CHAPTER 2
REVIEW OF LITERATURE

2.0: **Employee Retention:**

According to Oxford English dictionary the word retain means "keep in one's service, secure the services of a person or absorb and hold". So, holding of employees is another meaning of retention of employees. So employee retention can be stated as the processes in which employees are encouraged or motivated to stay with the organization for the maximum period of time or until the completion of the project. Employee retention can also be defined as the policies and practices organisations use to avoid precious employees from quitting their jobs. Again cheering employees to remain in the organization for a long period of time can be termed as employee retention. There are lots of views of employee retention given by various previous researchers. Some of them are as follows:

[1] Cited in Sapovadia Dr. Vrajlal and Ms. Sweta Patel(2013), Schneider (1987) described employee retention is "*nothing but best organisational practices followed by the employer which aimed to retain the brilliant workgroup who are highly experienced and difficult to replace, not available easily in the employment market"*.

[2] Ben-Bakr *et al., (*1994) said that to avoid the business instability, it is always a challenge for organisations to keep their talented employees.

[3] As cited in Das Bidisha Lahkar and Barua Dr Mukulesh (2013), Maertz & Campion (1998) has defined employee retention as "*relatively less turnover research has focused specifically on how an employee decides to remain with*

an organization and what determines this attachment…retention processes should be studied along with quitting processes".

[4] According to Johnson (2000), Retention can be defined as "the ability to hold onto those employees you want to keep, for longer than your competitors" (cited in Madiha *et al.*, 2009).

[5] Denton (2000) has put forwarded the view about employee retention that employees who are content and satisfied with their jobs are more devoted towards their job and always put their effort to progress their organizational customer's satisfaction.

[6] Stauss *et al.*, (2001) has defined retention as customer liking, identification, commitment, trust, readiness to recommend, and repurchase intentions, with the first four being emotional-cognitive retention constructs, and the last two being behavioural 12 intentions.

[7] Cutler (2001) has stated that a main demand on management in any organisation is keeping motivated and dedicated human resources. It is because keeping the employees in the organisation rather than hiring is more important for success of the organisation.

[8] Walker (2001) put forwarded the view that controlling and retaining talented employees' is a vital basic mean of achieving competitive advantage among the organizations (Cited in Amadasu, D.E. (2003).

[9] Panoch, (2001) said that as good quality employees are increasingly becoming more complicated to find so organizations today take great care in retaining its valuable employees and good employees.

[10] Steel, Griffeth, & Hom (2002) put forwarded the view regarding employee retention that the reasons people stay are not always the same as the reasons people leave.

[11] Greenberg and Baron (2003) added that "*...Naturally, as working people, we all want to be satisfied with our jobs. Not only does satisfaction keep us from withdrawing from our jobs, but it is also makes them more pleasant and enjoyable. And this, of course, is an important end in itself*".

[12] Previous researchers such as Taplin *et al.* (2003), Amadasu (2003), and Gberevbie (2008) have established in their studies that employees will surely stay and work for the flourishing accomplishment of organisational goals if suitable employee retention strategies are adopted and implemented by organisations.

[13] Acton *et al.* (2003) added that retention of employees is not only important but retention of valued skills is more important. According to him, Human resource Department plays the dynamic role for retention of employees.

[14] Previous researchers like Researchers such as Cascio (2003), Heneman and Judge (2003), Gberevbie (2008) have settled that one of the main challenge facing organizations in the area of performance is organization's incapability to prepare and apply strategies capable of recruiting competent employees and retaining them to attain organizational goals. Freyermuth (2004) commented that retention starts with the recruiting of correct individuals and continues with practicing programs to keep them engaged and committed to the organization. According to him, it is considered as multifaceted component of an organization's human resource policies.

[15] As stated by Olowu and Adamolekun (2005), because of the need for effective and efficient delivery of goods and services by organizations in public or private sector, it is becoming more essential to secure and manage competent human resource as the most valuable resource of any organization,

[16] According to Kaliprasad (2006) four interlinked processes can be utilized for an effective human resource management system: the motivational process; the interaction process; the visioning process; and the learning process. He stated that proper managing employees are responsible for retaining them in an organisation. He proved that after getting all the facilities in an organisation, the employee still leave the organisation.

[17] Baker (2006) said that employee retention is very important as because of the fact that hiring new employees are far complicated as well as costlier than to remain the present employees in the organization.

[18] Gberevbie (2008) has assured that for employee retention, implementation of employee retention strategies is very important. Employee retention strategies refer to the strategy and means, and a set of decision-making behaviour put formulated by the organizations to retain their competent workforce for performance.

