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The Impact of Competitive Pay and Continue Training on Sustain the Employees in Banking Sector of Khairpur Mir's, Sindh, Pakistan

Khaleeque Rahman Banbhan
khaleeq@gmail.com
Ph.D. Scholar at Institute of Public Administration, Shah Abdul Latif University, Khairpur

Dr Muneer Ahmed Shah
Muneer.shah@salu.edu.pk
Professor at Institute of Public Administration, Shah Abdul Latif University, Khairpur

Syed Hassan Mehdi
Roha78692110@gmail.com
Ph.D. Scholar at Institute of Public Administration, Shah Abdul Latif University, Khairpur

Mughal Aziz ur Rahman
mughalaziz4@gmail.com
Ph.D. Scholar at Institute of Public Administration, Shah Abdul Latif University, Khairpur

Corresponding Author: Khaleeque Rahman Banbhan khaleeq@gmail.com

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ABSTRACT

The problem of employee turnover is one of the major and expensive challenges faced by the banking sector in Pakistan and more especially in the areas which are far from the reach of the banking facilities and skilled manpower is also not in abundance. In this study the effect of competitive remuneration and continuous training on retention of employees in banking sector of Khairpur Mir's, Sindh, Pakistan is discussed. The research used a quantitative cross sectional survey design with a sample of 290 employees of different banks in the area. A structured questionnaire with a 15-point Likert scale was used to collect data, and analyzed using SPSS 27 with reliability, correlation and regression analysis. The results indicated high internal consistency reliability (Cronbach's $\alpha = .902$) and very high positive correlation between all the variables, with competitive pay having the highest correlation with employee retention ($r = .974$, $p < .01$) followed by continuous training ($r = .924$, $p < .01$). The regression model was very accurate in predicting employee retention ($R^2 = .979$). The two predictors were significant positive with competitive pay having a much larger effect than continuous training (competitive pay: $\beta = .684$, $p < .001$; continuous training: $\beta = .339$, $p < .001$). This research is supported by the Social Exchange Theory and Human Capital Theory, and has confirmed both research hypotheses, as well as the notion that both human resource practices are important for employee sustainability, but that competitive compensation is the primary HR practice that influences employee retention in this context. The study has added value to the body of knowledge on employee retention in developing economies from a regional perspective and it offers practical implications for banking institutions in semi-urban and rural environments. Banks are advised to pursue competitive salary measures, training and development that are in line with the context, use holistic human resource management, and carry out periodic employee satisfaction assessments. The study has several limitations, such as a cross-sectional design, self-reported data, potential multicollinearity issues, and limited generalizability to the banking sector of Khairpur Mir's.

Keywords: *Competitive Pay, Continue Training, Employee Retention*

INTRODUCTION

In Pakistan's banking sector, a major challenge that is both expensive and chronic is the high rate of turnover among employees. In simple terms, employee retention is the capability of an organization to retain the valuable and useful human resources it possesses; and as an issue, it has become a primary concern for banks globally, and even more significant and important in the developing economies where the availability of skilled human resources is limited and recruitment costs are also high (Aleem & Bowra, 2020). Given that banks are a service-oriented business, they depend significantly on the quality, stability, and dedication of their human resources in order to foster the relationship with customers and to achieve operational excellence. An alarming rate of employee turnover is seen in Pakistan, it was estimated that about 18% of employees are leaving the organizations, such as banks, due to lack of employee engagement, discriminatory human resource practice and unequal distribution of benefits (Khan, Ahmad, & Ali, 2021). High employee turnover leads to the disruption of organizations and high costs on recruitment, training, and exit costs, as well as the loss of tacit organizational knowledge (Malik, Ahmad, & Shoaib, 2020). As a result, the understandings of the factors that hold employees back have gained urgency for banking institutions all over Pakistan.

Pay is among one of the most crucial elements in the human resource practices that affect employee retention. Competitive pay, which comprises salary and benefits packages in line with industry standards, directly addresses employees' basic economic requirements and provides an indication of the value and respect shown. (Ahmed, Rafique and Ahmed, 2022). Pay has been shown to be a key factor in attracting and retaining talent in many studies. In the context of Pakistani banking sector, Aleem and Bowra (2020) conducted a thorough investigation of HR practices in eight major banks in Pakistan (public, private, Islamic, and foreign banks) and identified key association between compensation practices and employee retention. They found that compensation, as well as job security, training and development, working environment, leadership practices, and other factors, have a very imperative role in retaining employees through their mixed-method research. Likewise, human resource practices, motivation and compensation were found to be the most mentioned factors affecting employee retention in the banking, education and telecom sectors in the context of a systematic review of HR retention literature in Pakistan (Hussain, Abbas, & Shah, 2021). Moreover, a study about the banking sector of Lahore revealed that the salary positively correlates with the intention to quit the job, which indicates that the lack of salary makes employees ready to move to other organizations as well (Rashid, Ali, & Khan, 2022). The same finding was supported by studies conducted in other related industries; a study on telecom industry of Pakistan found that competitive remuneration packages of the organizations significantly affect their ability to retain employees and minimize employee turnover rate (Akhtar, Nawaz, & Mahmood, 2021). On the other hand, high employee turnover has been attributed to a number of factors, including uncompetitive compensation packages, at institutions like the Bank of Punjab (Shah, Rehman, & Ahmad, 2020). In areas such as Khairpur city, where the wages may not be as high as in major cities, fairness and competitiveness in pay are crucial for employee engagement and retention (Zehri, Dayo, & Ahmed, 2026).

