THE FACTORS AFFECTING EMPLOYEE TURNOVER AT STATE COMMERCIAL BANKS IN SRI LANKA WITH SPECIAL REFERENCE TO WESTERN PROVINCE

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ABSTRACT

Employee turnover is a significant challenge for organizations worldwide, and it holds relevance for State Commercial Banks (SCBs) in Sri Lanka's Western Province. The economic crisis Sri Lanka faced last year exacerbated these issues, leading to decreased profitability across industries, including SCBs, and a surge in training and development costs. This study addresses a gap in the literature by exploring the factors influencing employee turnover within SCBs in this region. The research aims to examine the relationship between brand employment, candidate skills, job fitness, employee recognition, training and development, and compensation, and their impact on turnover rates. A quantitative research design was employed, using surveys distributed to SCB employees to gather data. The analysis, conducted through correlation and regression techniques, highlighted employee recognition, job fitness, and candidate skills as the most critical determinants of turnover, with recognition demonstrating the strongest influence. While the impact of brand employment, training and compensation were less significant. The findings suggest that to mitigate turnover, SCBs should prioritize enhancing employee recognition programs, ensuring better job fit during recruitment, and effectively managing candidate skills. Investments in training and development must be aligned with the organization's retention strategies. Additionally, SCBs need to project a strong employment brand and offer competitive rewards to attract and retain talent. This study provides practical insights to SCBs for developing more targeted strategies to reduce employee turnover, thereby improving organizational productivity.

Keywords: Employee Turnover, Compensation and Salary, Employment Brand, Candidate Skills, Employee Recognition

1. INTRODUCTION

1.1 Background of Study

Employee turnover, a global challenge faced by organizations, assumes a distinctive dimension within the context of SCBs in Sri Lanka, particularly in the Western Province. The banking sector in Sri Lanka, characterized by a diverse mix of privately owned and government-affiliated institutions, plays a pivotal role in the nation's economic stability and growth. SCBs, situated at the forefront of this sector, not only receive official support from the Sri Lankan government but also bear the critical responsibility of fostering financial inclusion and addressing the multifaceted financial needs of the local populace (Perera & Gunawardana, 2021).

The banking landscape in Sri Lanka exhibits a delicate equilibrium between privately owned and government-affiliated institutions. This diversity adds layers of complexity to the sector, influencing its contribution to the economic stability and growth of the nation. SCBs, as key players in this intricate ecosystem, extend beyond their financial functions. They are instrumental in receiving official support from the Sri Lankan government, underscoring their significance in the broader economic framework. Additionally, SCBs shoulder the critical responsibility of fostering financial inclusion and addressing the varied financial needs of the local populace (Perera & Gunawardana, 2021).

In essence, SCBs function as financial gatekeepers, channelling resources and support to diverse sectors within the economy. Their role extends beyond profit-making to include the promotion of financial well-being and economic development at the grassroots level. This nuanced positioning within the economic landscape emphasizes the unique challenges and responsibilities that SCBs face, particularly in the Western Province, where the economic heartbeat, Colombo, pulsates with financial activities and aspirations (Ratnayake, 2015; Fernando, 2020).

The Western Province, anchored by the bustling commercial hub of Colombo, stands as a strategic epicenter in Sri Lanka's journey towards progress and global integration. Beyond being the economic engine propelling the nation forward, this region symbolizes the aspirations and ambitions of the entire country. The success and stability of SCBs within this pivotal area carry profound implications, transcending regional boundaries to impact the nation (Ratnayake, 2015; Fernando, 2020).

However, amid their strategic importance, SCBs grapple with the persistent challenge of employee turnover. Retaining talent becomes not merely a necessity but a strategic imperative in an industry where trust, continuity, and expertise are paramount for cultivating enduring customer relationships. The departure of skilled personnel can trigger a cascade of issues, leading to service interruptions and the potential erosion of client confidence (Jayawardana, 2022).

In the contemporary banking landscape, characterized by rapid digitalization and a global shift toward client-focused practices, employees proficient in technology and attuned to local and international customer needs are in high demand. According to

recent data, the demand for tech-savvy banking professionals in Sri Lanka has increased by 15% in the last two years alone. A cohesive, informed, and motivated workforce emerges as a cornerstone for successfully navigating the complexities of this environment. Thus, it becomes imperative for SCBs to not only identify but also address the root causes of employee turnover to ensure sustained performance and resilience (Gunasekara & Perera, 2022).

This research embarks on a comprehensive exploration to unravel the intricate factors influencing employee turnover in SCBs, casting a specific spotlight on the Western Province. By delving into this nuanced landscape, the study aspires to provide in-depth insights that can inform targeted strategies. According to preliminary data analysis, the turnover rate in SCBs within the Western Province has seen a gradual increase of 8% over the last three years. These strategies aim not only to mitigate turnover challenges but also to foster growth, contentment, and value creation for all stakeholders involved, aligning with the broader goals of organizational and economic sustainability. The research, spanning the quantitative methodology, intends to incorporate data from at least 300 employees across various SCBs in the Western Province, ensuring a comprehensive and representative analysis.