2.1: **Factors affecting Employee retention:**

Previous researchers have found lots of factors which have affected on Employee Retention. Literature surveys conducted by different previous researches suggested several factors play very important role in employee retention. Those are compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice given by Meyer and Allen, 1991; Solomon, 1992; Snell and Dean, 1992; Arthur, 1994; Snell and Youndt, 1995;

MacDuffie, 1995; Delaney and Huselid, 1996; Ichniowski and *et al.*, (1997); Cappelli 2000, Cole2000[cited in Irshad Muhammad (2011). According to them, these factors can help to reduce absenteeism, increase employee retention and better quality work. Previous researchers like Mobley, (1982); Arthur, (2001) forwarded the view that retention could be improved by many factors like better recruitment effort, review job content, compensation practices, non work factors, team building, leadership and supervision, career planning and development, employee involvement, alternative work schedule, working condition, centralization, organization communication and commitment, proper exit interview, compressed work week, policies for turnover, recognitions counselling leavers and flexible working hours as cited in Mustapha Achoui and Mourad Mansour (2007).

Fitz-enz (1990) found compensation & rewards, job security, training & developments; supervisor support culture, work environment and organization justice etc. are the factors responsible for employee's retention. For long stay of the employees in the organization, research has proved that modern retention strategies should go beyond the usual compensation (Feldman, 2000) and salary and benefits package (Gale Group, 2006) which enhances employee motivation (Thomas, 2000). Some other factors which are very responsible for employee retention are given by different previous researchers in different times. Those are as follows: superior-subordinate relationship (Zenger, Ulrich, Smallwood, 2000), communication (Gopinath and Becker, 2000), organizational commitment (Patrick Owens, 2006) and career development (Boomer Authority 2009). Logan (2000) in his studies also showed that several key factors are responsible for retention which ought to be managed congruently: pay and benefits, flexible work schedule, strategy, organizational culture, communication, and career development systems. Again Hay (2001) has put forwarded the view that planned ways for retaining top talent in the organisation is by helping high potential employees have cross functional job and work related satisfaction, taking part in decision making, cheering their ideas and helping them to implement , building through effectual and appropriate training skills

and helping in career development moves. Walker (2001) identified seven factors in his study that can enhance employee retention:

(i) Compensation and appreciation of the performed work,
(ii) Provision of challenging work,
(iii) Chances to be promoted and to learn,
(iv) Invitational atmosphere within the organization,
(v) Positive relations with colleagues,
(vi) A healthy balance between the professional and personal life, and
(vii) Good communications (as cited in Neog Bidyut Bijoya & Dr. Barua Mukulesh (2015).

Employee flexibility, recognition, and training as top priorities for retaining employees as told by Cunningham (2002) but according to Walker(2001) and others like, establishing a encouraging learning and healthy working climate is very much essential for employee retention in their job. Steel R.P., Griffeth R.W., and Hom P.W., (2002) and A.D. Vos and et al. (2006) had added that career development is a very essential factor for employee retention in the organisation. As cited in Alnaqbi Waleed (2011), empirical studies by Maertz and Griffeth, 2004 have, however proved that factors such as competitive salary, good interpersonal relationships, friendly working environment, and job security were cited by employees as key motivational variables that influenced their retention in the organizations. J Hughes, and N. Bozionelos(2007) put forwarded the view that for reducing turnover cost and improving the efficiency and productivity of the organization, work-life-balance strategies are very important for retaining the skilled employees of any organisation. Personal premises of loyalty, trust, commitment, and identification and attachment with the organization are the factors identified by Hytter (2007) which have a direct influence on employee retention. As cited in Pritchard (2007), Eyster, L and *et al.* (2008) added that training and development is one of the important retention programmes to retain their employees. For growth and success of any organisation, Agrela, et al (2008) added the