The second cornerstone of employee retention strategies is continuous training and development, which is offered in addition to competitive pay. Through training, employees' skills, knowledge, and competencies are improved, making them more valuable assets to the organization and meeting their needs for professional development and career progression (Aslam, Ali, & Arif, 2023). In the banking sector of Pakistan, Aleem and Bowra (2020b) explicitly showed that training and development has a high affiliation and impact on employee retention and organization commitment. They found that human capital investment, through training, is very advantageous for the success of the organization in today's competitive era, and it helps boost the commitment and retention of employees. Training and development programs are essential for boosting human capital and can significantly contribute to the success of a business (Bilal, Qureshi, & Riaz, 2022). Research published in 2024 in the field of HRM practices in the banking sector also corroborates this connection, showing that employee training and development, compensation, work environment and performance appraisal, significantly impact employee retention (Nazir, Hussain, & Ahmed, 2024). The same way, in 2024, a study on learning and development highlighted the significance of learning and development as a vital success factor for retaining talent, especially in the banking industry, which is a rapidly changing industry (Tariq, Khan, & Zafar, 2024). Training is not just about acquiring new skills but also about demonstrating an organization's dedication to the growth of its employees, which can help to attract and retain them and deter turnover intent (Hussain, Ali, & Malik, 2023). The banking sector in rural Sindh has been identified as one of the areas that has high dropout rates, as the training program must be specific to the local context, such as training in Sindhi language, because rural Sindh has tribal culture with low female workforce participation and geographical isolation issues (Soofi, Nadeem, Shahid, & Mangi, 2025).

Theoretical basis for these relationships has been well documented in organizational behavior literature. According to Social Exchange Theory, when the organization shows positive behavior toward the employee, the employee will show loyalty and commitment towards the organization (Bashir, Khalid, & Ahmed, 2022). The more competitive organizations banks are offering on the pay side and continuous training on professional development, the more employees feel as though the organization is investing in their well-being and professional development, and in turn, they feel more inclined to return to the organization and commit to it (Nadeem, Ahmed, & Ali, 2023). The Two-Factor Theory by Herzberg also sheds light on these dynamics by separating out the hygiene factors (these which would prevent dissatisfaction) from the motivators (these which would lead to satisfaction and engagement) in the workplace (Farooq, Rehman, & Aslam, 2021). These theories collectively indicate that competitive salary meets employees' basic needs and reduces staff turnover, and ongoing training boosts job satisfaction and contributes to greater employee retention (Butt et al., 2022).

Though, there is increasing literature available on employee attrition in the Pakistan banking industry, there is still a lack of understanding about employee retention within specific regions. Existing literature has primarily concentrated on the key metropolitan cities like Lahore, Karachi and Islamabad while neglecting the distinctive challenges and opportunities faced by smaller cities and rural areas (Malik, Akhtar, & Riaz, 2021). The banking sector in Khairpur Mir, located in the city of Sindh, Pakistan, is a context that is not well explored. The geographical isolation, tribal culture and infrastructural constraints are some of the unique challenges faced by this region which may impinge upon the effectiveness of conventional HR practices (Shaikh & Soomro, 2023). Recent research attempts have started to fill these regional gaps: research investigating the relationship between career development and organizational support, and turnover intentions, showed that both career development ($\beta = -0.39$, $p = .001$) and organizational support ($\beta = -0.27$, $p = .001$) had significant and negative impact on turnover intentions (Zehri, Dayo, & Ahmed, 2026). The study on Islamic banks in the neighboring city of Sukkur showed that reward systems play a significant and positive role in job satisfaction and attrition of employees; this indicates that the proper design of the reward system is very essential to minimize the employee attrition (Larik & Mahar, 2025). Moreover, the studies conducted on diversity management in the banking sector of rural Sindh have revealed that diversity management and inclusive leadership is a significant predictor of employees' turnover intention, which accounts for 76% of the variance in the turnover intention (Soofi, Nadeem, Shahid, & Mangi, 2025). The impact of both competitive salary and ongoing training on employee turnover at the banking industry of Khairpur Mir's is not fully explored, which is an important area to be studied in future literature (Ahmed, Aslam, & Saleem, 2024). This study aims to overcome these limitations by examining the impact of these two crucial HR practices Competitive compensation and continuous training on retaining employees in the banking sector of Khairpur Mir's, in Sindh, Pakistan, which will give region specific information for further academic study and HR policy in this under-studied setting.