1.2 Research Problem
Human resource is the center of all development processes of Economy. Development of the whole country in every section can be achieved by its Development of the Economy. In Last year Sri Lanka has to face a big economic crisis and unbalanced of the stability of the economy in the country. Most of the Industries faced to lot of problems and their profit became decreased rapidly.

Employee turnover is a critical issue faced by many organizations, including state commercial banks in Sri Lanka. In the Western Province, this challenge is particularly pronounced, impacting the operational efficiency and financial stability of these institutions. High turnover rates remain a critical issue within the banking and financial industries in Sri Lanka. Some of the causes include job satisfaction, remuneration, and staff promotion which are all evident after analyzing the literature. Despite various efforts to mitigate turnover, the underlying factors contributing to this phenomenon remain inadequately understood. This research aims to identify and analyze the key the Factors Affecting Employee Turnover at State Commercial Banks in Sri Lanka with special reference to Western Province.

1.3 Research Objectives
This study's overarching goal is to investigate the Factors Affecting Employee Turnover at State Commercial Banks in Sri Lanka with special reference to Western Province. The specific goals of the research are to:

1. To evaluate the impact of the employment brand of state commercial banks on employee turnover.

2. To analyze the effect of candidate skills influence employee turnover at SBCs.

3. To analyze the effect of job fit on employee turnover rates in SCBs.

4. To examine the impact of recognition in influencing employee turnover in SCBs.

5. To examine the impact of training and development opportunities on employee turnover in SCBs.

6. To investigate how compensation and salary structures affect turnover rates in SCBs.

2. LITERATURE REVIEW

2.1 Empirical Review

An organization's major asset is its human capital, and its success or failure will rely on its employers' capacity to draw in qualified workers, keep them over time, and fairly compensate them. Employee retention is based on how satisfied they are with their work, the compensation package they provide, and the opportunity for advancement. Organizations must think about a range of suitable methods to reward employees to achieve the intended outcome while trying to guarantee employee retention and maximum satisfaction (Falola, 2014). It was established that in many commercial banks in Canada, high rates of employee turnover were experienced in commercial banks with low levels of employee job satisfaction hence leading to loss of competent and experienced customers which lead to declined commercial bank performances. Massingham (2008) also researched the effects of employee turnover in Germany and found out that employee turnover has a positive influence on organizational change, though sometimes it results in poor organizational performance.

When considering the industries, the financial and banking sectors have reported the highest turnover rate with 18.3% (Falahat et al., 2019). Employee turnover has become a crucial issue that developing nations must deal with due to a lack of qualified employees and a high brain drain (Memon et al., 2019). Data across Sri Lanka highlight that employee turnover is a drain on both private and public sector organizations (Wijebandara et al., 2019). However, the highest level of turnover 16.8% is reported in private sector organizations in Sri Lanka (Azeeka & Nufile, 2018). But when it comes to the turnover rate, the financial and banking sectors have recorded the highest one with 18.3% (Falahat et al., 2019). The situation with employee turnover became one of the topical problems that developing countries face because of the shortage of employees, high level of brain drains (Memon et al., 2019).

Research shows that employee turnover in Sri Lankan banking surpasses national private sector figures because it stands at 18.3% while the average stands at 16.8% (Azeeka & Nufile, 2018; Falahat, Gee and Liew, 2019). The high employee departure rates within Sri Lankan commercial banks endanger operational performance while negatively impacting customer service and financial returns. Other countries such as Canada (Rahman, M. M., & Iqbal, 2013) and China with Germany (Massingham, 2008) have studied turnover factors within banking sectors but state commercial banks in Sri Lanka's Western Province lack targeted research about contextual

influencing variables. Research currently exists about private sector organizations and the banking industry at large instead of examining special characteristics of state-owned commercial banks that operate in Sri Lanka's most economically thriving region. The study of employee turnover factors remains significant due to the essential role of state commercial banks which dominate Sri Lankan economic development with substantial market control and extensive branch networks within the Western Province.

2.1.1 Turnover Intention

Turnover is one of the most sensitive human resource issues that an organization experiences and is very disastrous to any organization regardless of its business sector (Mossarah, 2023). Turnover intention is the desire of employees to quit their jobs as stated by Addai et al., (2022). However, as has been revealed by Falahat et al., (2019), the turnover intention is a positive and accurate measure that can estimate the actual turnover. Awan et al., (2021), supported the assertion that the intention to leave or intention to quit refers to the further plans exists as the employee with an employer.