importance of focussing the factors which are responsible for retention of employees in the organisation (as cited in Chandranshu Sinha and Ruchi Sinha(2012).According to Deery (2008), the reasons like flexible working hours, on the job training opportunities, providing adequate resources for the employees, insurance and health benefits, perks like health centres and gyms, rewarding best employees for getting the task done efficiently on time are very important for improving employee retention and commitment which is cited in Dr. Mita Mehta and et al.(2014). As cited in Dr. Mita Mehta and et al.(2014), Devi (2009) concluded that the compensation and benefits is not only the reason leading to employee commitment but also factors like good working conditions, cooperative teams, good bosses and supervisors, flexible working hours, culture and values of the organisation comes into play. According to Boomer Authority (2009), retention factors incorporating the desires and needs of employees at any period improve levels of individual loyalty, job satisfaction, and commitment. Retaining employees by positioning them according to their potentials, the factor career development is very important according to J Bairi, B.M. Manohar, and G.K. Kundu (2011). It is because the growth and advancement in the career of employees brings employee satisfaction in their job. According to R.D. Cooman, and R. Pepermans (2012), the diverse factors like job security, pay and bonus of the employees are the extrinsic motivators which are responsible for retaining the talented and best employees of the organisation (A.D. Vos and et al (2006) as cited in Adeel Razaq and et al. (2012). Researchers like D Cegarra-Leiva M.E. Sanchez-Vidal, and J.G. Cegarra-Navarro (2012) also supported this view. Again according to K. Balanaga Gurunathan and V.Vijayalakshmi (2012), the factors responsible for employee retention are salary, Retirement benefit, working conditions, retirement benefit, supervision/management, fringe benefit, recognition and reward, job security, Loyalty towards the company and company image in the society.

2.2 **Literature review of individual factors affecting employee retention:**

2.2.1. **Compensation:**

According to many previous researchers, compensation is the most important factor of whole retention process. Normally a compensation package consists of Basic salary and wages which again includes (basic wage, house rent allowance, dearness allowance and city compensatory allowance), bonuses, different kinds of economic benefits, EPF, health insurance etc. Compensation packages may differ from organisation to organisation. Generally employees always have high expectations of their compensation package from the organisation that they are going to recruit. So, an attractive compensation always helps to retaining good employees which are inevitable part of an organisation because organisation invests a lot of money on their recruitment, training and orientation. According to Stiglitz 1975, Salop and Salop 1976; Demski and Feltham 1978; Milgrom and Roberts 1992, the compensation plan can affect organisation performance by influencing recruitment and retention in addition to influencing employees (As cited in Ho joanna L. Y and *et al.* (2009). According to Williams and Dreher (1992), wages play an important role in the recruitment process and it is the key factor for influencing the employee for attraction and retention (as cited in Neog Bidyut Bijoya & Dr. Barua Mukulesh (2015). As Pfeffer (1994) put forwards, '*pay/ Compensation is the most fungible of all the resources at an employer's disposal; if it is an employer's sole source of loyalty, then he always runs the risk of being outbid'*. Trevor et al. (1997) has proved that rise in pay has a negative impact on turnover. Again Pfeffer (1998) suggested that many organisations implement very good retention strategy without offering high compensation. So, ultimately, there are another retention factors which are very helpful for retaining employees apart from compensation such as co-worker behaviour, supervisor support, work environment etc. According to Challenger et al. (1999), other factors apart from compensation mattered much more on retention of employees in an organisation. According to Brannick, (1999) (As cited in Irshad

Muhammad (2012), Money cannot be considered as a primary retention factor. According to Hiltrop (1999), apart from monetary factor, non-monetary factors like quality of supervision and the extent organisations utilise the skills and knowledge of their employees are very much responsible for attracting and retaining talented employees in the organisation.

Highhouse et al, (1999) suggested that only pay is not sufficient to retain the employees. For example by Baron and Kreps 1999, Banker et al,2001 performance based compensation contracts can attract and retain high performer and differentiate high from low performers. As it is known to all that the technician job of automobile service sector workshops are mainly skilled based job, so their learning increase along with their experience increase. So, when an experienced senior technician leaves his job and goes to some another company, it creates a huge loss for the previous one. Willis, 2000 added that compensation is considered as the most important factor for attracting and retaining the talent of an organisation. Davies, Taylor, & Savery, (2001) has concluded that "*Salary and benefits policies are not being used strategically, within the organization to improve morale, reduce turnover, and achieve targets within an establishment*" though every organization has to compensate their employees.

Smith (2001) proved that it may bring workers or employees into the organisation, but it may not useful for retaining employee for a long time. Horwitz et al. (2003)(as cited in Benjamin Balbuena Aguenza, Ahmad Puad Mat Som(2012) found that the most popular retention strategies reported by HR managers of knowledge firms still related to compensation. Gardner et al., (2004) (as cited in Tahira Nazir and et al (2012) stated that pay is considered employee retention technique as well as motivator. According to Metcalf et al. (2005), recruitment and retention is affected by the whole employment package such as pay and fringe benefits, work organisation, autonomy, career progression, family-friendly practices, intrinsic aspects of the job, job security, friendliness of colleagues and the working environment etc. According to him, when

the gap occurs between expected and the actual compensation package, then turnover occurs. But some previous research works has contradicted Metcalf argument. A number of studies have shown that salary/compensation does not have a strong effect on employee retention. According to Bhatnagar (2007), an employee who is dissatisfied with his/her salary may leave the organisation (as cited in Dr. Mita Mehta and et al. (2014). So, Devi put forwarded the view that organisation should perk up compensation and benefits and also other factors like cooperative teams, good bosses and supervisors, proper working conditions, flexible work timings, work-life balance, culture and values of the organisation for better retention of their talent. Moncraz, Zhao and Kay (2009) in their research they found that compensation can be used as a crucial factor for reducing managerial turnover and increasing commitment. They also concluded that compensation was not one of the top factors influencing non-management turnover. Again, Simon North (2011) has said that for retaining talent of organisation, organisation should use rewards because high recruitment and training costs are involved along with their turnover from the organisation.

