

A Study on the Role of Compensation, Career Growth, and Work-Life Balance in Employee Retention at Bharat Sanchar Nigam Limited

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Abstract— The retention of employees has become one of the key organizational issues in the modern business environment, especially in state-owned businesses that are growingly under pressure by other players in the market. This research paper examines how compensation, career progression, and work-life balance can affect employees at Bharat Sanchar Nigam Limited (BSNL). The study uses a qualitative methodology which is founded on secondary research materials in terms of scholarly publications, sector reports and organizational best practices. This is based on well known theories of motivational and organizational behavior such as Equity Theory, the Two-Factor Theory of Herzberg and Social Exchange Theory in learning how the two variables will influence employee attitudes and retention decisions. The results suggest that although BSNL has good work-life balance and job security, the constraint on the competitiveness of compensation and career advancement opportunities can negatively affect the long-term commitment of employees. The research points out how strategic human resource approach incorporating financial, developmental, and psychological elements is necessary so as to increase retention in the government sector bodies.

Keywords: Employee Retention, Compensation, Career Development, Worklife Balance, Public Sector Organizations, BSNL, Organisational commitment, job satisfaction, Human resource management.

I. INTRODUCTION

Human capital has now become a determining factor on organizational success and sustainability in the fast changing and highly competitive telecommunications industry. The concept of employee retention as the capacity of an organization to hold on to its staff in the long run has now become a central strategic issue especially in a world where talent, in terms of talent and skill is not only scarce but also mobile. Organized hierarchies and traditional level of job security that characterizes public sector

organizations are being put to the test as they struggle to retain employees in a becoming more dynamic and remuneratively-competitive example of the private enterprise.

Bharat Sanchar Nigam Limited (BSNL) is a government-owned telecommunications service provider in India, which has a unique context of studying employee retention. Traditionally, BSNL has had the reputation of being stable, secure in terms of its jobs and has somewhat of a leveled working environment. The opening up of the telecom industry and entry of new players into the industry, however, have caused major changes to the employee expectations and organization dynamics. Today, employees do not just want to be compensated monetarily but they want to have the chance to develop and gain experience professionally, have the chance of acknowledgment and an effective mix of work and personal life.

The current research aims to examine the interaction of three key variables including compensation, career development, and work-life balance to affect retention of employees in BSNL. The factors are well-founded on well-established theories of motivation and organizational behavior. As an example, the Equity Theory indicates that employees would evaluate reasonable pay in terms of proportionality between their input and extrinsic standards, directly affecting the motivation to remain within the firm. In like fashion, the Two-Factor Theory formulated by Herzberg separates hygienic (salary, job security) and motivator (advancement, personal growth) factors on the assumption that both play a vital role in ensuring the engagement of an employee. Moreover, the notion of work-life balance complies with the current thinking about employee welfare and exhibits the increasing value of psychological and social needs at work.

Placing the analysis in these theoretical frameworks, the study is going to offer a holistic understanding of employee retention at BSNL. It also aims to add to the overall discussion on human resource administration within the context of government sector organisations, where a legacy of practices needs to change to suit the demands of a contemporary labour force.

II. LITERATURE REVIEW

The challenge of employee retention has long been studied in the books of organizational and human resource management, and researchers have stressed the complexity of issues that can lead an employee to stick with an organization. Out of these, compensation, career development, and work life balance have always been major determining factors withholding strong theoretical backgrounds on this.

Compensation has been known to be one of the basic factors that affect employee behavior as well as organizational commitment. The Equity Theory, suggested by Adams, is an employee evaluation of working compensation based on the input-output ratio between the employees in and out of the organization. When there is a feeling of inequity, especially under-reward it will create a lack of feeling of satisfaction and withdrawal behaviors may occur such as turnover. In the case of organizations in the public sector such as BSNL where compensation systems tend to have a standardized and less adaptable compensation, inequity is more evident when compared to the organizations in the private sphere which present a greater monetary reward. This mismatch may undermine the commitment of an organization even in the light of job security.

The Two-Factor Theory by Herzberg adds further insight into the concept of compensation and classifies it as a hygiene factor. Although enough remuneration may not always inspire employees to work harder, lack of this remuneration may result in dissatisfaction. It means that even without a direct boost in motivation, fair and competitive compensation should be a minimum in order to retain employees in the organization.