There are reasons that contribute to the employee turnover, especially in the banking industry. The factors influencing turnover intentions include work environment, job stress, compensation and relationship with the management both positively and negatively (Santript Shukla, 2013). Other organizational factors related to turnover intention include organizational justice and organizational culture and the least is compensation (Mishra & Biswal, 2022). Promotions and career advancements are therefore likely to affect the retention of employees too (Sattar & Ahmed, 2014). Age, education and organizational tenures are among the demographic antecedent of turnover (Chowdhury, 2015).

There are diverse factors that affect the turnover rate of employees, especially Sri Lankan banks and startups. Variables: job satisfaction and remuneration package have a negative relationship with turnover intentions (Gunawardhana & Damayanthi, 2019; Wijebandara et al., 2019). The research also revealed that staff promotion and co-worker support also lower cases of turnover (Gunawardhana & Damayanthi, 2019; Lakshmi Kanchana & Ruwan Jayathilaka, 2023). The negative relationship between turnover intentions and employees: non-managerial employee Sample Non-managerial employee Private Sector: Supervisor support is identified to have the best prediction for lessening turnover intentions of the employees (Wijebandara et al., 2019). Contrary to expectations, LMX has a positive relationship with turnover in startups (Lakshmi Kanchana & Ruwan Jayathilaka, 2023). Self-employed workers and those possessing certain demographical characteristics like being male and in their thirties have higher turnover intentions (Lakshmi Kanchana & Ruwan Jayathilaka, 2023). This type of recruitment also leads to turnover where externally recruited employees receive more likely to turnover than internally recruited employees (Rajapaksha, 2015). The results of the present study demonstrate the multifaceted character of employee turnover and the necessity to target various aspects to keep qualified staff in financial organizations in Sri Lanka.

2.1.2 Employment Brand

Employer branding has a significant impact in the context of shaping turnover

intention among employees. Studies indicate that employer branding dimensions, more precisely, social value, and development value, relate inversely to turnover intention in the IT industry (Kashyap & Verma, 2018). In terms of the relationship between employee empowerment and branding, it has been proven to be positively associated with turnover behaviour (Aijas & Shah, 2013). However, one Indonesian insurance industry study showed that employer branding may reduce voluntary turnover intentions via partial mediation by organizational commitment. Employer branding has also been defined as a retention management method that influences the level of employee engagement, the organization's culture, and the psychological contract, which all are positively associated with retention (Suikkanen, 2010). On one side, employer branding reinforces the whole employment experience, increasing the good place to work concept, and on the other side, it reduces voluntary turnover (Suikkanen, 2010).

2.1.3 Candidate Skills

There are many factors that affect the employee turnover rate in Sri Lankan banks. Recruitment practices influence turnover rates with those hired externally being more likely to turnover than employees hired internally (Rajapaksha, 2015). Staff promotion and remuneration packages have an inverse relationship with turnover in small domestic banks which indicates that better future promotion prospects and better pay can also deter turnover (Gunawardhana & Damayanthi, 2019). Kanchana and Jayathilaka (2023) found that job satisfaction and employees' perceptions of co-workers support significantly and negatively influence turnover intentions while that leader-member exchange has a positive influence on the turnover intentions of the employees. The findings of the study which has been carried out by Ranatunga et al., (2020) have it that the implementation of different talent management practices has a positive relationship with the retention of non-managerial employees in the private commercial banks.

Studies prove that employee competencies are one of the key determinants of turnover. Job-related competencies are the strongest predictors of the construct, and skills-based characteristics are better placed vis-a-vis better prediction of attrition (Liu et al., 2018). Non-cognitive competencies like locus of control, or self-evaluation ability also have a determining effect on voluntary turnover (Volchenko et al., 2021). People management skills of managers are also strongly related to lower employee quit rates even though they do not predictably enhance other outcomes (Hoffman & Tadelis, 2020). Organizational learning is the key factor in minimizing short-run turnover and increasing long-term skill retention (Smith et al., 2011).

2.1.4 Job Fit

Analysing the reasons that have attributed high rates of employee turnover in the banking sector is therefore paramount. The authors also confirmed that job satisfaction, staff promotion, and remuneration package have a negative relationship with turnover intentions in the banks of Sri Lanka (Gunawardhana & Damayanthi, 2019). Also, job satisfaction and co-worker support mediate the effect of turnover intentions among the professional employees of Sri Lankan startups (Kanchana & Jayathilaka, 2023). Recruitment methods also influence turnover since externally

recruited employees have higher turnover intention as compared to internally recruited employees in Sri Lankan banks (Rajapaksha, 2015). Both person-organization fit, and person-job fit were also unearthed to have inverse relationships with turnover intentions in Pakistani banks where psychological climate acted as a moderator (Hassan et al., 2012). Gender and age also play the role for their turnover intentions and the Sri Lankan startup employees who are male and of age group 31-40 has found to have intent on turnover (Kanchana & Jayathilaka, 2023). Thus, the process of employee turnover analyzed in these works reflects its multifaceted nature and the conclusion that many factors should be considered when planning retention policy.

