

The Effect of Banking Organisational Culture on Employee Retention in Karnali Province of Nepal

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Abstract

Background: Employee retention is a critical organisational capability that enables institutions to sustain their workforce and minimise turnover. Central to this concept is creating strategies that cultivate a supportive, engaging environment where employees feel valued and motivated to remain with the organisation. In sectors like banking, which are marked by high dynamism and competitive pressures, Retention is integral to maintaining operational stability and achieving long-term success.

Purpose: This research investigates the impact of organisational culture on employee retention within Karnali Province's banking sector. It evaluates four cultural dimensions: reward and recognition, workplace environment, effective communication, and coworkers' behaviour to determine their role in influencing retention rates and identify strategies for mitigating turnover challenges.

Methods: The study employed a positive research paradigm and a causal-comparative design to explore relationships between organisational culture and employee retention. Data were collected using a structured questionnaire distributed to 325 banking sector employees in Karnali Province. Statistical analysis, conducted via SPSS software, applied quantitative exploratory techniques to evaluate correlations between retention outcomes and four cultural variables.

Findings: The analysis identified statistically significant positive relationships between employee retention and three cultural factors: reward and recognition systems, workplace environment, and effective communication practices. In contrast, coworkers' behaviour demonstrated a negligible impact on retention decisions.

Conclusion: Organisational culture is pivotal to retention strategies in Karnali's banking sector. Institutions should prioritise institutional structured recognition programs, optimising workplace environments, and enhancing transparent communication channels to reduce turnover. While coworker dynamics showed limited influence, reinforcing the other cultural pillars can foster employee loyalty and organisational resilience, positioning banks for sustained growth and competitiveness.

Keywords: Reward and recognition, Workplace environment, Effective communication, Coworkers' behaviour, and Employee Retention

JEL Codes: J28, J63, M12, M14, G21

Introduction

Humans are deeply influenced by the culture they grow up in, which becomes an inherent part of their daily lives and personal identity. In an organisational setting, culture forms the environment that enables employees to perform at their best while shaping every aspect of the organisation. It is evident in how tasks are carried out, goals are established, and resources are allocated to achieve them. However, culture can become a significant liability if misaligned with the organisation's mission, core values, and operational strategy. It is critical in shaping employee loyalty, commitment, work ethic, and willingness to take risks (Foley & Mirazon Lahr, 2011).

Organisational culture refers to the shared values, beliefs, norms, and practices that shape the behaviour and interaction of individuals within an organisation. It encompasses the organisation's expectations, experiences, philosophy, and values, expressed in how it conducts business, treats its employees and customers, and engages with its environment. In the words of Schein (2010), organisational culture is "a pattern of shared basic assumptions learned by a group as it solves its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems." Likewise, (Robbins & Judge, 2022) describe organisational culture as "a system of shared meaning held by members that distinguishes the organisation from other organisations," including values, beliefs, rituals, and symbols. Organisational culture is a compilation of behaviours, attitudes, and values that distinguish one organisation from another. It encompasses the lasting configurations of shared beliefs and norms within a society or department within the organisation (Tadesse Bogale & Debela, 2024). Organisational culture, often called corporate culture, establishes the foundation for employee conduct in the workplace. It is a critical factor in shaping an organisation's performance and productivity. A great corporate culture promotes employee happiness, loyalty, and a strong dedication to the firm. A resilient culture is instrumental in reducing organisational conflicts by fostering a shared understanding of issues and values among its members. It reinforces connections among team members, aligning their actions toward a shared objective. Eventually, organisational culture creates a comfortable and healthy working environment (Alkhodary, 2023).

The organisational culture is profoundly influenced by attitudes, norms, and beliefs, facilitating meaningful communication among employees. This culture functions as a crucial determinant, influencing the encouragement or discouragement of organisational behaviours. As a bridge between employees and the organisation, organisational culture substantially impacts productivity, performance, commitment, self-confidence, and Retention. Recognising employees as the bedrock of an organisation, the success or failure of organisations relies on the brilliance or excellence of their culture (Praveena A & Michael Fonceca, 2023). Culture is a fusion of values, sets, beliefs, communication patterns, and simplified behavioural norms that guide individuals. It encompasses shared and often implicit assumptions within a group, influencing how it perceives, thinks, and responds to diverse environments. Culture establishes the foundation for a collective mindset, shaping the perspectives and actions of its members (Ertosun & Adiguzel, 2018).