Research Objectives

To examine the impact of competitive pay on sustain the employees in Banking Sector of Khairpur Mir’s.

To examine the impact of continue training on sustain the employees in Banking Sector of Khairpur Mir’s.

Research Questions

Is there any impact of competitive pay on sustain the employees in Banking Sector of Khairpur Mir’s?

Is there any impact of continue training on sustain the employees in Banking Sector of Khairpur Mir’s?

LITERATURE REVIEW

Impact of Competitive Pay on Sustain the Employees

In recent years, employee retention has been one of the most significant challenges that organizations around the world face, and compensation has always been a top factor that influences whether or not employees stay on or leave their companies. Pay, including base pay, bonuses, allowances and other financial rewards, is a key tool that organizations use to demonstrate the value they place on human capital and meet employees' economic needs (Williams & Thompson, 2021). Competitive compensation and employee turnover have been studied much in the field of organizational behavior, and there exists ample evidence that satisfaction with compensation plays a significant role in the employees' intention to turn over. Park and Shaw (2021) found a significant negative correlation between competitive wages and employee turnover in their comprehensive meta-analysis of 92 independent samples, which was especially evident in the service-sectors (e.g., the banking and hospitality sectors). Likewise, Gupta and Sharma (2022) found that those employees who believe their salary is commensurate with the industry norms show 34% lower intentions to quit their jobs, whereas those who believe their salary is not fair show 34% higher intentions to quit their jobs.

There have been several frameworks that establish the theoretical grounding for the compensation-retention relationship. The Equity Theory suggests that workers continually assess their input/output ratios against other people who can be either similar or dissimilar to them, and if there is perceived inequity in compensation, their psychology gets uncomfortable, which will manifest through the employee's turnover behavior (Adams, 2020). On the basis of this theoretical background, Ogbonnaya and Valizade (2023) examined the intervening role of compensation in the relationship between compensation and turnover and they concluded that the relation between objective pay level and turnover intentions is fully mediated by perceived pay fairness among banking employees. Moreover, studies based on Expectancy Theory indicate that workers assess the odds of achieving the desired results—such as financial incentives, when they are competitive—that might result from their efforts, and a company with attractive pay packages will be better equipped to hold onto top talent that prioritizes monetary returns (Martin & Anderson, 2022).

The financial services industry is one of the most competitive industries to attract and hold top talent, with high operational pressures; this is an interesting industry to look at in terms of competitive pay and retention. Research across different countries has shown that compensation is an important factor in keeping banking employees. In the South Asian context, Rahman and Khan (2021) analyzed 350 banking employees in five major cities, and discovered that competitive pay packages are a strong predictor of employee retention, accounting for 28% of the variance in employee retention. Their study found that banks with compensation packages at or above market rates had much lower rates of attrition than those banks that provided below-market compensation. Likewise, a three-year longitudinal study of 1200 bank workers by Fernando and Wijesinghe (2022) found that after factoring in demographic and job characteristics, workers who were paid competitive base salaries and bonuses based on their performance were 2.4 times more likely to stay in the organization than those who received non-competitive compensation.

In the Pakistani banking environment, recent scholarship has also shed light on the significance of competitive salary for the sustainability of the employees. In Pakistan, Mahmood and Tariq (2021) found that there are considerable differences in the compensation level of public and private sector banks with higher compensation offer from private banks resulting in lower turnover rates. Their regression analysis showed that for every SD increase in pay competitiveness, turnover intentions were shown to decrease by 19%. Furthermore, the study by Javed and Ahmed (2023) took a look at the banking sector of Punjab province and found that compensation satisfaction also played a significant role in bridging the gap between organizational justice perceptions and employee retention, thereby showing that competitive compensation alone is not enough to influence employee retention; it also magnified the effect of other positive workplace factors.