2.1.5 Employee Recognition
There are many factors that determine the level of employee turnover in Sri Lankan banks, of which recognition and rewards has become a major factor. According to some previous work done for commercial banks of Sri Lanka, that is done by Jayarathna et al., (2011), recognition and reward programs has some influence on the motivation level of employees. Similarly turnover is an important aspect that depends on recruitment methods more externally recruited employees offer top turnover than internally recruited employees (Rajapaksha, 2015). Results furthermore show that remuneration, cash incentives, work-life balance, supervisor support and employee recognition are five significant negative factors in relation to turnover intention in the logistics industry (Mendis, 2017). Based on these studies, better balanced reward management methods and recognition incentives should be provided by Sri Lankan banks and relevant sectors to combat employee turnover and improve motivation.

2.1.6 Training and Development
Consequently, this summary integrates knowledge derived from four novels that identified the turnover and performance of employees in Sri Lankan banks. The variables of turnover are made up of staff promotion, staff remuneration, and staff recruitment processes. According to Rajapaksha internal recruitment has a lower turnover than the external recruitment process. Organization development shows a significant correlation with employee performance and training content and trainers have relationships with performance (Shantha, 2019). The implication for training and development is that they are positively related to productivity and job satisfaction and are inversely related to absenteeism (Gamage & Imbulana, 2013). In this research, it clearly identifies that factor such as internal recruitment, competitive remuneration, and training programs is crucial in order to reduce turnover and improve the performances of the employees in Sri Lankan banks.

2.1.7 Compensation and Salary
Remuneration package is usually premised on the award that nationally protects the specific employee in an organization. The Remuneration package is a function of the difference between how much an employee feels that employee should get and the amount of pay the employee receives as posited by Lawler in 1971. The nature and distribution of the Remuneration package may influence the commitment of contributing team members, and the incorporation of Remuneration packages is an essential component of several models of work group performance (Hackman 1990

as cited by Kerrin and Oliver 2001). The remuneration package encompasses salaries, bonuses, and medical benefits, low interest rates, housing loans and vehicle & other loans. The wage dealt with here is provisionally defined as the verbally agreed rate for jobs (Cushway, 2001) of employment between an employer and employee.

Interestingly, compensation was identified as the most instrumental factor for employee turnover in many of the scholarly research papers if not all. Snell and Bohlander (2010) have said that all types of remuneration like rewards and remunerations, payment etc. are found on the performance of the job of the employees. In addition, Foon et al. (2010) states that salaries, bonuses and other resources known as monetary facilities are distinct types of rewards which can have a dramatic impact on the level of turnover. Therefore, in the banking sector for instance the level of remuneration done to the workers significantly determines the staff turnover. Foon et al. (2010) continues by explaining that considering these points, compensation system must be competently perceived by banks in other to prevent high turnover rate among its employee. Otherwise, the employees might be drawn to other institutions with better reward programs which allow organizations to provide better remuneration (Babakus et al. 2003).

2.2 Theoretical Review

Research on employee turnover has progressively evolved from early practical approaches to more complex theoretical frameworks. The psycho-goals system-driven theory emphasizes that employees are motivated by dominant psychological goals aimed at self-realization, and failure to achieve these within an organization leads to negative emotions and eventual turnover (Zhang & Yang, 2023). Similarly, Lee and Mitchell's (1994) unfolding model identified multiple decision paths to voluntary turnover, while Weibo et al. (2010) highlighted the role of social capital and job embeddedness. Hom et al. (2017) observed a pivotal shift in the 21st century toward studying retention, attitudinal trajectories, and collective turnover, whereas Griffeth and Hom (2004) advanced innovative constructs and processes overlooked in earlier models. Collectively, these studies demonstrate that turnover research has moved from simplistic reduction strategies to sophisticated models that integrate psychological, social, and organizational dynamics in understanding employee retention.

2.2.1 Vroom Expectancy Theory

According to Ingersoll (2001), the Vroom expectancy theory argues that employees will show commitment and more effort if what they get in return is equal to their effort and commitment. If employees get higher pay for higher wages in return for their work effort, employees will always be committed and satisfied with their jobs. This, therefore, implies that employees' motivation according to Vroom Expectancy theory is determined by employee's expectancy levels in terms of remuneration and rewards and working conditions and hence employees with better rewards or better terms and work conditions that will influence them to achieve the expected performance goals. This results in a greater level of the employees' job satisfaction and eliminates cases of an increased rate of employee turnover in organizations. This theory is important in establishing the effect of employees' job satisfaction on the

performance of commercial banks in Sri Lanka.