Reward and recognition, workplace environment, communication patterns, and leadership style are pivotal components of organisational culture, shaping how employees interact, perform, and align with the organisation's goals. Reward and recognition systems motivate employees by acknowledging their efforts and reinforcing positive behaviours. A supportive work environment fosters collaboration, well-being, and job satisfaction. Effective communication patterns promote transparency, trust, and a shared understanding of organisational objectives. The connection between reward and recognition and employee retention is vital for enhancing job satisfaction, motivation, and engagement. Recognition, whether verbal or formal, strengthens employees' sense of value and commitment, reducing turnover. Competitive rewards like salary increases and career advancement align with employees' goals, further encouraging Retention. Organisations can improve retention rates and reduce turnover by cultivating a

culture of recognition and offering attractive rewards (Mehta et al., 2014).

The workplace environment is critical to employee retention by influencing job satisfaction, morale, and overall engagement. A positive work environment, characterised by support, collaboration, and respect, fosters a sense of belonging and security, making employees more likely to stay with the organisation. Factors such as comfortable physical spaces, healthy workplace relationships, and a focus on employee well-being contribute to a positive environment, reducing stress and increasing job satisfaction. When employees feel valued and supported in their work environment, they are more committed to the organisation, leading to higher retention rates. Organisations prioritising a positive work environment create an atmosphere where employees are motivated to contribute and remain long-term (Mehta et al., 2014). Similarly, according to Jungert (2012), coworkers' behaviour is vital in enhancing employee retention. Employees perceived greater support for autonomy from coworkers than managers, while managerial support for competence was viewed as more significant. Support for independence was strongly associated with increased motivation, whereas support for competence was closely linked to self-efficacy. These findings highlight the importance of coworker and managerial support in fostering a positive work environment and improving employee outcomes.

Effective communication is essential for employee retention, trust, transparency, and engagement. Open communication, regular feedback, and clear expectations foster a sense of inclusion and alignment with organisational goals. When employees feel heard and valued, they are more likely to stay, leading to improved Retention. Organisations prioritising clear, consistent communication are better equipped to retain employees (Mehta et al., 2014). Organisational success hinges on attracting and retaining talented employees by fostering a supportive culture. Recognising employees as vital assets, organisations must prioritise recruiting skilled and capable individuals. To maintain a competitive edge, it is essential to develop and sustain a workforce characterised by exceptional talent and competence (Allen et al., 2010). Similarly, Retention refers to the process of preserving or maintaining employees, customers, or information within a particular system, organisation, or environment (Basnet, 2024). Employee retention is crucial for an organisation's long-term survival, growth, competitive advantage, and sustainability.

It entails adopting strategies and practices concerning recognition programs, flexible scheduling, career development, and open communication to address needs and foster loyalty that cultivates a positive work environment, address employee needs, and build loyalty to effectively reduce turnover rates (Yinusa & Ogoun, 2023). The long-term success of an organisation depends on retaining key employees who significantly impact customer satisfaction, organisational performance, and succession planning. As a priority, employee retention focuses on encouraging employees to stay with the organisation for extended periods or until project completion (Igbino, 2022). Employee retention is a complex challenge influenced by multiple factors, including strategic planning, compensation, benefits, organisational culture, and career development opportunities. Expanded employment options intensify the challenge in a globally connected and competitive job market. To enhance overall efficiency, organisations must prioritise and improve retention efforts (Mehta et al., 2014).

As a result, this research looks at the complex impact of essential components such as reward and recognition, work environment, communication patterns, and leadership style on employee retention. However, there needs to be a distinct gap in how these variables interact to impact employee retention in the Surkhet area. Since previous studies have examined the factors of organisational culture, such as reward and recognition (Ananthalingam et al., 2022; Tirta & Enrika, 2020), workplace environment (Yusliza et al., 2021; Hanai, 2021), effective communication (Karanja et al., 2021; Wijethunga & Amarathunga, 2018), and coworkers' behaviour (Kundu & Lata, 2017; Jungert, 2012), these constructs have not been fully explored within an integrated framework, particularly in a single study. Thus, this research examines the impact of reward and recognition, work environment, communication patterns, and leadership style on employee retention.

