra and Sachan (2012) revealed that one of the factors which influences employee performance in a company is career development in the company.

Dialoke and Nkechi (2017) argued that career development in a certain company foster positive impact such as the increase in employee performance through career development program provided by a company. Career growth is carried out efficiently and proportionately. Employee career development is accomplished by up to 70 percent through daily work, 20 percent by mentoring (coaching) senior leaders by providing support and career guidance in the future, and 10 percent through training. Sativa *et al.* (2018) reported that the commitment to work is linked to employees' performance; the more significant the commitment to work of employees, the better the quality of performance. According to Cedaryana *et al.* (2018), employee career development is a formal and continuous effort with a focus on increasing and adding the abilities, skills, and expertise of an employee so that changes in values, attitudes and motivation. Likewise, Nasution *et al.* (2018) revealed that career development affects the performance of employees who work in companies. Higher the performance is likely to emerge when the talents or competencies of employees are consistent with their personal needs and organizational environment (Trivellasa *et al.*, 2015).

A powerful organizational culture motivate the employees' and company's performance because powerful organizational culture provide control which is needed without being forced by formal and inflexible bureaucracy that hamper the growth of motivation and innovation (Chatman *et al.*, 2014). Schermerhorn *et al.* (2005) argued that an organization with powerful culture can be identified by the existence of company's rules and values which are obeyed by all employees during their work in that company. Firm values are not merely in the form of slogan, but must be understood, obeyed and become the guidelines for the members of an organization in behavior. Decreased employee performance could be due to changes to the company's compensation scheme. Since the use of digital applications in company business processes has reduced workers' participation in the work process since the system has displaced many, the salary received by employees has also been reduced. Training is an important thing that must be done by the organization. Employees need training to master job knowledge and skills. Nwokeiwu *et al.* (2015) showed that training and development is very impactive in increasing job satisfaction and performance and tends to improve the overall

performance of employees which in turn have a positive impact on overall organizational performance, especially work productivity.

Organizational culture can be characterized as the common, fundamental suspicions that an organization learnt while adapting to the environment and tackling issues of external adjustment and internal cooperation that are instructed to new individuals as the right approach to take care of those issues (Yoo and Park, 2007). The visible size of subculture is contemplated within the espoused values, philosophy and assignment of the firm at the same time as the invisible measurement lies in the unspoken set of values that manual employees' moves and perceptions inside the corporation (Hong *et al.*, 2011). Organizational factors are introduced in 2002 and consist of organization structure, information systems, people, reward system, leadership and processes (Gupta and Govindarajan, 2000)

John *et al.* (2017) assessed the compensation/pay and staff retention in selected commercial banks in Adamawa State. The study revealed that compensation/pay has a positive impact on retention of employee. Similarly, Islam *et al.* (2018) investigated the influence of HRM practices on employees' job satisfaction. The study found that work-life balance practices, compensation and reward, recruitment and selection have a positive impact on job satisfaction. Likewise, Kamau and Omondi (2020) examined the influence of remuneration on employee retention at Kenya Commercial Bank. The study found that remuneration affect employee retention at Kenya Commercial Bank. The study also stated that good remuneration program motivates employees in an organization. Similarly, adequate reward system in the organization would reduce the employee turnover rate. Likewise, employees reward does not reflect employees' contributions in the organization. Further, Khatun *et al.* (2023) assessed the relationship between development opportunities and compensation with employee retention. The study concluded that career development and compensation have a positive and significant impact on employee retention. In addition, Sija (2021) examined the influence of job satisfaction and its effect on employee turnover intention in financial service industry of Malaysia. The study revealed that financial and emotional factors are the significant factors that influence the employee retention rate.

Hanai & Pallangyo (2020) explored the influence of compensation on employee retention of the banking institutions in Tanzania. The study stated that bank managers need to pay great attention to right retention policies in order to improve retention of employees. Similarly, Pertiwi and Supartha (2021) examined the effect of compensation and organizational commitment on job satisfaction and employee retention. The study found that compensation has a positive and significant impact on employee retention. The study also concluded that organizational commitment has a positive and significant impact on employee retention. Likewise, Khan *et al.* (2011) analyzed the compensation management: A strategic conduit towards achieving employee retention and job satisfaction in banking sector of Pakistan. The study revealed that changing trend of employees from financial rewards to non-financial rewards affects the employees' retention rate. The study also revealed that work overload, lack of a practical approach towards training, and seniority-oriented incentive plans are some of the major issues which needed immediate attention by the administration. Further, Madueke and Emerole (2017) examined the nature of the relationship that existed between organizational culture and employee retention with particular reference to three selected commercial banks in Awka, Anambra State. The study found that there is a significant positive relationship between innovative culture and employee commitment in commercial banks. The study also concluded that idea generation, capability, and risk-taking are essential