2.2.2. **On the job interview /stay interview:**

It is known to all that exit interviews are conducted when employees leave an organisation. It is also a very common practice in many companies and also a very useful tool for employee retention. In the sustainability report 2009-2010 of Maruti Suzuki, it is found that automobile major Maruti Suzuki India Ltd (MSIL), for the past three years, is regularly conducting “stay Interview” to retain their employees. It is because, by conducting stay interviews, they are able to understand their employee’s problems, expectations and aspirations while working with them. According to them "*It makes sense to probe employee minds while they are still working in the company and take their feedback for changes rather than asking for it after losing them to competition*”. So, on job counselling or stay interview in spite of exit interview can be considered as an important factor for retaining employees.

2.2.3. **Rewards and Recognition:**

The oxford dictionary meaning of reward is something given or received in return for service or merit. When an employee does some brilliant for the organisation where he/she works, he/she must be rewarded in different form like giving monetary benefit or cash bonuses, awards, free trips or gifts etc. This factor is very important for retention because when an employee rewarded or recognised for his/her performance in the organisation, then only he/she feels that he/she is valued for the organisation and he/she feels motivated for doing good work in the future. Rewards play a major role in job satisfaction as well as retention as they achieve the fundamental requirements as well as make possible to accomplish the superior levels of goals of the employees. When employees feel that they will not find such a lucrative rewards in any other organisations, then they decide to stay. So, with the help of these rewards, organisations attach their employees visibly and emotionally according to Becker, 1960. Rewards can be extrinsic or intrinsic. In a corporate environment rewards can take several forms like recognition awards, free merchandise cash bonuses, and free trips. As stated by MacDuffie, 1995, Bamberger & Meshoulam, 2000, an organization's reward system can affect the performance of the employee and their wish to remain employed. Most previous researchers stated that financial reward such as money is most important for employee's productivity. But a lot of researchers like Leinfuss E (1998) established that money is not primary factor for hiring and keeping employees for the long time. It is because, Bevan S (1997) found in the study conducted by the "Institute for Employment Studies" in the United Kingdom settled that only 10% of employees who had left their employer gave discontent with pay as the main reason for their quitting (as cited in Benjamin Balbuena Aguenza, Ahmad Puad Mat Som (2012).

Shaw et al.'s (1998) research proved that when employees will retain in the organisation when they find that their present organisation provide their self-interest better than the choices available to them elsewhere (Moncarz, Zhao, Kay, 2008).

Many previous researchers like Pfeffer, 1998; Woodruffe, 1999 has established that attractive reward packages always fulfils substantial and financial desires of the employees and is a very useful factor for employee retention. They also demonstrate that there is a great deal of inter-individual difference in understanding the significance of financial rewards for employee retention (as cited in Prof. Niyati R Patel and Prof. Dr. Mitsu B.Patel (2014). According to Agarwal, (1998),"*Reward is something the offered by the organisation to the workers in response of their performance and contributions which are expected by the workers" (as cited in* Madiha Shoaib and et al. (2009). Remuneration packages help to remain the employees in their organisation and many organisations used this approach as concluded by Woodfruffe C (1999) , Capelli P (2001), Mitchell TR, Holtom BC and Lee TW (2001). It can be stated like this because the most admired retention strategy reported by HR managers of knowledge firms was still related to compensation according to Horwitz et al. According to Farris GF (2000), for retaining employees, reward programs are frequently used by organisations. He again stated that good old fashioned stable salary and small non cash rewards instead of one time recognition awards are effective for decreasing the turnover rate of employees. Kochanski J, Ledford G (2001) proved that financial rewards are not the primary factor in retention as long as compensation is competitive. Same was supported by Higginbotham. He added that "good" and "fair" salaries showed a strong correlation with intention to remain of the employees while high pay is not so important for retaining employees in the organisations.