Another important dimension which has great effect on employee retention, especially on knowledge-based industries is career growth. Self-Determination Theory that underlines the relevance of competence,

autonomy, and relatedness of enhancing intrinsic motivation is closely connected with the concept of career development. The chances of employees sticking to an organization are high when they have a feeling that they can improve their skills, grow in their job position and advance their careers. Conversely, lack of growth and stagnation may lead to reduced involvement and turnover intentions. This is especially in hierarchical organizations within the public sector, in which there might be limited career mobility due to their strict structures and promotions based on seniority.

The concepts of work-life balance have been getting more and more attention over the past few years, with organizations appreciating the value of the well-being of their employees in being able to maintain their productivity and retention. The work-life balance has theoretical background to the Role Theory, according to which one is in lots of roles both in personal and professional life. It is a conflict where the needs of a particular role come into conflict with the needs of another causing stress and discontent. Organisations that enable a balance between work and family life assistance in reducing the role conflict In turn advance employee satisfaction and loyalty.

Also, the Social Exchange Theory offers an integrated approach to the comprehension of the overall impact of those factors on retention. This theory states that employee-organization relationship is founded on mutual exchanges. Employees who feel that the organization appreciates their efforts and promotes their well-being by paying their fair rates, offering them growth opportunities as well as work-life balance are more likely to pay back loyalty and be committed to the organization long-term.

These theoretical points of view are always proved by empirical research in different spheres and it was proved that retention of employees is conditioned not by one but by the interaction of economic, psychological and social variables. When overlaid with relatively poor compensation and career advancement opportunities, the presence of a high work-life balance and job security in the case of BSNL is rather complex and deserves more in-depth analysis.

III. RESEARCH METHODOLOGY

Research methodology gives a scientific reference

under which the research is carried out in a systematic and logical way. It aids in formulating the relationship between the variables and makes the findings reliable and valid. The methodology in the case of Bharat Sanchar Nigam Limited is designed in such a way that it will study the effects of compensation, career development and work-life balance on retention of employees.

3.1 Research Design

The type of research design embraced in the study is descriptive. Descriptive research aims at the description of the nature of a specific phenomenon and studying the relationships among variables without controlling them. This study is suitable because the aim is to comprehend the impact of various human resource issues on employee retention in an actual organizational environment.

Theoretically, a descriptive research matches the theoretical studies of the organization behavior in which variables like job satisfaction, motivation, and retention are not manipulable but they will be perceived. It enables the researcher to comprehend employee perceptions in terms of theories such as two factor theory developed by Herzberg, which is Social Exchange Theory, which provide insights on the effects of working conditions in employee commitment.

Key Points:

The nature of the research: Descriptive research.

Type: Non-experimental and observational.

Purpose: To examine correlations between Hr factors and staff retention.

3.2 Data Type

The research is founded on secondary data, the definition being the data that will already be gathered and released by other scholars or institutions. This consists of scholarly articles, research publications, company documents and employee appraisal sites.

Research theory justifies the use of secondary data because it allows the researcher to supplement the existing knowledge and find similar trends in all the studies. It comes in handy especially in conceptual

and exploratory work where one is interested in putting theory into play with what is observable in the world.

Nonetheless, secondary data can be not specific and real-time accurate which is also a drawback.

Key Points:

Type of data: Secondary data.

References: Journal articles, reports, websites, employee reviews.

Benefit: Theoretically and cost-effective.

Limitations: Inability to be validated primary.

3.3 Hypothesis

A hypothesis is a provisional statement and defines a relationship between variables and is subject to testing in a research. The hypotheses of this research are made through the theoretical developed hypotheses like Equity Theory (compensation), Self-Determination Theory (career growth), and Role Theory (work-life balance).

Hypotheses:

Null Hypothesis (H₀):

The compensation, career growth, work-life balance, and employee retention of Bharat Sanchar Nigam Limited do not have any meaningful correlation.

Alternative Hypothesis (H₁):

Compensation, career development, work-life balance and employee retention of Bharat Sanchar Nigam Limited are linked significantly.

These assumptions serve to inform the analysis and to decide whether the variables chosen would have is significant influence on retention.

3.4 Analysis Tools.

In the study, the analysis mainly relies on the qualitative tools because it is based on secondary data. Patterns, themes, and insights of the literature and employee responses are analyzed using content analysis in order to interpret them.

Theoretically, qualitative instruments can be applied in research based on organizational behavior, where the perception, attitude and experience need to be identified. They are also conceptually analyzed to make links between empirical observations and existing theories.

Key Points:

Content analysis

Relative comparison (public vs private sector)

Theoretical framework analysis

Interpretation-based approach

3.5 Study limitations.

Any research study has some limitations which can influence the extent of coverage and applicability of its results. The major limitation of this instance is based on the use of secondary data since the current employee perceptions may not be reflected fully.