2.2.2 Hierarchy of Needs Theory

Maslow's hierarchy of needs theory explains employee motivation and retention by highlighting five levels of needs, from physiological to self-actualization. In state commercial banks, unmet basic needs such as fair pay and job security, combined with limited recognition, career growth, and development opportunities, lead to dissatisfaction and higher turnover. Bureaucratic structures further restrict employees from achieving higher-level needs, causing disengagement and a search for better opportunities elsewhere. This turnover disrupts operations, increases recruitment costs, and strains government financial stability. To reduce employee departures, state banks must improve compensation, recognition, and work culture while offering clear career development pathways.

2.2.3 The Need for the Present Study

Given these gaps, it is obvious that researchers need to take a more holistic and integrated approach to analyzing the causes of employee turnover. This method should be one that takes into consideration the differences across generations and gives an analysis that is relevant to the Western Province. Our research aims to present a more accurate picture of the level of commercial activity in the banking sector of the Western Province by completing the information that is missing from it. If banks have access to this information, they may be able to develop client retention strategies that are more suited to the specific needs of individual consumers and have a higher chance of being successful.

2.3 Research Framework

The conceptual framework offers an organized way for conducting an analysis of the links between the factors that lead to staff turnover in the banking business in the Western Province (the dependent variable) and the many factors (the independent variables) that contribute to that turnover. Through an examination of these one-to-one relationships, the purpose of this framework is to identify the components that have the most impact on the likelihood of employee turnover.
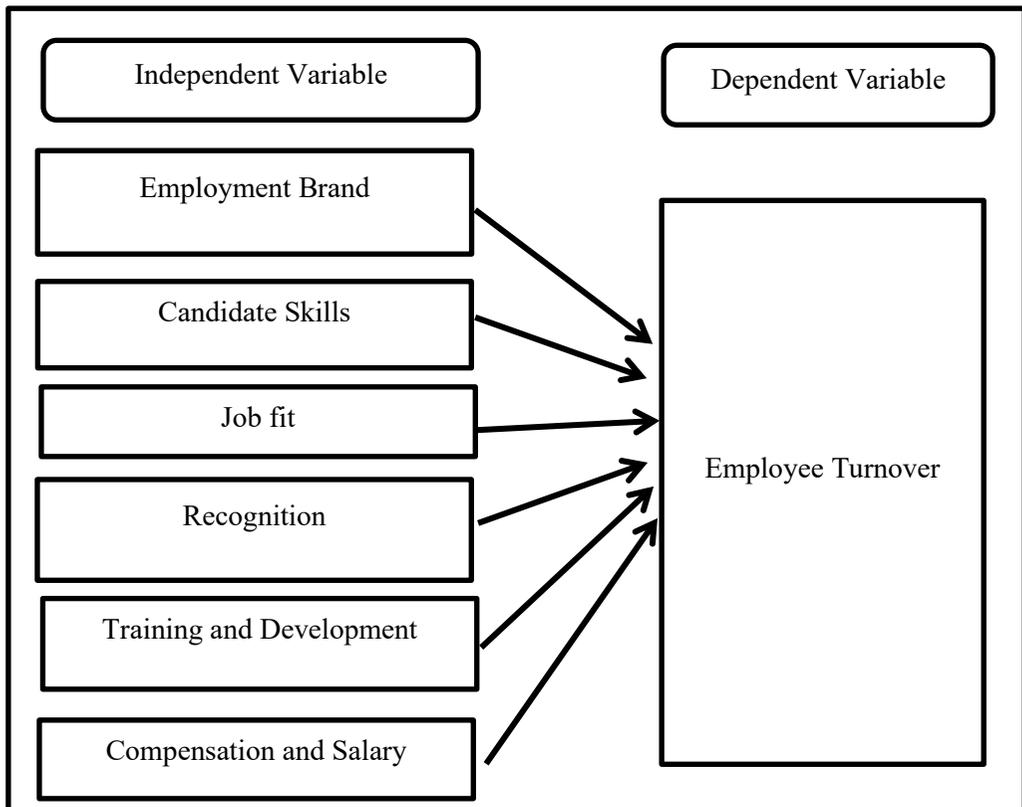

Figure 1: Conceptual Framework

Source: Author constructed

3.   RESEARCH METHODOLOGY

3.1 Hypotheses Development

The objective of this chapter is to set forth a series of hypotheses derived from the conceptual model previously discussed. These hypotheses will serve as the foundation upon which empirical testing will be based, ultimately contributing to understanding the Factors Affecting Employee Turnover at State Commercial Banks in Sri Lanka with special reference to Western Province.

H1: Employment Brand has a negative relationship with Employee Turnover of SCBs in Sri Lanka.

H2: A negative relationship exists between candidate skills and employee turnover at SCBs in Sri Lanka.

H3: A negative relationship exists between job fit and employee turnover at SCBs in Sri Lanka.

H4: A negative relationship exists between recognition and employee turnover at SCBs in Sri Lanka.

H5: A negative relationship exists between training and development and employee turnover at SCBs in Sri Lanka.