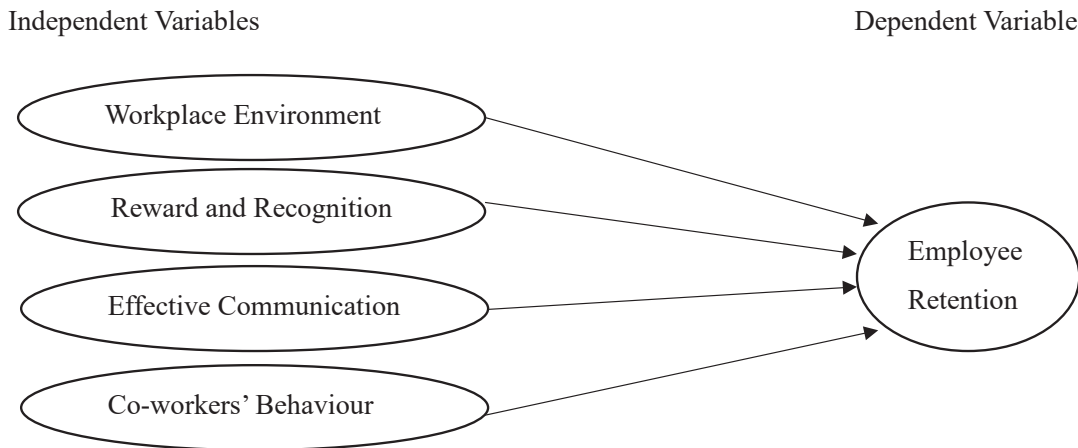
Literature Review

Empirical Review

In Social Behaviour as Exchange, George Homans (1958) applied economic principles to social interactions, emphasising rewards and costs in human relationships. Homans' social exchange theory posits that employees weigh rewards (trust, growth) against costs (stress) in organisational culture. Positive cultures maximise benefits, minimise costs, and boost Retention through perceived value and reciprocity. Blau (1986) expanded on these ideas in Exchange and Power in Social Life, introducing reciprocity, power dynamics, and social structures, establishing Blau expanded on these ideas in Exchange and Power in Social Life, introducing reciprocity, power dynamics, and social structures, establishing Social Exchange Theory as a key concept in sociology, psychology, and organisational behaviour. Blau's social exchange theory highlights reciprocity, power imbalances from unequal resource exchanges, and social structures. It distinguishes economic (material) and social (trust-based) interactions, linking organisational hierarchies and fairness to employee behaviour/Retention. Similarly, Emerson (1976) further emphasised the role of intimacy and reciprocity in social exchanges, while Pimpong (2023) built on this by highlighting how organisational support enhances employee confidence, motivation, satisfaction, commitment, and performance.

Grounded in these theoretical foundations, this study examines the role of organisational culture, which is shaped by rewards and recognition, workplace environment, communication, and coworkers' behaviour, in employee retention. The study aligns with social exchange theory by analysing these factors and offering insights into how organisational culture influences workforce stability.

Figure 1: Conceptual Framework



Reward and recognition, and Employee Retention

Alhmoud and Rjoub (2019) explored the impact of total rewards, including extrinsic, intrinsic, and social rewards, on employee retention within Islamic banks in Jordan, emphasising employees' perspectives. The findings reveal that extrinsic, intrinsic, and social rewards significantly promote employee retention. Similarly, Ananthalingam et al. (2022) examined the relationship between rewards (recognition, compensation, supervisor influence, and work-life balance) and employee retention. The four reward dimensions explained 80.1% of retention variance, with strong positive correlations for recognition and work-life balance, and moderate correlations for compensation and supervisor influence. Likewise, Tirta and Enrika (2020) investigated the impact of rewards and recognition and work-life balance on employee retention, with job satisfaction as a mediating factor. The findings reveal that rewards and recognition, work-life balance, and job satisfaction significantly and positively influence employee retention. Similarly, Terera and Ngirande (2014) examined the effect of rewards on job satisfaction and employee

retention among nurses. The findings indicated that while employee rewards contribute to employee retention, they do not enhance job satisfaction. The experts above confirmed that reward and recognition systems significantly impact the employee retention. Based on this evidence, the present researcher has hypothesized as follows:

HA1: Reward and recognition systems significantly influence employee retention.