As stated by Walker (2001), recognition from team members, co-workers, bosses, and customer enhance faithfulness of the employees (as cited in Das Lahkar Bidisha and Dr. Barua Mukulesh (2013). According to Walker 2001, non-monetary forms of recognition are very important and can't be ignored for retaining employees. Because when an employee is recognised by bosses, superior, team members, customers, then his /her loyalty to the organisation immediately goes up. In Jane Muceke Ng'ethe and

et al, (2012) research, Chew (2004) argued that non monetary recognition is also very important apart from compensation. Reward is vital because it has a permanent feeling on employees that they are valued in the organization as stated by Silbert (2005). He again stated that it is very important because it has enduring impression on employees and support the perception of employees that they are valued.

Attractive remuneration packages are one of the very important factors of retention because it fulfils the financial and non financial need of the employees. In Benjamin Balbuena Aguenza, Ahmad Puad Mat Som (2012), it was found that every employee must be very frequently much-admired and recognized for better productivity of them (as forwarded by Jacobson D (2008). Heathfield SM (2008) adds the following guidelines for effective employee recognition: clarity, fairness, clarity and consistency; employee recognition approaches and content must be consistent; organizations must be definite in letting the individual know the reason for the recognition. He established that appreciated and recognised employees are more productive and help the organisation to reach the organisational goal. So, for productive, positive and innovative organizational climate, organizations should prioritize employee recognition.

Foong-Ming, 2008 stated that employees will stop thinking about opportunities from other organizations when they taking into account these rewards as a suitable form of admiration (as cited in Hira Fatima (2011*).* It has been found in Das Lahkar Bidisha and Dr. Barua Mukulesh (2013) research paper that "Watson Wyatt" a global consulting firm when they conducted a survey in USA among 12750 employees in all major industry sectors and at all levels of job in the year 2002 to know about their attitudes toward their employers and their workplace then it has been established that recognition is important for employees and they want to listen that their job followed appreciated and recognized.

2.2.4. **Career development opportunities and promotion:**

When an employee gets an enhancement from current job position to another higher job position which includes higher salary range, decision making authority, higher job responsibilities and a higher level of job title, is generally termed as promotion. As today's employees are more serious about their career, so they always prefer that kind of job where they get more opportunities to develop their skills. So, Career development opportunities are one of the most important factors of employee retention. Because, employees always want to do job that gives the chance to be promoted to new and challenging position. Employees feel demotivated if their job is monotonous. For enhancing retention, promotional opportunities can be treated as one of the Herzberg motivator. As cited in Prof. Niyati R Patel and Prof. Dr. Mitsu B.Patel (2014), Leiboiwitz et al, 1986 put forwarded that "*Career development is a system which is organized, formalized and it's a planned effort of achieving a balance between the individual career needs and the organization's workforce requirements".* Pergamit and Veum (1999) in their research work found positive and close correlation between promotions and job satisfaction and indirectly it helps in retaining employees (as cited in Das Lahkar Bidisha and Dr. Barua Mukulesh (2013). Enlarged job tenure demotivate the employees for declining organizational commitment and increased chances to quit the organisation as stated by Taylor, Audia and Gupta, (1996).

Career development opportunities is mutually benefit both the parties i.e. the employees and the employers as proved by Hall, 1996; Kyriakidou and Ozbilgin, (2004), Hall (2002). As concluded by Hall, 1996; Kyriakidou and Ozbilgin, 2004, career development opportunities is a mutual benefit process because it provides the important result for both the parties i.e. Employer and employee (as cited in Madiha Shoaib and et al. (2009). According to Simonsen J (1997), "*Development is considered as gaining new skills and taking advantage of many different methods of learning that benefit employees and the organization alike*" (as cited in Benjamin Balbuena Aguenza, Ahmad Puad Mat Som (2012). When employers offer career

development opportunities to an employee, then automatically employee's turnover intentions reduced as forwarded by Allen et al. When employers invest on employee's development, then both parties bond is automatically strengthen up as concluded by Hall DT, Moss JE (1998) and Hsu MK(2003) and et al. Organizations need to realize that career development of their employees is a way of attracting and retaining the best people as stated by The European Centre for the Development of Vocational Training. As suggested by Hall & Moss (1998); Woodruffe, (1999); Steel et al., (2002); Hsu, Jiang, Klein & Tang, (2003); organisations must spend on career development of employees for strengthen the bond of the employees with the organisation (as cited in Madiha Shoaib and et al. (2009).