H6: A negative relationship exists between compensation, salary, and employee turnover at SCBs in Sri Lanka.

3.2 Research Design, Sampling and Data Collection

The study primarily adopts a quantitative research design to explore the relationship between the specified independent variables and the dependent variable of employee turnover. The major demographic of interest in this study is made up of people working for SCBs in Sri Lanka's Western Province. It would be difficult to collect information from each individual SCB worker in the Western Province due to the vast quantity of SCB workers in that province. Because of this, it has been decided to establish a sampling frame. Because of constraints on the available resources and the imperative to find a happy medium between comprehensiveness and manageability, the goal sample size was decided to be somewhere around three hundred employees. The sample size for this study is 300 bank workers according to the Morgan table (Krejcie and Morgan, 1970).

Table 1: Statistics of Sample

District	Estimated SCB employee population	Proportional sample size
Colombo	Largest concentration of SCB workers (urban commercial hub)	130-150

| Gampaha | Second-largest workforce, mix of urban and suburban banks | 90-110 |
| Kalutara | Smaller workforce, more rural banking presence | 40-60 |

Source: Author constructed

Stratified random sampling was chosen as the most fitting technique for this study. The rationale behind this decision rests on a few key factors: SCBs have varied roles, from entry-level positions to top management. Stratified sampling ensures that all levels are represented proportionally in the study. Employees were stratified based on their roles within the banks. It was decided to begin collecting data in a methodical manner to have a better understanding of the causes driving employee turnover at SCBs located in the Western Province of Sri Lanka.

Recognizing the need to collect quantifiable data on the specific factors influencing turnover, a structured questionnaire was the primary tool used. The survey method is advantageous due to its ability to collect data from a large sample efficiently, providing generalizable results (Babbie, 2010). Before distributing the questionnaire on a large scale, a pilot test was conducted with a small group of bank employees. The objective was to ensure the clarity, relevance, and appropriateness of the questions.

The questionnaires were distributed both electronically and in paper form to cater to various respondent preferences. Electronic distribution took advantage of email lists, while physical copies were disseminated during bank staff meetings and training sessions.

3.3 Preliminary Data Analysis
Before embarking on data analysis, preliminary checks were conducted to ensure the accuracy and completeness of the data. Any missing values were addressed, and outliers were identified and evaluated for their potential influence on the results. The initial step involved generating descriptive statistics for each variable in the study. Measures such as means, medians, standard deviations, and frequencies were computed to offer a comprehensive overview of the dataset.

To ensure the internal consistency of the questionnaire items, Cronbach's alpha was computed for each subsection of the survey. A threshold value of 0.70 was used as a guideline for acceptable reliability. To understand the relationships and influence of the independent variables on the dependent variable (employee turnover), several techniques such as Correlation Analysis and Regression Analysis were employed.

Considering the myriad variables in the study, exploratory factor analysis (EFA) was carried out to identify underlying constructs or factors. This helped to reduce data dimensionality and better interpret the grouped factors influencing turnover.

4. DATA ANALYSIS

4.1 Reliability and Validity

Validity and reliability are essential components when assessing the effectiveness of a tool for measurement. Cronbach's alpha is the standard reliability measure. All the variables can be identified as reliable as all the Cronbach's Alpha values exceeded 0.7 threshold. The KMO values being higher than 0.5, which is the threshold for factor analysis, suggests that the data set is appropriate for it (Sharma, 2016). Bartlett's Test of Sphericity demonstrates a statistical significance with the approximate chi-square value of 449.273 and a calculated p-value of zero, showing that the correlations between the variables are not zero. This backs up the data suitability factor analysis which could then boost up the reliability of the research findings. In an aggregate, the validation test results show that the data is acceptable to be used for addressing the relationships between the variables described in the hypotheses.

4.2 Correlation Analysis

Table 2: Correlation Analysis

Independent Variable	Pearson Correlation	Sig. Value
Employment brand	0.513	0.006
Candidate skills	0.314	0.004
Job fit	0.695	0.006
Recognition	0.606	0.004
Training and Development	0.564	0.003
Compensation, salary	0.434	0.002

Source: SPSS

The study's correlation analysis reveals diverse strengths of positive relationships between independent components and employee turnover rates within Sri Lankan SCBs. Job fit (0.695) and recognition (0.606) demonstrate robust positive connections which strongly show that employees who carefully match their roles will stay when they feel properly acknowledged. Employee training combined with development efforts (0.564) and employment brand strength (0.513) demonstrate weak positive intersections, indicating they assist retention but do not lead it. Data shows compensation, together with salaries (0.434) demonstrates a moderate relationship as both factors play a part in employee movement decisions. Statistics show candidate skills (0.314) display weak positive correlation significance, although they matter when it comes to employee departure factors. The identified factors provide organizations with strategic insights regarding specific areas of their employment strategies that minimize employee turnover.