to high retention organization. In addition, Rahaman *et al.* (2023) explored the determinants of bank employee retention and its impact on an organization in the context of Bangladesh. The study showed training and development, organizational culture, job satisfaction, and career development have a positive and significant impact on employee retention. So, the bank management should organize the retention program for the welfare of the employees. Moreover, Kurdi *et al.* (2020) examined the factors affecting employee retention and how employee retention affects organizational performance in the commercial banking sector in Jordan. The study revealed that economic, psychological, affiliation, and self-actualization factors are the major factors that affect the employee retention.

In the context of Nepal, Chalise (2019) assessed the factors affecting the retention of employees in Nepalese commercial banks. The study showed a significant positive relationship between career opportunities, work-life policies, and employee retention. Additionally, the study replicated the high level of effect of work-life policy and found no significant relationship with the training and development program in Nepalese commercial banks. Gyawali (2017) analyzed the impact of employee participation on job satisfaction, employee fairness perception and organizational commitment of commercial banks of Nepal. The study showed that job satisfaction, employee fairness perception and organizational commitment have positive impact on employee retention. Further, Chapagai (2011) examined the relationship between employee participation and job satisfaction in Nepalese commercial banks. The study showed that there is a positive relationship between employee participation and job satisfaction in Nepalese banks. The study also revealed that employee participation is an important determinant of job satisfaction.

The above discussion shows that empirical evidences vary greatly across the studies on the influence of employee compensation, job satisfaction, and working environment on employee retention in commercial banks. Though there are above mentioned empirical evidences in the context of other countries and in Nepal, no such findings using more recent data exist in the context of Nepal. Therefore, in order to support one view or the other, this study has been conducted.

The major objective of the study is to examine the influence of employee compensation, job satisfaction, and working environment on employee retention in Nepalese commercial banks. Specifically, it examines the relationship of employee compensation, job satisfaction, organizational culture, working environment, career development, and employee recognition with employee retention in Nepalese commercial banks.

The remainder of this study is organized as follows: Section two describes the sample, data and methodology. Section three presents the empirical results and the final section draws the conclusion.

2. Methodological aspects

The study is based on the primary data. The data were gathered from 115 respondents through questionnaire. The study employed convenience sampling method. The respondents' views were collected on employee compensation, job satisfaction, organizational culture, working environment, career development, employee recognition, and employee retention. The study is based on descriptive and causal comparative research designs.

The model

The model estimated in this study assumes that employee retention depends on

employee compensation, job satisfaction, organizational culture, working environment, career development, and employee recognition. Therefore, the model takes the following form:

$$\text{ERTEN} = \beta_0 + \beta_1 \text{EC} + \beta_2 \text{JS} + \beta_3 \text{OC} + \beta_4 \text{WE} + \beta_5 \text{CD} + \beta_6 \text{ER} + e$$

Where,

ERTEN = Employee retention

EC = Employee compensation

JS = Job satisfaction

OC = Organizational culture

WE = Working environment

CD = Career development

ER = Employee recognition

Employee retention was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 5 for strongly agree and 1 for strongly disagree. There were 5 items and sample items include “Competitive compensation and benefits play a significant role in retaining employees”, “Providing opportunities for career growth and development increases employee retention” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.761$).

Employee compensation was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 5 for strongly agree and 1 for strongly disagree. There were 5 items and sample items include “I am satisfied with my current compensation package”, “My compensation package changes in every fiscal year” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.761$).

Job satisfaction was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 5 for strongly agree and 1 for strongly disagree. There were 5 items and sample items include “I am satisfied in my current job position”, “Factors influencing job satisfaction can include salary, work-life balance, job security, opportunities for advancement” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.761$).

Organizational culture was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 5 for strongly agree and 1 for strongly disagree. There were 5 items and sample items include “Organizational culture is the shared values, beliefs, and behaviors that characterize a company”, “Organizational culture influences employee engagement, performance, and satisfaction” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.761$).