Workplace environment and employee retention

Kundu and Lata (2017) explored the mediating role of organisational engagement in the relationship between a supportive work environment and employee retention. The results indicate that a supportive work environment significantly predicts employee retention. Similarly, Yusliza et al. (2021) investigated the association between the individual aspects of a supportive work environment, peer group interaction, perceived climate, perceived organisational support, supervisory relationships, and employee retention among Malaysian academic staff. The findings reveal that the individual dimensions of a supportive work environment significantly positively impact employee retention. Likewise, Hanai (2021) investigated the impact of the work environment on employee retention in Tanzanian banking institutions, focusing on the Dar es Salaam region. The findings revealed that the work environment significantly influenced employee retention. Furthermore, Yuliza et al. (2021) investigated the association between various elements of a supportive work environment, peer group interaction, perceived climate, perceived organisational support, and supervisory relationships, and employee retention among academic staff in Malaysia. The findings revealed a significant positive relationship between the individual dimensions of a supportive work environment and employee retention. The experts highlighted above have emphasised that the work environment significantly impacts employee retention. Drawing from this evidence, the researcher proposes the following hypothesis:

HA3: Workplace environment significantly influences employee retention.

Effective communication and employee retention

Nwagbara et al. (2013) emphasised that effective communication can foster communication satisfaction, leading to reduced employee turnover intention, as observed at First Bank of Nigeria between floor managers and their subordinates. Similarly, Wijethunga and Amarathunga (2018) revealed a strong positive relationship between effective communication and employee retention. Moreover, using a case study research design, Karanja et al. (2021) investigated the role of communication in employee retention and its effect on organisational performance during mergers in Kenya. The findings demonstrated a positive and statistically significant correlation between communication strategies and post-merger organisational performance. The experts mentioned above have established that effective communication significantly influences employee retention. Based on this evidence, the researcher proposes the following hypothesis:

HA2: Effective communication significantly influences employee retention.

Coworkers' behaviour and employee retention

Bakiev (2013) explored the influence of various forms of support, including supervisor support, coworker support, external social support, and the role of social networks, on employee retention within information technology organisations. The research findings highlighted that trust among coworkers played a significant role in fostering successful feedback mechanisms and shaping the behaviours of individuals within organisational settings. Similarly, Greenglass et al. (1997) defined coworker support as the assistance received from colleagues within an organisation, which can take the form of instrumental support involving practical help, informational support through the sharing of knowledge and guidance, and emotional support characterised by empathy, encouragement, and understanding. In another study, Cummins (1990) emphasised the importance of positive workplace relationships, highlighting that employees who maintain favourable interactions with their supervisors and coworkers are more likely to demonstrate higher productivity and effectiveness in their tasks. Additionally, such supportive relationships can significantly enhance employees' ability to manage and adapt to stressful

situations, as the mutual trust, communication, and collaboration fostered in these relationships create a more resilient and cooperative work environment. In addition, Jungert (2012) discovered a significant relationship between coworker support and employee self-efficacy. This finding indicates that the support, encouragement, and teamwork offered by colleagues can enhance employees' confidence in their ability to effectively accomplish tasks and attain goals. Similarly, Kundu and Lata (2017) state that coworker support fosters a sense of confidence and competence in individuals, reinforcing their capacity to handle challenges and excel in their roles within the organisation. The experts cited above have demonstrated that leadership style is critical to employee retention. Building on this evidence, the researcher formulates the following hypothesis:

HA4: Coworkers' behaviour significantly influences employee retention.