4.3 Regression Analysis

Table 3: Regression Analysis

	Model Summary			ANOVA		Coefficients			
	R	R^2	Adj. R^2	F	Sig. (F)	B (Unstd.)	Beta (Std.)	t	Sig. (t)
Employment Brand	0.013	0.132	0.114	0.025	0.006	0.109	0.013	0.157	0.006
Candidate Skills	0.014	0.283	0.265	0.029	0.004	0.439	0.314	0.371	0.004
Job Fit	0.095	0.249	0.213	1.418	0.006	0.457	0.395	1.191	0.006
Recognition	0.106	0.421	0.405	1.780	0.004	0.358	0.206	1.334	0.004
Training and Development	0.064	0.224	0.202	0.632	0.003	0.065	0.064	0.795	0.003
Compensation, salary	0.064	0.224	0.202	0.432	0.002	0.055	0.044	0.895	0.002

Source: SPSS

The Regression Analysis examined the relationship between the independent variables, Employment Brand, Candidate Skills, Job Fit, Recognition, Training and Development and Compensation, salary and the dependent variable, Employee Turnover. All six variables yielded statistically significant results, with p-values for both the F-tests and t-tests less than 0.05, indicating that each independent variable had a significant effect on employee turnover.

The highest explanatory power was observed for Recognition (R^2 = 0.421, Adj. R^2 = 0.405), followed by Candidate skills (R^2 = 0.283, Adj. R^2 = 0.265) and Job fit (R^2 = 0.249, Adj. R^2 = 0.213). Job fit had the largest standardized coefficient (Beta = 0.395), suggesting it has the strongest relative impact on employees' turnover compared to the other predictors. Candidate skills and Recognition also showed substantial standardized coefficients (Beta = 0.314 and 0.206 respectively), indicating meaningful contributions.

The smallest effect was found for Employment Brand (Beta = 0.013) despite statistical significance, implying a weaker practical influence. All variables showed positive unstandardized coefficients (B values), indicating that increases in these factors are associated with increases in employee turnover within Sri Lanka's SCBs.

4.4 Hypotheses Testing Summary

These hypotheses have served as the foundation upon which empirical testing was based, ultimately contributing to understanding the Factors Affecting Employee Turnover at State Commercial Banks in Sri Lanka with special reference to Western Province. The hypothesis testing results are shown in the table below.

Table 4: Hypothesis Testing Summary

Hypotheses	Beta value (Regression analysis)	Alternative Hypothesis	Null Hypothesis
H1: A negative Relationship exists between the employment brand and employee turnover of SCBs in Sri Lanka	0.109	Accept	Reject
H2: A negative Relationship exists between candidate skills and employee turnover at SCBs in Sri Lanka	0.439	Accept	Reject
H3: A negative Relationship exists between job fit and employee turnover at SCBs in Sri Lanka	0.457	Accept	Reject
H4: A negative Relationship exists between recognition and employee turnover at SCBs in Sri Lanka	0.358	Accept	Reject
H5: A negative Relationship exists between training and development and employee turnover at SCBs in Sri Lanka	0.065	Accept	Reject
H6: A negative Relationship exists between compensation and salaries and employee turnover at SCBs in Sri Lanka	0.055	Accept	Reject

Source: Authors' constructed

The research aimed to investigate whether employment brand and candidate skills along with job fit and recognition combined with other factors presented a negative impact on employee turnover at SCBs in Sri Lanka. The regression analysis determined the relationship strength and significance between variables through beta value measurements to evaluate their effects on employee turnover rates. All tested factors demonstrated negative correlations with employee turnover based on the acceptance of the alternative hypotheses. Job fit and candidate skills demonstrated stronger relationships than employment brands and an unknown factor according to value measurement (0.457 vs 0.439 vs 0.109 vs 0.065). The analysis results showed statistical significance due to P-values being less than 0.05 which verifies these elements as critical determinants for employee retention within Sri Lanka's SCBs.

5. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

Employee turnover is one of the immovable objects that organizations everywhere have to deal with, creating problems ranging from productivity to employee morale, and overall organizational effectiveness. This challenge comes more in front within the SCBs functioned through Sri Lanka's Western Province. The pressing issue of the high turnover rate among the employees of the SCBs was tackled through the adoption of a thorough research program, with the intention to study and unveil the complicated pattern of factors that lead to a high turnover rate. Utilizing a systematic examination involving all organizational elements such as brand, employee skills, job fit, rewards and recognition, training and development, and pay and wages, the research sought to develop deeper insights and usable actions to battle the trend of employee turnover and retain workers.