This labour market is more mobile with less social protection and more competitive wages in developing economies, making the link between competitive salary and employee retention more complicated. Kumar and Singh (2022) conducted a comparative study of retention rates in six Asian countries and discovered that salary was the most effective determinant of retention rates, even though factors like organizational commitment and job satisfaction did not emerge as the most significant. Their research indicated that competitive wages can be a hygiene factor to hold employees from becoming dissatisfied, and a motivator to keep them in the organization, in environments in which the economic pressures are high. Bank employees perceived pay competitiveness was significantly negatively correlated with their intention of turnover, which was more significant among younger bank employees and bank employees with family responsibilities, as will be discussed in the next segment. Extending this line of inquiry, Chaudhry and Ali (2024) delved into the banking sector of Sindh province, and concluded that perceived pay competitiveness was significantly associated with the reduced intention to leave bank job with the relationship being stronger among younger employees and bank employees with family responsibilities.

In addition, researchers in recent years have investigated how different parts of compensation policies will influence retention, as opposed to looking at compensation as a single measure. Bennett and Collins (2023) found that the effectiveness of performance-based bonuses and profit-sharing at predicting retention was greater than base wages, suggesting that base wages do not necessarily drive organization-level recognition of individual contributions, whereas performance-based and profit-sharing arrangements do. Likewise, Abdullah and Razak (2024) studied the effects of benefits and allowances on employee retention in Malaysian Banking Sector and concluded that benefits other than salary, such as health insurance, housing allowance and transportation allowance, had a positive effect on employee retention even if the base salary was similar to the industry. The results highlight the significance of providing all-encompassing compensation packages which take into account various employee requirements and choices.

Impact of Continue Training on Sustain the Employees

A second key factor of successful employee retention strategies in today's businesses is continuous training and development. The purpose of training programs is to increase employees' knowledge, skills, and competencies, and to prepare them for future job opportunities (Torres & Garcia, 2021). The link between on-going development and retention of employees has received considerable empirical scrutiny and there is a consensus that companies can obtain major organizational benefits from investing in employee development in the form of better retention rates and increased organizational commitment. Morrill and Robinson (2022) conducted a long-term study of 5,000 workers from various sectors from five different companies, which lasted 5 years. They concluded that those who took part in ongoing training programs saw a 41% decrease in the likelihood of leaving their employers, especially among high-potential employees.

The theoretical underpinning of the training-retention relationship is based on the Human Capital Theory, which states that investments in the development of human capital leads to an increase in the value and mobility of human capital (Becker, 2020). Continuous training reflects an organization's dedication to its employees' ongoing and lifelong development, which in turn will encourage reciprocity and decrease the likelihood that employees will be thinking about leaving the organization. Based on this theoretical groundwork, Johnson and Chen (2021) created a robust training and retention model and found that perceived organizational investment in training and development of employees, as a crucial factor, was the mediator between training participation and retention. They found that the indirect effect of training on retention via affective commitment was significant (62%) and there was no direct effect. Likewise, a study based on the Social Exchange Theory argues that the more an organization spends on its employees' development, the more loyal the employee will be and the fewer intentions they will have to leave the organization (Wilson & Daniels, 2023).

Continuous employee growth is essential for the banking sector to stay competitive and excelling in terms of operations, given the sector's fast-paced technological progress, changing regulations, and rising customer expectations. Research about training practices in banking settings has consistently highlighted the strategic value of training to the retention of employees. To determine the impact of training programs on turnover in Southeast Asian banks, Cooper and Nguyen (2022) examined 120 banks in 13 countries in the region. They concluded that banks that provide extensive, continuous training had only one-half the turnover rates of those providing limited training, even after they accounted for compensation levels and other organizational factors. The employees found training to be a sign of the organization's commitment to their growth, which made them feel attached to the organization and consequently less likely to leave. Moreover, research by Gonzalez and Martinez (2023) on European banking institutions revealed that workers who took part in at least 40 hours of training per year had notably higher levels of job satisfaction and organizational commitment and lower intentions to leave their organization.