The lack of primary data does not allow a statistical testing and restricts the possibility of empirical confirmation of hypotheses. Also, the results unique to BSNL might not be applicable to other organizations because of the disparity in the structure, culture, and dynamics of the industry.

Theoretically, these restrictions are typical of descriptive and secondary-data-based research, in which the interest lies more in conceptual explanation, than in experimental validation.

IV. COMPANY PROFILE

BSNL (Bharat Sanchar Nigam Limited) is one of the 12 public sector telecommunications company in India, which was formed with the aim of supplying affordable and reliable telecommunications services to the nation. It was established on 1 st October 2000 after the corporatization of the Department of Telecom Services (DTS) and Department of Telecom Operations (DTO) of Government of India. BSNL is guided by and managed by the Ministry of Communications and has been very active in widening telecommunication facilities especially in rural and remote locations.

BSNL has a diverse product line, which includes

fixed line telephony, mobile services, broadband services and internet services, enterprise solutions. It has over the years played a pivotal role in closing the digital divide by making the area where the individual telecom operators may not have a presence connected. The organization boasts of a large network infrastructure and one of the biggest customer base in the public sector telecommunication industry.

Organization wise, BSNL has a hierarchical structure typical of the public sector enterprises, with well positioned roles, responsibilities and reporting structures. The employees are both technical and non-technical, which is a combination of engineers, administrative staff, and support employees. The firm has earned a reputation of offering job security, organized work schedules, and benefits to the employees that are in line with government standards.

BSNL focuses on long-term employment and stability in terms of management of human resource. It provides several advantages in the form of pensions, medical facilities and leave policies, which helps in achieving a good work-life balance. Nevertheless, in recent years, the organization has gone through difficulties as a result of growing competition by private telecom companies, improved technology, and lack of financial funds. These have affected other areas like competitiveness in the compensation as well as prospects to the employees in terms of career growth.

Nevertheless, BSNL is still an essential entity in the telecommunications industry in India especially in rural connectivity and providing services to the population. Its adherence to social programs, as well as its wide infrastructure, renders it a special study in worker retention within a government setting. The comparative demands of the conventional employment benefits alongside new demands of the workforce is a viable model on which to examine the role of compensation, career development, and work-life balance as driver of employee retention in the organization.

V. CONCEPTUAL FRAMEWORK

With the aim of explaining the relationship between key independent variables, which include compensation, career growth, and work-life balance,

and the dependent variable, which is employee retention in Bharat Sanchar Nigam Limited, the conceptual framework of the current study is developed. The framework is based on the existing theories of organizational behavior and motivation, which can offer a theoretical framework of how and why these factors play out to drive employees to stay in an organization.

The central assumption of this paradigm is that employee retention is not dictated by one factor but rather a conglomeration of economic, psychological and social factors. The economic dimension is compensation, the developmental and motivation one is career growth and the psychological and social well-being is the work-life balance. All these dimensions are interrelated and have a collective influence on employee satisfaction, organizational commitment and finally retention.

The rationales of the framework have mostly been founded on the Equity Theory, Two-Factor Theory by Herzberg, and the Social Exchange Theory. Equity Theory: according to Equity theory, employees measure the justness of their remuneration, assessing the relationship between their contributions (effort, skills, experience) and the results (salary, benefits) they get. The feeling of inequity among employees breeds dissatisfaction and the chances of a turnover. Such perceptions can have a huge implication on the retention in the context of BSNL where compensation is not necessarily competitive with the firms in the private sector.

Two-Factor Theory Herzberg divides factors at the workplace into hygiene factors and motivators. Hygiene factors are compensation and job security that eliminate dissatisfaction but do not always lead to increased motivation. Career growth opportunities, on the other hand, serve as an incentive and add to increased job satisfaction and engagement. In case the conditions are good but there is no chance of growth, stagnation can occur.

Role Theory helps in creating a balance between work and life because it highlights that people have various roles in life which include being a professional or personal individual. Incompatibility of these roles may cause stress and diminish job satisfaction. Companies promoting work-life balance reduce the impact of such conflicts, thus enhancing the well being and retention of employees. Some of

the advantages of having a work schedule are seen in that BSNL as a public sector organization is usually viewed positively in this regard since the job stress is also relatively less.

Also, Social Exchange Theory assimilates all these variables because it implies that relationship between the organization and the employees is founded on the mutual exchanges. Once the employees have a feeling that they can be rewarded fairly, offered growth opportunities, and helped in their well-being, it is more likely that they will also reward the organization with loyalty, devotion and long term relationship.