Research Methods

This study employed a causal-comparative research design to examine the influence of organisational culture on employee retention within the banking sector of Karnali Province. Structured questionnaires were distributed. This study utilised a quantitative methodology, administering structured questionnaires in two sections. The first section contains closed-ended and multiple-choice questions to gather demographic details. The second includes a 5-point Likert scale (1=Strongly Disagree to 5=Strongly Agree) to evaluate respondents' perceptions of core variables, such as employee retention or organisational culture. Data was gathered using a convenience sampling method. Descriptive approaches were used to examine the components that influence organisational culture and its effect on employee retention. 325 questionnaires were distributed to employees across various banks in the province. The selection of 325 questionnaires as the sample size in this study was guided by several well-founded considerations to ensure the reliability and robustness of the findings. Firstly, the sample size was determined based on the population of banking sector employees in Karnali Province, using the sampling guidelines to ensure adequate representativeness. Secondly, a sample of 325 was selected to provide sufficient statistical power for conducting correlation and regression analyses. This helps minimise the risk of errors and strengthens the overall validity of the results. Pearson's correlation analysis measured the strength and direction of linear relationships between organisational culture factors (reward and recognition, workplace environment, communication, coworkers' behaviour) and employee retention. Cronbach's Alpha was used to ensure data reliability. The study employed descriptive and inferential statistical methods to interpret and evaluate the data in alignment with its objectives. Additionally, multivariate regression analysis was conducted to explore the relationships between independent and dependent variables based on respondents' responses. Multivariate regression is well-suited for this study as it quantifies the combined effect of various organisational culture factors such as reward and recognition, work environment, communication, and coworkers' behaviour on employee retention within the banking sector of Karnali Province.

Reliability and Validity

Cronbach's Alpha was calculated to evaluate the internal consistency and reliability of the items, ensuring they effectively measured the same construct.

Table 1: Reliability Statistics

Variables	Items	Cronbach's Alpha
Reward and Recognition	6	0.856
Effective Communication	6	0.877
Workplace Environment	6	0.918
Coworkers' Behaviour	6	0.855
Employee Retention	6	0.909

Table 2 presents the computed Cronbach's alpha values for the five variables analysed in this study. The results show Cronbach's alpha values of 0.856 for reward and recognition, 0.877 for effective communication, 0.918 for workplace environment, and 0.855 for coworkers' behaviour. The Cronbach's alpha value for employee retention was 0.909. Interestingly, every calculated number was higher than the generally recognised cutoff point of 0.7, suggesting that the data gathered had high internal consistency. The threshold of 0.7 is widely recognised as a benchmark for Cronbach's Alpha and test reliability (Christmann & Van Aelst, 2006).

Data Analysis and Findings

Analysis of Demographic Responses:

The researchers applied descriptive statistics to evaluate the respondents' demographic data, including aspects such as age, gender, education, and job experience, while measuring the influence of the organisational culture on employee retention in Karnali province. The demographic data was presented and analysed using Table 2 for clarity and simplicity of comprehension.

Table 2: Summary of the Demographic Profile of the Respondents

Categories		Frequency	Per cent
Age	Up to 20	60	18.5
	21-30	157	48.3
	31-40	59	18.2
	Above 41	49	15.1
Gender	Male	233	71.7
	Female	92	28.3
Cast	Brahmin	113	34.8
	Chhetri	135	41.5
	Janajati	40	12.3
	Others	37	11.4
Educational Status	Upto + 2	107	32.9
	Bachelor	146	44.9
	Master	63	19.4
	Above master	9	2.8
	Total	325	100.0

Table 2 provides demographic insights into a sample of 325 individuals across various categories. In terms of age, the majority (48.3 per cent) are between 21-30 years old, followed by those aged up to 20 (18.5 per cent) and 31-40 (18.2 per cent), with 15.1 per cent being above 41 years. Gender-wise, males constitute a significant majority (71.7 per cent), while females comprise 28.3 per cent. Regarding caste, the largest group is Chhetri (41.5 per cent), followed by Brahmin (34.8 per cent), Janajati (12.3 per cent), and others (11.4 per cent). Educational attainment shows that most individuals have a bachelor's degree (44.9 per cent), followed by those with education up to +2 (32.9 per cent), a master's degree (19.4 per cent), and

above master's level (2.8 per cent). Overall, the data reflect a young, male-dominated sample with diverse caste representation and varying levels of educational attainment.

Inferential Statistics

The study employed Pearson's correlation and linear regression analyses to examine the relationships between rewards and recognition, workplace environment, effective communication, coworkers' behaviour, and employee retention. This methodological approach enabled the identification of key predictors and offered a detailed insight into how these factors, both independently and in combination, impact variations in employee retention. Consequently, the study contributes to a deeper understanding of the dynamics of employee retention within the banking sector of Karnali Province.