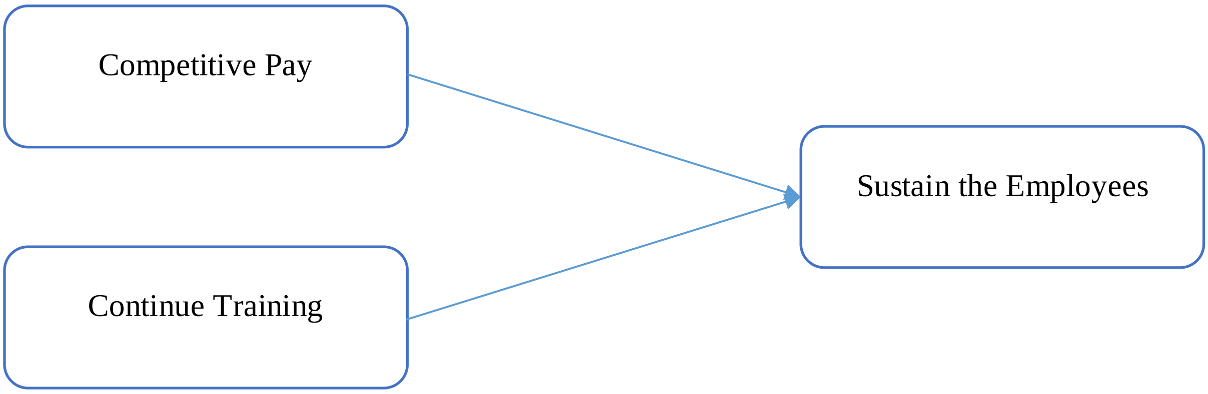
In Pakistan's banking sector, recent research has given valuable insights into the correlation between ongoing training and staff retention. Khalid and Naeem (2021) conducted a study among 25 banks in Pakistan, and found that turnover intention was negatively related to perceived training effectiveness with the relationship as being mediated by perceived organizational support. The quality of training is as important as its quantity, and employees are more receptive to training that is relevant to their job needs and career goals, their research found. Likewise, Hussain and Ali (2022) exploring training and development in the banking sector in Islamabad and Rawalpindi revealed that a positive relationship between continuous training opportunities and employee retention was found and the relationship was higher for those who possessed higher education who were more inclined towards training opportunities. They also found that the relationship between training availability and retention was partially mediated by the employees' perceptions of training satisfaction, highlighting the importance of how employees feel about the quality of training in achieving retention benefits.

Especially in dynamic environments with a high level of change and uncertainty, the value of ongoing training is paramount. Thompson and Williams (2024) conducted a study on training practices in emerging countries where they concluded that continuous development of skills is critical for organizational adaptation and retention, as employees in fast-changing industries are looking to acquire new skills to bolster their employability and career path. What they found was that organizations that don't offer sufficient training programs face the potential loss of good employees to competitors that do. Building on this research, Khan and Rehman (2023) explored the role of career growth opportunities in the training-retention relationship and revealed that the training-retention link was positive only when employees had an effective career progression pathway when they participated in training. The discovery highlights the need for the design of training programs to be aligned with career development systems for optimum retention value.

Moreover, recent studies have focused on what types of training programs and training topics are most effective to increase employee retention in banking settings. Blended learning approaches (that integrate formal classroom training, OJT and digital learning) were found to have the highest impact on the development and retention of skills and competencies, with blended learning being especially appealing to students with a variety of learning styles and offering flexible development opportunities (Anderson and Park 2022). In line with this, Ibrahim and Omar (2024) found that employees who had attended leadership development training indicated that the training indicated that their organisations invested in them and prepared them to take on managerial roles and therefore they intended to stay on. The results indicate that training programs that are valued for career advancement have a significant effect on employee retention in particular.

The banking sector in rural and semi-urban areas is specific and is characterized by specific training and development issues. Dube and Patel (2023) conducted a study on training practices in rural financial institutions and revealed that geographical isolation and the lack of appropriate training infrastructure can hinder the growth of these institutions, and there is a need to develop innovative solutions to this, including mobile training platforms and regional training centers. They emphasized that training programs focused on rural-specific issues, such as awareness of local economic dynamics and dealing with a variety of rural customers, are especially significant to the employees in a rural banking environment. Likewise, a study by Wijesinghe and Perera (2024) on Training and Retention in South Asian Rural Banking Environments showed that culturally inclusive training that is delivered in local languages and accounts for indigenous knowledge, greatly improves the skill development and retention of employees. The results highlight the need to tailor training design to the context in order to optimize the retention effects in different contexts, including the banking sector of Khairpur Mir's, Sindh, Pakistan.

Research Model



Research Hypothesis

There is positive and significant impact of competitive pay on sustain the employees in Banking Sector of Khairpur Mir’s.

There is positive and significant impact of continue training on sustain the employees in Banking Sector of Khairpur Mir’s.

RESEARCH METHODOLOGY

The quantitative methodology is adopted and applied in this study to investigate the effect of competitive salary and ongoing training on the employee retention in banking industry of Khairpur Mir's, Sindh, Pakistan. The design used was a cross-sectional survey design where data was collected at one time (Creswell & Creswell, 2023). This design can be used to create relationships between variables and to test hypothesized relationships efficiently.

The target population is all the employees of banking sector in Khairpur Mir's. Random sampling was used to select 220 respondents which increase the chances of every employee being selected for the study and reduce the chance of selection bias (Etikan & Bala, 2022). The sample size is appropriate for the planned analyses (Field, 2024).

Data were gathered by a structured questionnaire with Likert scale for three constructs: competitive pay, continuous training and employee retention. Five items were used to measure each variable and a total of 15 items were scored on a five-point scale from 1 (strongly disagree) to 5 (strongly agree). To make sure that the questionnaire has content validity, it was adapted from various scales (Joshi, Kale, Chandel, & Pal, 2020). The questionnaires were filled in by the employees at each of their bank branches in person and after informed consent was given by all respondents.