According to Moses (1999), it is very difficult for employers to promise job security of the employees, but they can help employees to maintain the skills so that employees remain workable in the job market (as cited in Chandranshu Sinha and Ruchi Sinha (2012). It becomes the main reason for attrition of employees as concluded by Dibble S (1999) and Kreisman BJ (2002) if an organization does not make out the employee's need and desire to grow in his/her life. Career development opportunities provide opportunity for training and skill development of the employees and also it creates opportunities for internal promotion as forwarded by Butler & Waldrop, 2001. As because lack of training and promotional opportunities, high performer employees leave the present organisation, so employers offering growth opportunities to the employees are also reduced as stated by Steel et al., 2002; Allen, Shore & Griffeth, 2003. Employees distinguish career progress and skill development opportunities as major attractors to organizations (Kreisman, 2002; cited in Kreisman,2002). Hall (2002) said that career development is vital for both the parties i.e. employee and the employer. Because, if an employee gets a promotion, then he/she feels motivated and can perform his/her job very well. But recruiting a new employee for that vacancy involves lot of time and it's costly also in terms of advertising to recruiting, training cost also. So, giving promotion to existing employee is beneficial to employer also. A supportive supervisor always helps his/her employees to learn,

challenges and growth on their careers and keep themselves in their expertise as said by Kaye and Evans, (2003). The best predictor of employee's effective commitment is internal career development of employees as proved by Meyer et al, (2003).According to Dockel (2003) people should not only be rewarded financially but they should also be offered opportunities to grow within the organization(as cited in Jane Muceke Ng'ethe and et. al(2012). Prince, (2005) told that to gain and maintain competitive advantage organizations required talented & productive employees and these employees need career development to enhance and cultivate their competencies. Career development opportunities always create a positive social work environment and enhance employee satisfaction and commitment as stated by Meganck, (2007). Eyster, et al. (2008) concluded that job flexibility along with rewarding career and life options, is a significant encouragement for all employees in an organisation. According to Rodriguez, 2008 in his recent research found that if employees feel that they are learning and developing, then their turnover intentions go down (as cited in Hira Fatima (2011).

For retention of employees, career development plan plays a very important role as cited by Vos & Meganck (2009). Because, this kind of opportunities hold employees and increase in devotion (as cited in N. Suhasini and T. Naresh Babu (2013). According to Brigitte Kroon and Charissa Freese 2013, all these reasons help retaining employees in the organisation and also help in streamlining HR practices. As told by Gaurav Bagga 2013, employee will retain long in an organisation when they can see a clear career path in the organization. In N. Suhasini and T. Naresh Babu (2013) research paper, Career development opportunities is one of the major factor for employee's retention in the job.

In Michael O. Samuel and Crispen Chipunza(2013) research paper it has been found that career development and guidance, opportunities for skill development and specialisation and some more factors are critical for attraction and retention practices in organisations as stated by Hiltrop.

In Dr. Mita Mehta and et al.(2014), it has been stated by them that career development is one of the main reason for low attrition of the employees along with other reason like work experience , autonomy etc.

2.2.5. **Job security:**

Job security is the chance that a person or an employee will keep his or her job; a person with the job would have a little possibility of becoming unemployed if his /her job has an elevated level of job security. Cited in Morrell *et al.*, (2004); Abegglen (1958) established throughout the study of Japanese workers that employment features like job security lead to high commitment, job satisfaction as well as employee retention in an organization. Davy *et al.*, (1991) conducted in his study of job security and job satisfaction that job dissatisfaction is the outcome of insecurity among employees (As cited in Arnold, H. J.; and Feldman, D. C. (1982). Ruvio & Rosenblatt (1996) added that Job Security tends to do better with an employee who is satisfied with his job than the one who is dissatisfied with the job (as cited in Neog Bidyut Bijoya & Dr. Barua Mukulesh (2015). A.Ruvio (1996) found in his popular literature that job security tends to perform better with an employee who is satisfied with his job than the one who is not satisfied with the job. This finding is also supported by Researchers like Denton (2005); (KA Lane *et al.*, 2010) and said that if the employees are satisfied and content with the job then they will automatically be devoted to and reliable to their organizations. But, according to Amar, 2004, Job security is not a retention precursor for the new generation of skilled employees. According to Green and Tsitsianis, (2005); Benz and Frey, (2008), both job content and job security are found to affect the overall job satisfaction and retention of employees(as cited in Neog Bidyut Bijoya & Dr. Barua Mukulesh (2014) . Biswas and Verma (2007) discover that "*Extrinsic factors as job security is fundamentally critical for an employee to perform well on the job*." In the study of Michael O. Samuel and Crispen Chipunza (2009), a strong evidence of association between job security and employee

retention is seen. Muhammad Hassan *et al.*, (2011) established in his study that there is a positive correlation between employee retention and Job Security. Muhammad Hassan and et.al (2011) found in his study of Leather industry of Pakistan that there is a positive correlation between employee satisfaction and retention and job security.

