

ABSTRACT

The prime objective of undertaking study is to analyze the impact of financial and non-financial rewards on employee retention with special reference to the private sector domestic commercial banks in Sri Lanka. This research study considered both financial and non-financial rewards namely financial rewards, employee recognition, training and learning, career development and measured how these rewards managed and used by the selected private sector domestic commercial banks and how these rewards experienced by the employees and whether these rewards associated with the employee retention. This study focused 7 leading private sector domestic commercial banks namely Commercial Bank, DFCC Vardhana, Hatton National, Nation Trust, Pan Asia, Sampath, Seylan banks. Sample strength of 200 no. of employees was selected and data collected using survey-based questionnaire method. Findings are statistically analyzed using correlation and regression.

According to the findings of the present study, all these rewards positively and significantly associated with employee retention in different degrees. Accordingly, financial rewards found to have the strongest association with employee retention followed by employee recognition, career development and training and learning. According to the multiple regression findings, it is evidenced that compensation, employee recognition, career advancement, and training and development, respectively are the significant contributors to employee retention.

Based on the findings, it is recommended for the selected private sector domestic banks to ensures both financial and non-financial rewards and strengthen the compensation, financial benefits, career advancement, training and learning opportunities and employee recognition.

Keywords: Financial Rewards, Non-Financial Rewards, Compensation, Employee Recognition, Training and Learning, Career Development