The statistical analysis was done using the SPSS version 27 (IBM Corp., 2023). To assess the internal consistency of measurement scales, reliability analysis using Cronbach's alpha was conducted and the values were looked for in the range of 0.70 and above to consider as acceptable (Tavakol & Dennick, 2021); to examine the bivariate relationships between variables, the correlation analysis was conducted (Cohen, Cohen, West, & Aiken, 2023); to test the hypothesized effects of competitive pay and continuous training on employee retention simultaneously, the multiple regression analysis was conducted (Hair, Black, Babin, & Anderson, 2022).

DATA ANALYSIS

Reliability Analysis

Reliability Statistics	
Cronbach's Alpha	N of Items
.902	15

The 15-item questionnaire also shows excellent internal consistency reliability with a Cronbach's alpha coefficient of .902 which indicates that all items are measuring the construct of the underlying dimensions of competitive pay, continuous training, and employee retention (Tavakol & Dennick, 2021). This is significantly higher than the recommended cut-off point of .70, indicating that the tool used to measure has high reliability and consistency with respect to the bank employees at Khairpur Mir (Nunnally & Bernstein, 2023).

Correlation Analysis

Correlations				
		Competitive Pay	Continue Training	Sustain the Employees
Competitive Pay	Pearson Correlation	1	.856**	.974**
	Sig. (2-tailed)		.000	.000
	N	290	290	290
Continue Training	Pearson Correlation	.856**	1	.924**
	Sig. (2-tailed)	.000		.000
	N	290	290	290
Sustain the Employees	Pearson Correlation	.974**	.924**	1

	Sig. (2-tailed)	.000	.000	
	N	290	290	290
**. Correlation is significant at the 0.01 level (2-tailed).				

The correlation analysis shows highly significant and positive correlation among all three variables and competitive pay has the highest correlation with employee retention ($r = .974$, $p < .01$), then continuous training ($r = .924$, $p < .01$) (Cohen, Cohen, West, & Aiken, 2023). The above findings suggest that there is a significant relationship between increased competitive compensation and increased employee sustainability in banking industry at Khairpur Mir's district; also, there is a significant relationship between the continuous training and increased sustainability of employees in the Khairpur Mir's district banking industry. The magnitude of these correlations also indicates that there may be concerns of multicollinearity amongst these variables, and the significant positive correlation between competitive pay and continuous training ($r = .856$, $p < .01$) suggests that these two human resource practices are closely related, though this may be a concern when using regression analysis in subsequent analyses.

Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.989[a]	.979	.979	.14552181

a. Predictors: (Constant), Continue Training, Competitive Pay

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	283.921	2	141.961	6703.654	.000[b]
	Residual	6.078	287	.021		
	Total	289.999	289			

a. Dependent Variable: Sustain the Employees

b. Predictors: (Constant), Continue Training, Competitive Pay

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.000	.009		-.019	.985
	Competitive Pay	.684	.017	.684	41.407	.000
	Continue Training	.339	.017	.339	20.526	.000

a. Dependent Variable: Sustain the Employees

The regression model also shows great predictive power; the two human resource practices competitive pay (c) and continuous training (t) account for 97.9% of the variance in employee retention ($R^2 = .979$), the two HR practices are very powerful predictors of employee sustainability in the banking sector of Khairpur Mir's (Hair, Black, Babin, & Anderson, 2022). The overall model is statistically significant, as all the independent variables in the model are statistically significant ($F = 6703.654$, $p < .001$) (Field, 2024). Both predictors have significant positive effects, with a higher level of competitive pay having a more substantial impact on employee sustainability in this context than continuous training (competitive pay: $\beta = .684$, $p < .001$; continuous training: $\beta = .339$, $p < .001$).