The process started with an evaluation of how brand employment influences their employees' turnover rate. As a result of empirical analyses, it can be effectively argued that the public image of an employer plays a major role in reducing employee turnover stating the importance of creating a positive reputation of an organization to strengthen retention efforts and workplace stability. In addition, the research concentrated on the influence of the skills possessed by the candidates in shaping the attraction and retention levels. And one of the major aspects that would influence the turnover dynamics was advocating for recognition practice at the workplace. Employees' perception that indeed they are well paid, and they are properly appreciated for their contribution was seen to play a critical role in the loyalty of organizations. The empirical data endorsed the hypothesis that recognition correlated with employee turnover as one way of highlighting the need for organizations to inculcate and reinforce effective recognition strategies in the bid to stabilize retention campaigns and create a culture of appreciation and engagement.

In fact, the study appraised the role of training and development in a turning over rate of employees. The results, on the other hand, highlighted the centrality of employee development investments in order to build a skilled and devoted workforce. Furthermore, the study examined the effect of monetary reward and increase in pay on attrition rate. The deviation of the practice to a fair and equal compensation system was identified as the main driver for concealing and retaining talent within banks. Congregationally through rigorous regression analysis studies, the study given out empirical evidence that supports the assumed relationships of these multi-faceted factors and turnover among those who work in SCBs in Sri Lanka. Notwithstanding, it needs to be considered the immanent limits of the study, in particular, its geographic and business dimension which may clip the application of the outcomes to all cases.

5.2 Recommendations

Employee turnover which is a significant issue for SCBs in Sri Lanka impedes the efficiency of the organization and resultantly obstructs the sustainable growth of the organization. The comprehensive research on all facets of turnover rate causing factors will be based on the findings. SCBs should target at positioning a strong employment image to acquire and retain the best ability in the sector (Mitchell et al,

2001). This will be illustrated through means like employer branding campaigns, social media presence and employee testimonials which will show off the organization's values, culture and anything having to do with the wellbeing of employees (Collins & Kanar, 2013). Through augmenting the SCBs' standing as a best-place-to-work organization, the turnover risk can be reduced, and retention efforts can be supported for the better.

A better alignment between candidate's skills and job requirements can be promoted through the employment of a better recruitment and selection process is very important. SCBs should have sound recruitment mechanisms where competency-based interviews, skills assessments together with psychometric evaluations used to ascertain the candidates who match the precedence of the organization's culture and job descriptions (Mitchell et al, 2001).

SCBs that do so should focus on efforts to get job fit best by guaranteeing that employees' qualifications, knowledge, and interests line up with their job duties and roles. This includes regular evaluation of jobs to spot gaps in skills and needs for training, giving the opportunity to rotate jobs and cross-functional training and offering career counseling with training in alignment with organizational goals (Collins & Kanar, 2013). Increasing the level of job fitness in SCBs can lead to higher levels of job satisfaction and also in lower retention intentions among employees. Acknowledgment and demonstration of employee contribution is a key component to the creation of a culture that showcases appreciation and engagement within SCBs. The formal recognition programs should be implemented by organizations in order to honor and reward employees for the accomplishments, exceeding milestones, and exemplary performance (Collins & Kanar, 2013). The range of forms includes monetary rewards, public instrumental feed, awards and certificates of appreciation. The recognition of employees' works and efforts can have the effect of raising morale and motivating individuals leading to a lower staff turnover rate and an increase in staff retention (Erdogan & Bauer, 2009).

SCBs must devote their resources to all-inclusive training and development projects to build employees' expertise, ability and chances for progress in their careers. This entails designing programs with ongoing training and upskilling opportunities matched to the employees' developmental needs and professional objectives (Mitchell et al, 2001). Additionally, SCBs should allow participation in external workshops, training sessions, and conferences in order to provide bank staff with different perspectives, emerging trends, and industry best practices. Through the process of investing into employees' professional development SCBs will make their workforce more satisfied, involved and retain them better (Collins & Kanar, 2013). SCBs must frequently undertake a review and comparison in order to make sure that their wage policy and benefit system meets the most widely spread market standards.

Developing a good corporate culture is one of the ingredients necessary in building an organization committed to the highest level of worker engagement, effectiveness, and retention within SCBs (Erdogan & Bauer, 2009). This is about creating and nurturing an open-minded environment where people should work collectively to reach a desired business goal. SCBs shall put into place routine measuring and

reviewing mechanisms to examine the performance of their well-structured retention courses (Erdogan & Bauer, 2009). This includes monitoring the turnover rate, carrying out exit interviews and getting workers' opinions in order to pin up the reasons behind the enormous employee resignations as well as the areas that need the focus

Having employee retention strengthened is very proactive and requires a plan and a culture with many aspects involved, such as internal culture, recruitment and selection, job design, recognition, training and development, compensation and benefits (Mitchell et al, 2001). The recommended measures can be used by banks in Sri Lanka to build their working environment to reflect the needs of their employees, leading to improvement in employee engagement, satisfaction, and loyalty, and eventually, a drop in attrition rates, thus encouraging the banks to sustain and thrive in the competitive banking industry (Erdogan & Bauer, 2009).

6.   REFERENCES

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