The conceptual framework therefore hypothesizes that the three factors of compensation, career development, and work-life balance directly and positively affect employee retention, either singly or as a composite. Their effectiveness may however differ depending on the expectation of their employees, organizational policy, and conditions in the external labour market.

VI. DATA RESULTS AND ANALYSIS

The current research employs the use of secondary data to infer the impact of compensation, career development, and balance of the work and the life to retain employees using a systematic methodology to analyze data. In order to give a better meaning of the relative weight of these factors, a conceptual distribution has been established on the basis of summarized knowledge of the literature and the trends of employee perception.

6.1 Distribution of Key Factors Affecting Employee Retention

Factor	Percentage (%)	Interpretation Weight
Compensation	30%	Moderate Influence
Career Growth	25%	Significant Influence
Work-Life Balance	45%	Strong Influence
Total	100%	—

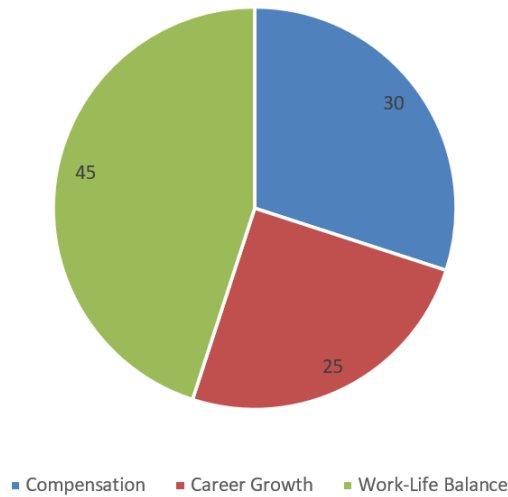


Fig 6.1 Distribution of

Key Factors Affecting Employee Retention

6.2 Pie Chart (Conceptual Analysis) Interpretation.

The above distribution means that work-life balance (45%) has the highest to affect the retention of employees, followed by compensation (30%), and career growth (25%). This implies that employees, especially in government bodies, will lay more emphasis on security and self welfare than on the monetary or promotional aspects.

Theoretically, this result is extremely close to the Role Theory, which adds great attention to a combination of various roles in life. It is stated that employees at BSNL seem to appreciate the lower level of role conflict and stress leading to increased job satisfaction and promotes a long-term organizational affiliation.

The contribution of compensation is relatively as high (30), which is in favor of the Equity Theory, which argues that employees constantly assess the fairness in rewards. Compensation is not the overriding factor; nevertheless, it is also a key factor in retaining satisfaction. When employees themselves feel that there is disproportion between the work they do and the resultant rewards, particularly when they compare with the standards in the private sector, it can cause dissatisfaction and undermine retention.

Career growth with a score of 25 is demonstrative of Herzberg Two-Factor Theory and Self-Determination Theory. Although growth opportunities play an intrinsic role, their lower weight indicates that employees in BSNL might be

willing to experience slower career growth with job security and work-life balance. But in the long run, the absence of upgrading can become stagnation and decrease motivation and turnover intentions of ambitious staff.

6.3 Integrated Theoretical Analysis

These factors used in concert can be well explained using the Social Exchange Theory because it offers a holistic approach towards employee-employer relationship. This theory affirms that employees develop a mutual relation with the organization. Employees are rewarded with loyalty and retention when BSNL has been offering them other benefits like job security and a work-life balance.

Nevertheless, the lack of balance in the relatively weak compensation and low career advancement can through time interfere with this exchange. The psychological contract between the organization and the employee can break because, although employees may stay because of stability, lack of satisfaction of their expectations, in terms of financial and professional growth, the employee might still stay.

6.4 Key Results

Analysis shows that:

The most effective factor, which leads to staff retention, is work-life balance.

Pay is not a significant but a dominant factor.

The contribution of career growth is more of low importance but essential to long-term motivation.

BSNL retention of employees is stability, as opposed to growth, based.

VII. DISCUSSION

The study findings present valuable clues of the factors influencing employee retention in Bharat Sanchar Nigam Limited and present a trend that coincides with, and also differs with the existing literature. The results of the analysis show that work-life balance turns out to be the most important factor in retention of employees, next comes compensation and career development. The specifics of this trend are associated with the peculiarities of the system of governmental organizations, under which stable conditions and organized work environment are often more crucial than faster financial and professional growth.

These results agree with the theoretical bases of Role Theory: people strive to decrease the conflict between work and personal roles. The fact that work-life balance is prominent in BSNL echoes the thesis that workers do appreciate less stress and predictable work schedules are part of overall well-being, as well as long-term organizational project. This is in line with a number of empirical research studies that have indicated that work life balance is currently becoming a leading employers retention activity especially where job security is already established.

