

Impact of Employee Perception of the Compensation System on Employee Job Retention: Study in a Selected Leading Bank in Sri Lanka

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This study is investigating the impact of employee perception of the compensation system on employee job retention of the selected leading bank in Sri Lanka. This study was carried out as a cross-sectional field study among a sample of 103 bank staff in the selected bank's head office. A simple random sampling technique was used to select the sample and primary data were collected using a standard questionnaire. Descriptive statistics, inferential statistics, regression, and correlation analysis were analyzed using Statistical Package for Social Sciences (SPSS). It was found that there is a significant impact of employee perception of the compensation system on employee job retention of the banking staff in the selected leading bank in Sri Lanka. Further, results show that financial and non-financial compensation has a positive and significant impact on the job retention of employees. Further, it is expected that these findings are very important in theoretically and practically for the relevant parties in the banking industry. Cross-validation of the findings of this study to be done in different industries and different cultures comparatively among a bigger sample in subsequent studies is recommended, which will add more insights to the substance of the present study.

Keywords: *Compensation System, Employee Job Retention, Financial Compensation, Non-Financial Compensation*

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