Abstract

In India, there is an acute shortage of banking and insurance talent in the marketplace as there is no formal banking and insurance education. Therefore, it becomes essential to retain the existing talent. Before an organization thinks about retaining employees it is essential to have in place a strategy that attracts the right people. Thus, effective recruitment is the first step to retain staff.

This study aims to present findings of study of recruitment strategy adopted by the banks and insurance companies in India and retention of employees in the same organizations. Specifically, the objective of this study is to find the relationship between elements of recruitment strategy and categories of employees retained. Based on previous literature and in-depth interviews with HR and recruitment heads of banks and insurance companies, a survey was designed and distributed to banks and insurance professionals across India.

The results of this study are supportive of the existence of significant relationships between the set of independent variables and employee retention. It is evident from this study that recruitment strategy variables individually show significant correlation with post-hire outcomes of retention like commitment, burnout, and turnover intent.

The companies should pay attention not only to evaluating formal qualifications, job relevant technical ability, etc., but also share right information at right time, give positive recruitment experience, fair interview structure, and execute realistic applicant attractors.

Providing a realistic picture of the role and work profile, potential future career opportunities, working conditions, brief information about co-workers, and level of responsibility in the organization as well as training and
development opportunities, will help employees make fully informed choices and develop commitment as also minimize attrition among them.

The study reveals that creating personable, competent recruitment process with clear pre-visit information will help organization to influence commitment of employees, their feeling of burnout, and intention to leave the organization.

Similarly, structured interviews that consider topics discussed during interview, information possessed by the interviewer, interviewer’s willingness to listen to the interviewees, his/her ability to control interview, knowledge of the content of the application form, and giving opportunity to applicant for an effective self-presentation plays an important role in influencing commitment of employees.

When applicant attractors are extensively used by the organization in recruiting employees and later fulfilled those factors, it helps organization to influence employee commitment in a positive manner. But, if the same is not fulfilled it leads to intention of turnover among employees.

This study has important implications for both practitioners and future researchers. Future researchers can replicate the study to develop recruitment and retention model. Practitioners can improve their recruitment strategy considering its retention effects.

**Keywords:** Recruitment strategy, employee retention, organizational commitment, turnover intent, burnout