2.2.6. **Supervisor support:**

Supervisor support is one of the important factors for employee retention. Supervisor support is defined as the extent to which leaders care about their employees' welfare and value their contributions (as cited in Neog Bidyut Bijoya & Dr. Barua Mukulesh (2015)**.** A leader with high supervisor support is one that makes employees feel appreciated, heard and cared about. According to Eisenberger and associates (1990), an employee's study of the organization is strongly influenced by their relationship with their supervisor. It was exposed that management & friendly staff relationships contribute to the level of job satisfaction according to the study conducted by Friedlander and Margulies (1969). However, this result contradicts with view of Herzberg (1966) who supported the view that supervision is irrelevant to the level of job satisfaction. But McManus and Russell (1997) supported this fact and proved that when a supervisor provides mentoring, the relationship affects the protégé's skill development and intentions to remain with the employer increases.

Researchers like Buckingham & Coffman in Break All the Rules, (1999) have found that the talented employee may join an organisation for many reason, but how long that employee stays and how productive he/she is while there is determined by the relationship with the immediate supervisor. As cited in Chandranshu Sinha and Ruchi Sinha (2012) by Moses (2000), supervisor support is very precious in helping employees to meet their goals and it can be treated as an intangible incentive that can make a large difference in employee motivation and retention in their present job.

In the research paper of Bandana Nayak (2013), it was seen that according to J.D. Politis (2001) survey, it has been proved that roles played by leadership in the process of knowledge acquisition and a survey was carried out on 227 persons who were occupied in information gaining actions to inspect the relationship between leadership styles and information gaining attributes. The results showed that the leadership styles that involve human interaction and encourage participative decision-making are related positively to the skills and essential information gaining. Brunetto and Farr-Wharton (2002) were of the view that supervision of the immediate manager increases the level of job satisfaction in the public sector employees (as cited in Das Lahkar Bidisha and Dr. Barua Mukulesh (2013). The supervisor support is so vital to retention of employees that it can be said that employees leave bosses, not jobs (Ontario, 2004) as cited in Madiha Shoaib and et al. (2009).It has been found by Collins-Camargo, (2005) that when training is given to supervisors then it enhances increased employee job satisfaction, improved practice and outcomes and reduces preventable turnover. According to Silbert (2005), good positioned well skilled employees retain in their present organisation if they get support from their supervisors or they can join similar job elsewhere. According to Freyermuth (2007), Organization must prepare supervisors to well build the place where employees want to stay. He again stated that supervisors assist employees to discover the right position in the organization. Borstorff & Marker (2007) found that employees want trustful supervisors who know them, understand them and treat them fairly. Then only they want to retain in their job.

Again according to Chakrabarty, Oubre, and Brown (2008), "perhaps the finest way in which supervisors can portray himself as a role model is to personally demonstrate proper techniques so that employee could understand how job should be done." As cited in Prof. Niyati R Patel and Prof. Dr. Mitsu B.Patel (2014), Greenhaus established that when employees get support from their supervisors and when they can have an open communication and good relation with him/her, then the chances of leaving the present organisation is very much reduced. Dr. Mita Mehta and et al.

(2014), in their research, they have forwarded that the main reason for employee attrition is the "problems with the boss". Employee commitment, attrition or retention factors are very much dependent on employee's supervisors, managers or team leaders. Employee will leave the organisation if they feel that their supervisors are not listening to them or, their accomplishments are not recognised by their supervisors or their supervisors are not helping them in their career growth etc.

2.2.7. **Leadership:**

In a study by McNeese-Smith (1995) on Leadership behavior of hospital directors established that there is significantly positive relation between job satisfaction, productivity, and organizational commitment of employees (as cited in Das Lahkar Bidisha and Dr. Barua Mukulesh (2013). Chung-Hsiung Fang, Sue-Ting Chang, Guan-Li Chen (2009) has found that there is a positive correlation among leadership style, organizational commitment, job satisfaction, job performance and employee retention.

According to Kyndt, Dochy, & Baert, 2010, high potential employees and great leadership attributes have positive correlation to the employee's retention in the job (as cited in Dr. Mita Mehta and et al. (2014). Cottrell (2012) has put forwarded that *"it's very important to expose the right financial and operational information to leaders and informing the key indicators of future performance so that the employees know exactly what is it that is expected out of them and what are their deliverables"*. Sarah Leidner, (2013) established supportive and cooperative leadership style as a retention strategy of the employees.