Working environment was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 5 for strongly agree and 1 for strongly disagree. There were 5 items and sample items include “A positive working environment fosters productivity and employee retention”, “Clear communication and mutual respect are essential for a healthy working environment” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.761$).

Career development was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 5 for strongly agree and 1 for strongly disagree. There were 5 items and sample items include “Continuous learning and skill development are essential for advancing in any career”, “Building a strong professional network can significantly enhance career opportunities and growth” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.761$).

Employee recognition was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 5 for strongly agree and 1 for strongly disagree. There were 5 items and sample items include “Employee recognition fosters a positive company culture and encourages a sense of belonging and loyalty among staff members”, “Acknowledging employees’ efforts and achievements fosters a positive work environment and increases motivation” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.761$).

The following section describes the independent variables used in this study along with the hypothesis formulation:

Employee compensation

Employee compensation includes salary and wages, benefits, bonuses, and additional perks. Salary and wages refer to the regular pay employees receive for their work. Sorn *et al.* (2023) examined the effectiveness of compensation in maintaining employee retention. The study found that employee compensation has a positive impact on employee retention. Similarly, Pertiwi and Supartha (2021) assessed the effect of compensation and organizational commitment on employee satisfaction and retention. The study revealed that there is a positive relationship between employee compensation and employee retention. Likewise, Tecualu *et al.* (2021) revealed that compensation and job satisfaction has a positive impact on employee retention. Based on it, this study develops the following hypothesis:

H₁: There is a positive relationship between employee compensation and employee retention.

Job satisfaction

Employee motivation and job satisfaction are the main factors that influence staff retention (Jones *et al.*, 2015). De Sousa Sabbagha (2018) examined the predicting staff retention from employee motivation and job satisfaction. The study found that there is a positive relationship between job satisfaction and employee retention. Similarly, Biason (2020) assessed the effect of job satisfaction on employee retention. The study stated that job satisfaction is an important factor for the retention of employees in the organization. Likewise, Soenanta *et al.* (2020) investigated the effect of job satisfaction and organizational commitment to employee retention in a lighting company. The study revealed that job satisfaction has a positive impact on employee retention. Further, Murtiningsih (2020) found that job satisfaction has a positive impact on employee retention. Based on it, this study develops the following hypothesis:

H₂: There is a positive relationship between job satisfaction and employee retention.

Organizational culture

Organizational culture is one of the factors that can affect employee engagement in a company or organization. Setiawan and Hastuti (2022) examined the role of employee retention as mediation on the influence of organizational culture and workload on employee

engagement. The study revealed that organizational culture has a positive influence on employee retention. Similarly, Pathan (2022) assessed the influence of organizational culture on employee commitment and turnover intentions. The study showed that organizational culture has a positive impact on employee retention. Likewise, Zulfan *et al.* (2020) analyzed the influence of organizational culture on employee retention: A case of Google. The study found that there is a positive relationship between organizational culture and employee retention. Further, Purbasari, T., & Abadi (2022) found that there is a positive relationship between organizational culture and employee retention. Based on it, this study develops the following hypothesis:

H₃: There is a positive relationship between organizational culture and employee retention.

Working environment

Saputra and Riana (2021) examined the relationships of work environment, compensation, and organizational commitments on employee retention. The study revealed that working environment play an important role in employee retention for making the strategic plan for retaining employees in the organization. Similarly, Yusliza *et al.* (2021) assessed the Effects of supportive work environment on employee retention. The study showed that working environment has a positive impact on employee retention. Likewise, Frimayasa (2021) found that working environment has a positive and significant impact on employee retention. Further, Andari *et al.* (2021) revealed that there is a positive relationship between working environment and employee retention. Based on it, this study develops the following hypothesis:

H₄: There is a positive relationship between working environment and employee retention.

Career development

Tetteh and Asumeng (2020) examined the Succession planning, employee retention and career development programmes in selected organizations in Ghana. The study stated that opportunities of career development in the organization leads to increase in employee retention. Similarly, Houssein *et al.* (2020) assessed the retention of employees through career development, employee engagement and work-life balance: An empirical study among employees in the financial sector in Djibouti, East Africa. The study found that career development has a positive impact on employee retention. Likewise, Frimayasa (2021) showed that career development has a positive impact on employee retention. In addition, Sari and Dewi (2020) stated that career development has a positive impact on employee retention. Based on it, this study develops the following hypothesis:

H₅: There is a positive relationship between career development and employee retention.