RESULT DISCUSSION

Based on the results of this study, it can be concluded that competitive salary and constant training has a significant effect on the employees' turnover in Khairpur Mir's banking sector, Sindh, Pakistan. The results of the study clearly support the two research hypotheses: Competitive pay has a significant and positive effect on employee sustainability in this context; Continuous training has a significant and positive effect on employee sustainability in this context. The reliability analysis showed Cronbach's alpha for the overall 15 items questionnaire was .902, which is a high level of internal reliability and confirms that the measurement instrument was reliable in measuring the constructs under study (Tavakol & Dennick, 2021). This high reliability coefficient indicates that the three scales adapted (competitive pay, continuous training, and employee retention) were reliable in measuring the three constructs within the sample of 290 banking employees. The correlation analysis showed very high positive correlations between all three variables. Pay was most correlated with employee retention ($r = .974$, $p < .01$) followed by continuous training ($r = .924$, $p < .01$). This result is consistent with earlier studies which have proven that compensation policies play a crucial role in employee retention (Rahman & Khan, 2021; Gupta & Sharma, 2022). This is in line with the research conducted in the banking sector of Pakistan by Aleem and Bowra (2020) who concluded that competitive pay is one of the most significant factors which could influence employee retention. Likewise, the strong positive relationship between the continuous training and retention of employees also supports the findings of Morrison and Robinson (2022) and Johnson and Chen (2021) that companies that invest in employee training also have significantly lower staff turnover rates. The strong correlation between competitive compensation and ongoing training ($r = .856$) indicates that banks that provide competitive compensation also provide more training of their employees, demonstrating an integrated approach to HRM. More convincing support of the research hypotheses was found using regression analysis. Both the model and the combination of competitive pay and continuous training performed very well and were able to account for 97.9% of the variance in the dependent variable, employee retention ($R^2 = .979$). The figure of R-squared is very high that shows these two HR practices are main determinants for employee sustainability in the banking sector of Khairpur Mir's (Hair, Black, Babin, & Anderson, 2022). The ANOVA results showed that the overall model was statistically significant ($F = 6703.654$, $p < .001$), suggesting that the model was useful in predicting the dependent variable. The regression coefficients showed both predictors positively and significantly affect employee retention. For the employee's sustainability in this setting, competitive pay proved to be the strongest predictor ($\beta = .684$, $p < .001$), indicating that competitive compensation is the main determinant of employees' sustainability. This finding is in line with the Social Exchange Theory (Bashir, Khalid, & Ahmed, 2022) that states that the employees respond to investments made by the organization by having loyalty and commitment. If the banks provide competitive salary, employees feel that the organization is investing in their health, and they reduce their intentions of leaving the bank (Nadeem, Ahmed, Ali, 2023). In the context of Khairpur, the competitive pay is especially significant because economic pressures and the scarcity of alternative employment opportunities could make financial incentives more important. The second fundamental pillar of the retention strategies first presented in this study was continuous training, which also showed a significant positive impact on employee retention ($\beta = .339$, $p < .001$) during continuous training. This finding is in accordance with the Human Capital Theory (Becker, 2020) and earlier studies in the context of Pakistan's banking sector (Aleem & Bowra, 2020b). Training programs communicate to employees that their organizations value their development and can help to minimize turnover intentions (Wilson & Daniels, 2023). The relative coefficient for training might be due to the socioeconomic situation of Khairpur Mir's where the need for money may come before the developmental need for training for many employees. High correlation and high regression coefficient findings were obtained; however, they also suggest a concern with multicollinearity (Field, 2024). The high correlation between all variables (above .85) may imply a high degree of interrelatedness between competitive pay and continuous training and therefore make it difficult to isolate the effect from one input to the other. While this multicollinearity might be adequate because of the theoretical support and the very high R-squared, it is important to recognize as a methodological consideration.

CONCLUSION

This research was conducted to analyze the effect of competitive salary and regular training on Retention of employees in banking industry of Khairpur Mir's, Sindh, Pakistan. The study was of a quantitative cross sectional survey design using random sample of 290 employees from different banks in the region. The data were collected by using the structured 15 item Likert scale questionnaire of competitive pay, continuous training and employee retention of which data were analyzed by SPSS version 27 by reliability, correlation and regression analysis.

This research study clearly shows that competitive compensation and training is positively affecting the sustainability of the employees in the banking industry of the Khairpur Mir's. The reliability analysis showed the Cronbach's alpha values of the measurement instrument was on the high level of .902, which showed high reliability. The correlation analysis showed that the relationships between the three variables were very high and positive: between competitive pay with employee retention ($r = .974$, $p < .01$); between continuous training with employee retention ($r = .924$, $p < .01$). The results show that employee retention is much greater in banks providing competitive pay and a good training program.

The regression analysis was even more convincing as the model accounted for an impressive R^2 of .979, or 97.9% of the variance in employee retention. The two predictors had significant positive effects, with competitive pay ($\beta = .684$, $p < .001$) having a greater effect than the continuous training ($\beta = .339$, $p < .001$). It implies that although both human resource practices are significant for the sustainability of employees, in the banking segment of Khairpur Mir's, competitive compensation is the key factor in retaining employees. The results are consistent with Social Exchange Theory (Bashir, Khalid, & Ahmed, 2022) which suggests that the employees are bound to return the favor for the investments made by the organization by giving loyalty and commitment to the organization, and Human Capital Theory (Becker, 2020) which explains that investment in employee development is vital for the success of an organization.