Simultaneously, there is also the role of compensation which, though not prevailing, is still significant. This observation corresponds to the Equity Theory where a person assumes that an employee constantly appraises the justice of their compensation against their contributions and external standards. This association of moderate effect of compensation implies that though BSNL assures of stability, employees can still find that there is a disparity between their income and the rate given by the privately-owned telecommunication companies. These perceptions may translate to dissatisfaction, although they may not necessarily cause an immediate turnover.

The comparatively lesser impact of career development prospects brings out a decisive strain in the organization. The Two-Factor Theory of Herzberg states that advancement and recognition are factors that contribute to job satisfaction. The results indicate that whereas the employees can accept the limited career development opportunities initially in order to attain job security and work-life balance, lack of career development can lead to decreased motivation over time. This is evidenced by the literature available that has underscored the fact that stagnation in employee development is one of the main elements that bring about lack of engagement and consequential turnover of the employees.

VIII. FINDINGS

The research indicates that non-financial factors, especially the balance between work and life, is the key determinant of employee retention in BSNL and it is the dominant factor in determining the employee satisfaction and commitment. Compensation though a critical component serves to be rather as a benchmark that promotes fairness as opposed to a powerful motivator. The increase in career

development, although crucial in long-term involvement, seems to be slightly less significant in short-term retention in the organization.

An important finding of the research is that stability-based preferences have a greater impact on retention of employees at BSNL than growth-oriented ambitions. Employees prefer job security and a good life over increased wages and an accelerated career progression. Nonetheless, such preference can differ depending on different groups of employees, and younger ones can be more focused on growth and monetary incentives.

The paper also brings out the fact that the interplay among these factors is paramount. Work-life balance improves retention by promoting well-being, compensation ensures satisfaction by perceived fairness, and career development moderates long-term motivation. Weakness or lack of any of them may derail the entire retention structure.

IX. CONCLUSION

The research has indicated that a synergistic effect on employee retention in Bharat Sanchar Nigam Limited is caused by the presence of compensation, career progression, and work-life balance, but work-life balance turned out to be the most influential one. The results prove the alternative hypothesis (H 1), which states that they have a strong correlation with these variables and employee retention.

Theoretically, the findings confirm the relevance of various organizational behavior theories. Equity Theory describes how compensation can help to keep fairness, Two-Factor Theory by Herzberg focuses on professional development as the driving factor, and Role Theory emphasize how work-life balance helps to avoid stress and improve satisfaction. Social Exchange Theory provides a combination of these dimensions through the expression of reciprocity between employees and the organization in loyalty and commitment.

In general, the analysis indicates that even though BSNL is capable of retaining its employees through its stable and employee-friendly working environment, it needs to work on compensation and career development lapses to ensure the long-term engagement of its staff in a competitive nature.

X. RECOMMENDATIONS

Based on the revelation of the findings, it is crystal clear that BSNL should employ more balanced and strategic human resource management approach. Although the organization has effectively developed a conducive work atmosphere supporting work-life balance, other areas of the employee experience have to be reinforced.

The remuneration systems also need improvement, which can be achieved by increasing their alignment with industry levels, to ensure an illusion of fairness and elevating job satisfaction. This is not necessarily a full equality with those in the private sector but it may include performance based incentives and performance recognition plans that appreciate employee efforts.

On the same note, the organization must concentrate on building better and flexible career developmental opportunities. Implementing training programs, competencies development, and open promotion policies would not only improve competence of the employees but also motivate and engage the employees. Theoretically, this would reinforce the sense of intrinsic motivation according to the Self-Determination Theory.

Simultaneously, BSNL must also maintain its competitive edge when it comes to work-life balance since it is a major strength of the company. This aspect can be further improved by integration of flexible working and employee programmes, which can result in long retention.

XI. FUTURE SCOPE

The current research is small scale as it uses secondary data and considers only one public sector organization. Future studies can build on this study by employing primary method of data gathering like surveying and interviewing to get more information on workers perception and experiences.

Additional research can also conduct comparative studies between public and private sector organisations to familiarize their retention factors vary with the environment. Further studies should also include the role of new elements like organizational culture, leadership style, and digital transformation in determining employee retention in the future.

Theoretically, to gain a deeper insight into the issue of retention, the incorporation of more sophisticated models, including the psychological contract theory and employee engagement models, could be used. Longitudinal studies can also be performed to determine the change in employee preferences and organizational practice within a given duration of time, especially when there is a change in economic and technological factors.

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