Employee recognition

Recognition means appreciation with a show of gratitude. When such appreciation is offered to the work performed by employees, they feel inspired to perform better and better. Sitati *et al.* (2019) examined the effect of employee recognition on employee retention in hotels in Kenya. The study found that employee recognition has a positive and significant impact on employee retention. Similarly, Tirta and Enrika (2020) assessed the impact of reward and recognition, work life balance, on employee retention with job satisfaction as mediating variable on millennial in Indonesia. The study revealed that employee recognition has a positive impact on employee retention. Likewise, Ewool *et al.* (2021) found that there is a positive relationship between employee recognition and employee retention. Further, Mon

(2022) found that talent management and employee recognition have a positive impact on employee retention. Based on it, this study develops the following hypothesis:

H₆: There is a positive relationship between employee recognition and employee retention.

3. Results and discussion

Correlation analysis

On analysis of data, correlation analysis has been undertaken first and for this purpose, Kendall's Tau correlation coefficients along with means and standard deviations have been computed, and the results are presented in Table 1.

Table 1

Kendall's Tau correlation coefficient matrix

This table presents Kendall's Tau correlation coefficients between dependent variable and independent variables. The correlation coefficients are based on 115 observations. The dependent variable is ERTEN (Employee retention). The independent variables are EC (Employee compensation), JS (Job satisfaction), OC (Organizational culture), WE (Working environment), CD (Career development), and ER (Employee recognition).

| Variables | Mean | S.D. | ERTEN | EC | JS | OC | WE | CD | ER |
|-----------|-------|-------|---------|---------|---------|---------|---------|---------|----|
| ERTEN | 3.856 | 0.696 | 1 | | | | | | |
| EC | 3.888 | 0.529 | 0.343** | 1 | | | | | |
| JS | 3.898 | 0.617 | 0.406** | 0.504** | 1 | | | | |
| OC | 3.783 | 0.625 | 0.442** | 0.437** | 0.448** | 1 | | | |
| WE | 3.902 | 0.614 | 0.457** | 0.385** | 0.417** | 0.533** | 1 | | |
| CD | 3.838 | 0.663 | 0.430** | 0.385** | 0.327** | 0.401** | 0.297** | 1 | |
| ER | 3.898 | 0.649 | 0.491** | 0.426** | 0.422** | 0.533** | 0.530** | 0.449** | 1 |

Note: The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent respectively.

Table 1 shows that employee compensation is positively correlated to employee retention. It indicates that increase in employee compensation leads to increase in employee retention. Similarly, job satisfaction is positively correlated to employee retention. It indicates that higher the job satisfaction, higher would be the employee retention. Likewise, organizational culture is positively correlated to employee retention. It indicates that supportive organizational culture leads to increase in employee retention. In addition, working environment is positively correlated to employee retention. It indicates that healthy working environment leads to increase in employee retention. Further, career development is positive correlated to employee retention. It indicates that opportunities of career development within the organization leads to increase in employee retention. In addition, employee recognition is positively correlated to employee retention. It indicates that mechanism of employee recognition leads to increase in employee retention.

Regression analysis

Having analyzed the Kendall's Tau correlation coefficients matrix, the regression analysis has been carried out and the results are presented in Table 2. More specifically, it presents the regression results of employee compensation, job satisfaction, organizational culture, working environment, career development, and employee recognition on employee retention.

Table 2

Estimated regression results of employee compensation, job satisfaction, organizational culture, working environment, career development, and employee recognition on employee retention

The results are based on 115 observations using linear regression model. The model is $ERTEN = \beta_0 + \beta_1 EC + \beta_2 JS + \beta_3 OC + \beta_4 WE + \beta_5 CD + \beta_6 ER + e$ where the dependent variable is ERTEN (Employee retention). The independent variables are EC (Employee compensation), JS (Job satisfaction), OC (Organizational culture), WE (Working environment), CD (Career development), and ER (Employee recognition).