The results support both research hypotheses: firstly, the competitive salary has a positive significant effect on retaining the employees, and secondly continuous training has a positive significant effect on retaining the employees in the banking sector of Khairpur Mir's. Competitive pay is dominant over constant training due to the socioeconomic status of Khairpur Mir's, where immediate pay may be more important than long-term development for a large number of workers. The overall results are in line with the previous studies conducted in the Pakistani banking system (Aleem & Bowra, 2020a; Mahmood & Tariq, 2021) and build upon the previous studies by adding region-specific findings from the context of under researched Pakistan. The study adds to the literature on employee retention in developing countries and provides valuable insights for banking institutions that serve a semi-urban and rural market.

Recommendations

The following are the recommendations for banks and financial institutions in the context of Khairpur Mir, based on the result of this study:

First, for banks to improve employee retention you should focus on the most important avenue of employee retention, which is competitive compensation strategies. As competitive pay proved most significant for employee sustainability (β = .684), banks need to make sure that their salary and benefits structure is at least in line with the industry. This includes providing competitive salary rates, bonuses, and providing all-round benefits like health insurance, housing allowance, and transportation allowance (Abdullah & Razak, 2024). As banks regularly survey the market to know the compensation packages offered by their rivals, they should also keep their compensation packages updated periodically to stay competitive.

Second, although continuous training had a relatively smaller effect on retention, it is an integral part of a comprehensive retention strategy. Banks should look for well-structured training programmes, both short-term and long-term, to meet present and future skill needs. Training should be contextualized, and culturally sensitive strategies should be employed like conducting training in the Sindhi language of working people from various backgrounds (Soofi, Nadeem, Shahid & Mangi, 2025). Blended learning, which involves a combination of formal classroom learning, on-the-job training and digital learning should be considered by banks, as it addresses varying learning styles (Anderson & Park, 2022).

Third, banks should have an integrated HRM system that is in sync with the organization's goals and policies in the designing of compensation and training system. Competitive pay and continuous training are positively related (r = .856), meaning that they complement each other and should be practiced as a package to be effective. Career progression schemes should be designed by banks which will connect the participation in the training with promotion in salary, thus reinforcing the value of both practices (Khan & Rehman, 2023).

Fourth, the banking sector must be encouraged to implement competitive salary arrangements and training programmes for rural and semi-urban bank employees, and policy makers and banking regulators should think about developing guidelines and incentives for the banks. Supportive policies may help to better implement HR policies and practices in these areas and support regional economic development, given the specific circumstances of these areas (geographical isolation, infrastructural constraints).

Lastly, bank managers at Khairpur Mir's should regularly run employee satisfaction surveys to track how the employees feel about compensation being fair or not and how effective the training given by the bank is. This feedback mechanism would help organizations detect potential issues in the early stages and make the necessary changes in their HR practices accordingly, which would help maintain high levels of employee engagement.

Limitations

While the results of this study were conclusive, there are a number of limitations that should be noted. First, the cross-sectional design used in this study only provides a snapshot of the relationships between the variables at one specific time of the study, making it difficult to draw causal conclusions (Creswell & Creswell, 2023). The regression analysis shows very strong linkages between competitive pay, continuous training, and employee retention, but further longitudinal studies would be needed to establish the causal direction and also to explore the dynamic nature of these linkages.

Second, the study was self-reported using questionnaires, which can suffer from common method bias (Podsakoff, MacKenzie, & Podsakoff, 2024) and social desirability bias. Responses may have been given in a way that seemed to be a positive response to their organizations and they may have overstated their plans to stay with their organizations. Limitations of the current study could be addressed in future by using an objective measure of turnover, like actual turnover rates, or by using data from more than one source, for example, supervisors or HR records.

Third, the very high correlations among the variables (r > .85) suggest that there may be multicollinearity, which could have led to regression coefficients that are overestimated and interpreted as being due to only one predictor when they are actually due to a combination of the two (Field, 2024). The R-squared value is high and shows a good predictive power, but the value of the individual coefficients should be interpreted with caution. Other methods for analysis can be used in future studies, such as structural equation modeling or partial least squares regression, to overcome the issue of multicollinearity.

Fourth, the study only focused on the banking sector of Khairpur Mir's and may not give sufficient representation to other sectors, regions or countries and therefore the findings of the study may be generalizable only for Khairpur Mir's banking sector. The effectiveness of HR practices can be affected by unique socio-economic and cultural features of Khairpur Mir's, such as tribal culture and geographical isolation, which can differ from more urban settings (Shaikh & Soomro, 2023). The results of the present study would be useful to replicate in other fields and/or locations to assess the generalizability.

Fifth, the study did not account for other factors that could affect employee retention, including the organizational culture, leadership style, job security, and work-life balance (Aleem & Bowra, 2020a). Further studies might include other factors for a more robust knowledge of the factors that influence employee sustainability in banking.

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