Table 3: Correlation Analysis of Independent and Dependent Variables

		RR	WE	EC	CB	ER
RR	Pearson Correlation	1				
	Sig. (2-tailed)					
WE	Pearson Correlation	.654**	1			
	Sig. (2-tailed)	0.000				
EC	Pearson Correlation	.671**	.672**	1		
	Sig. (2-tailed)	0.000	0.000			
CB	Pearson Correlation	.625**	.622**	.622**	1	
	Sig. (2-tailed)	0.000	0.000	0.000		
ER	Pearson Correlation	.749**	.708**	.743**	.596**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	

**. Correlation is significant at the 0.01 level (2-tailed).

Table 3 presents the Pearson's correlation analysis results between the key research variables. The analysis observed a statistically significant correlation between employee retention, reward and recognition, workplace environment, effective communication, and coworkers' behaviour. More specifically, the statistical significance of these correlations, all of which reach the 0.01 level (2-tailed), indicates a P-value less than 0.05. The findings suggest that improving one aspect—such as working conditions, effective communication, or rewards and recognition—can likely lead to increased employee retention. The robustness of these findings is further supported by their consistency across a sample size of 325 for each variable.

Table 4: Model Summary of Multivariate Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.834 ^a	0.695	0.691	0.32304

a. Predictors: (Constant), CB, WE, RR, EC

The regression analysis results in Table 3 indicate that reward and recognition, workplace environment, effective communication, and coworkers' behaviour collectively explain 69.1 per cent of the variance in employee retention, as reflected by the adjusted R² value of 0.691. This suggests that these factors significantly influence employee retention. However, the remaining 31 per cent of the variance may be

attributed to other variables not included in this study, which fall outside the scope of this research.

Table 5: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	71.465	4	17.866	171.207	.000 ^b
	Residual	31.306	300	0.104		
	Total	102.771	304			

a. Dependent Variable: ER

b. Predictors: (Constant), CB, WE, RR, EC

The ANOVA results in Table 5 show an F-test value of 171.207 with a p-value of 0.000, indicating a statistically significant linear relationship between organisational culture and employee retention in Karnali Province. This suggests that at least one of the independent variables significantly impacts employee retention. As a result, the alternative hypothesis is accepted, confirming that the fitted linear model is valid at the 5% significance level. The findings further emphasise that reward and recognition, workplace environment, effective communication, and coworkers' behaviour have a positive and statistically significant linear influence on employee retention.

Table 5: Results of Linear Regression Analysis

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.257	0.197		-1.304	0.193
	RR	0.403	0.054	0.361	7.529	0.000
	WE	0.285	0.057	0.241	5.033	0.000
	EC	0.344	0.051	0.330	6.782	0.000
	CB	0.020	0.057	0.016	0.347	0.729

a. Dependent Variable: ER

Table 6 presents the results of a multiple regression analysis, with reward and recognition, workplace environment, effective communication, and coworkers' behaviour as independent variables, and employee retention as the dependent variable. The analysis shows that reward and recognition statistically impact employee retention, as evidenced by a p-value of 0.000, which falls below the 5% significance level (0.05). A positive correlation was also identified between employee retention and effective reward and recognition practices. Moreover, the workplace environment substantially impacts employee retention, as indicated by a p-value of 0.000, highlighting a positive correlation between the two. Likewise, effective communication also significantly affects employee retention, with a p-value of 0.000, underscoring a strong positive relationship between effective communication and employee retention. However, coworkers' behaviour does not statistically impact employee retention, as its p-value of 0.729 exceeds the 0.05 threshold. This indicates that coworkers' behaviour has little to no influence on employee retention. The findings highlight the importance of reward and recognition, workplace environment, and effective

communication in fostering employee retention, while coworkers' behaviour is negligible.