| Model | Intercept | Regression coefficients of | | | | | | Adj. R_bar ² | SEE | F-value |
|-------|--------------------|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------------|-------|---------|
| | | EC | JS | OC | WE | CD | ER | | | |
| 1 | 1.152 (2.870)** | 0.696 (6.798)** | | | | | | 0.274 | 0.593 | 46.213 |
| 2 | 1.274 (3.855)** | | 0.663 (7.910)** | | | | | 0.339 | 0.566 | 62.562 |
| 3 | 1.667 (4.990)** | | | 0.579 (6.641)** | | | | 0.264 | 0.596 | 44.107 |
| 4 | 0.983 (3.154)** | | | | 0.736 (9.331)** | | | 0.418 | 0.531 | 87.071 |
| 5 | 1.521 (4.988)** | | | | | 0.608 (7.771)** | | 0.331 | 0.569 | 60.383 |
| 6 | 1.064 (3.679)** | | | | | | 0.717 (9.791)** | 0.442 | 0.519 | 95.868 |
| 7 | 0.734 (1.898) | 0.326 (2.545)* | 0.476 (4.335)** | | | | | 0.368 | 0.553 | 35.958 |
| 8 | 0.595 (1.529) | 0.251 (1.902) | 0.381 (3.202)** | 0.211 (1.937) | | | | 0.383 | 0.547 | 25.783 |
| 9 | 0.192 (0.522) | 0.131 (1.054) | 0.256 (2.277)* | 0.082 (0.790) | 0.473 (4.744)** | | | 0.478 | 0.503 | 28.517 |
| 10 | 0.107 (0.308) | 0.012 (0.100) | 0.245 (2.347)* | 0.032 (0.320) | 0.463 (5.007)** | 0.356 (4.478)** | | 0.552 | 0.466 | 30.571 |
| 11 | 0.131 (0.389) | 0.035 (0.299) | 0.227 (2.226)* | 0.067 (0.690) | 0.362 (3.706)** | 0.275 (3.304)** | 0.264 (2.690)** | 0.575 | 0.454 | 28.064 |

Notes:

- i. Figures in parenthesis are t-values.
- ii. The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent level respectively.
- iii. Employee retention is the dependent variable.

Table 2 shows that the beta coefficients for employee compensation are positive with employee retention. It indicates that employee compensation has a positive impact on employee retention. This finding is similar to the findings of Sorn *et al.* (2023). Similarly, the beta coefficients for job satisfaction are positive with employee retention. It indicates that job satisfaction has a positive impact on employee retention. This finding is consistent with the findings of Biason (2020). Likewise, the beta coefficients for organizational culture are positive with employee retention. It indicates that organizational culture has a positive impact on employee retention. This finding is consistent with the findings of Setiawan and Hastuti (2022). Further, the beta coefficients for working environment are positive with employee retention. It indicates that working environment has a positive impact on employee retention. This finding is consistent with the findings of Yusliza *et al.* (2021). In addition, the beta coefficients for career development are positive with employee retention. It indicates that career development has a positive impact on employee retention. This finding is consistent with the findings of Houssein *et al.* (2020). Moreover, the beta coefficients for employee recognition are positive with employee retention. It indicates that employee recognition has a positive impact on employee retention. This finding is consistent with the findings of Ewool

et al. (2021).

4. Summary and conclusion

Employees are a very significant parts of businesses and organizations. Employees that are well treated would affect improving the company's overall performance. Employees' performance is linked to the roles and functions of employees employed in a business so that the management of employees as human resources in company must be appropriately handled. Companies that can boost their workers' performance have hoped that the company's performance can also be improved so that the company's objectives can be accomplished. Employee accomplishments and results at work are referred to as employee performance. Employee performance refers to the duties and activities that an employee completes successfully. Similarly, employees are the primary force behind and control how smoothly business operations go. When a company's human resources have achieved the standards or benchmarks established by the business, the performance of an employee can be observed. Competition is getting tighter so that any business or organization wants to develop for the better. Strong defense capabilities are required to beat a competitor in the business world. Improving the efficiency and quality of human resources is one of the strategies put in place by the organization to improve the quality, performance, and expertise of human resources according to the times' needs.

This study attempts to analyze the influence of employee compensation, job satisfaction, and working environment on employee retention in Nepalese commercial banks. The study is based on primary data with 115 observations.

The major conclusion of this study is that employee compensation, job satisfaction, organizational culture, working environment, career development, and employee recognition have positive impact on employee retention. It indicates that higher the employee compensation, job satisfaction, organizational culture, working environment, career development, and employee recognition, higher would be the employee retention. Likewise, the study also concluded that working environment followed by employee recognition is the most influencing factor that explains the changes in the employee retention in the context of Nepalese commercial banks.

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