Table 7: Summary of Hypothesis Testing

Hypothesis No.	Hypothesis Result	Accept or Reject Decision
H _{A1}	Reward and recognition significantly impact employee retention.	Accepted
H _{A2}	The workplace environment significantly impacts employee retention.	Accepted
H _{A3}	Effective communication significantly impacts employee retention.	Accepted
H _{A4}	Coworkers' behaviour significantly impacts employee retention.	Rejected

Discussion

The study tested four hypotheses concerning factors influencing employee retention. The first hypothesis (HA1) posited that "Reward and recognition significantly impact employee retention." The findings supported this claim, revealing a significant effect with a p-value of 0.000. These results are consistent with prior research by Alhmoud and Rjoub (2019), Ananthalingam et al. (2022), and Terera and Ngirande (2014). Similarly, the second hypothesis (HA2), which asserted that "Workplace environment significantly impacts employee retention," was also supported, as the workplace environment exhibited a significant influence with a p-value of 0.000. These outcomes align with the findings of Kundu and Lata (2017), Hanai (2021), and Yuliza et al. (2021). The results confirmed the third hypothesis (HA3), stating that "Effective communication significantly impacts employee retention," which indicated a significant effect with a p-value of 0.000. These findings corroborate the hypothesis and are supported by studies conducted by Nwagbara et al. (2013), Karanja et al. (2021), and Wijethunga and Amarathunga (2018). In contrast, the fourth hypothesis (HA4), which proposed that "Coworkers' behaviour does not significantly impact employee retention," was not supported, as the p-value of 0.729 suggested no significant relationship. This result contradicts the initial assumption and differs from earlier studies by Bakiev (2013), Greenglass et al. (1997), and Jungert (2012). In summary, the study underscores the significant influence of reward and recognition, workplace environment, and effective communication on employee retention, while coworkers' behaviour was found to have no significant impact.

Furthermore, the study emphasises the pivotal role of organisational culture, specifically rewards and recognition, workplace environment, and effective communication, in influencing employee retention within the banking sector of Karnali Province, except coworkers' behaviour, which was found to have no significant effect. These findings underscore the importance of these factors in enhancing workforce productivity and contribute to a deeper understanding of how organisational culture shapes employee behaviour, performance, and motivation across diverse settings. By pinpointing these key drivers, the study provides valuable insights for organisations aiming to foster a positive work environment and develop robust employee retention strategies.

Conclusion and Implications

In conclusion, the study offers compelling evidence that organisational culture encompassing rewards and recognition, workplace environment, and effective communication plays a significant role in influencing employee retention within the banking sector of Karnali Province. The positive correlations between these factors and employee retention support the study's hypotheses and align with existing research. However, the behaviour of coworkers was found to have no significant impact. These findings highlight the importance of organisational culture in boosting workforce productivity and achieving better organisational outcomes. They also provide valuable insights for organisations seeking to enhance

employee retention strategies and cultivate a positive workplace environment.

This study on the organisational culture's effect on employee retention in Karnali Province has several limitations. First, its geographical focus on Karnali's banking sector restricts generalizability to other regions or industries. Second, reliance on self-reported data risks response bias, as participants may overstate positive cultural perceptions. Third, the cross-sectional design limits causal inferences, as retention outcomes and cultural factors were measured simultaneously. Fourth, omitted variables such as economic conditions, leadership styles, or intrinsic motivators may influence Retention but were not accounted for. Finally, though statistically adequate, the sample may not fully represent the diversity of roles or hierarchical levels within banks, potentially skewing results.

This study highlights the importance of organisational culture in employee retention, offering key insights for researchers, managers, and policymakers. Future research should adopt longitudinal or mixed methods approaches, include diverse sectors and regions, and control for variables like leadership style and socio-economic conditions. Practitioners should strengthen cultural practices, leadership development, and feedback-driven HR strategies to align with employee expectations. Policymakers can support these efforts through equitable labour regulations and workforce development policies. The study advocates for culturally adaptive retention models tailored to Nepal's context, promoting sustainable, employee-centred organisational practices across the country's evolving economic landscape.

The findings of this study have significant implications for the banking sector in Karnali Province, highlighting the importance of organisational culture in enhancing employee retention. Banks can create a work culture that promotes employee satisfaction and loyalty by prioritising rewards and recognition, fostering a supportive workplace environment, and ensuring effective communication. The minimal impact of coworkers' behaviour suggests that organisational efforts should focus more on systemic cultural improvements rather than interpersonal dynamics. These insights provide actionable strategies for banks to reduce turnover, improve workforce stability, and achieve long-term organisational success. Implementing targeted initiatives, such as recognition programs, workplace enhancements, and transparent communication practices, can help banks retain talent, boost productivity, and maintain a competitive edge in the industry.

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