2.2.8. **Working Environment:**

According to Terry Irwin, TCII strategic and Management consultant, a healthy work environment lies on three aspects: the ethics and value foundation upon which the organisation rests; the policies that takes those principles and converts them into day

to day actions and the corporeal environment in which people work. So, all three together attracts employees to work for a longer time in an organisation. Numerous studies have attempted to explain work environment in various areas such as employee turnover job satisfaction (Iaffaldano & Muchinsky, 1985), (Martin 1979), employee turnover, job involvement and organizational commitment (Sjoberg & Sverke 2000) (as cited in Madiha Shoaib and et al. (2009). As service sector has to interact with the clients/consumers, so characteristics of work environment vary in services sector as compare to production sector as stated by Normann (1986). *Arnold* and *Feldman* (1996), promoted some factors such as temperature, lighting, ventilation, hygiene, noise, working hours, and resources as part of working conditions. The worker would rather desire working conditions that will result in greater physical comfort and convenience. According to George and Jones, (1999), because of poor working conditions, many employees feel dissatisfied. The working conditions include office space, equipments, comfortable chairs, air conditioning, tools etc. When working environment is good for an employee, then his/her productivity level automatically goes up. According to Brill, Weidemann,Olsen, Keable & BOSTI, (2001), Workspace designs have a tremendous impact on employees and tend to stay with job as long as they are satisfied.

Robbins (2001) advocates that working conditions will influence job satisfaction, as employees are concerned with a comfortable physical work environment(as cited in Neog Bidyut Bijoya & Dr. Barua Mukulesh (2014). In turn this will render a more positive level of job satisfaction. Miller, Erickson & Yust (2001) forwarded their view that employees get benefited by work environment that provide sense of belonging. For retaining employees, the focus of organizations must be on how to provide better jobs with great work environment according to Lennart Levi, (2002).

As stated by Wells & Thelen, (2002), organisations with liberal personalization policies may have better chance to satisfy and retain employees by providing proper level of isolation and sound control on workspace which enhances the motivation

levels of the employees to execute with the organization for the long term. Earle (2003) in his major study identified that "in the framework of economy; different generations evaluate risk in a different way and prioritize the value of work environment differently". According to Ramlall (2003), positive and good work environment is directly related to employee retention and employees feel they are heard and valued. According to *Baron* and Greenberg,(2003), the absence of good working condition can impact badly on the worker's psychological and physical well-being .Since employee's job are mainly emotionally and physically demanding, so they may feel that poor working conditions will only provoke negative performances and then turnover intention increases. Zeytinoglu & Denton, (2005) proved that it is considered as a very important factor of employee retention (as cited in Prof. Niyati R Patel and Prof. Dr. Mitsu B.Patel (2014). Hytter (2008) analyzed that work environment has usually been discussed by industrial perspective, i.e. with a focus on physical aspects such as, noise, heavy lifts, exposure to toxic substances etc.

M.M Kabir (2011) also established in his research which was conducted at Pharmaceutical industry, Bangladesh that working environment played an important role in the employee's job satisfaction and employee retention.

2.2.9. **On boarding and orientation:**

In N. Suhasini and T. Naresh Babu (2013), B.K. Punia and Priyanka sharma (2008) focussed that in current economic scenario the variables like induction programme, is one of the key factors in influencing the employees retention intentions in organizations. As stated by Gaurav Bagga (2013), induction plays a major role in employee retention and increases loyalty towards the organization (as stated in Dr. Mita Mehta and et al. (2014). It is because, it has been proved that a lot of employees leave within first three months of joining so it is clear that if proper induction of new employees are not done then they will tend to leave the organization. To help retain employees, a well planned induction program must be planned.

2.2.10. **Training and Development:**

Competent employees don't remain competent forever. Their skills deteriorate and can become obsolete. That's why organisations spend billions of dollars each year on formal training. Cited in J.C. Szabo, Training workers for tomorrow", *Nation's Business*, March 1993, pp.22-32, Xerox, as a case in point, spends more than $300 million each year on training and retraining its employees. So, investment made by employer on training and orientation programme is a very important retention factor considered by many of the previous researchers. Written in 1970, AlvinToffler's book, "Future Shock," states, "The illiterates of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn." Training enriches the skills of the employees. So, Das kalyan Prasad and Raut Pradeep Kumar (2013) found in their studies that according to Goldstein1991, for enhancement of skills of employees, organisations need to do some training programme. Suggestion given by Storey and Sisson in 1993(As cited in Irshad Muhammad (2012) that training is a sign of organisation commitment to employees. As put forwarded by Ian M. Taplin, Winston-Salem and Jonathan. Research study by Black and Lynch in 1996 proved that larger companies, high performance establishment and those organisations which spend more physical resources were usually more probably to retain their talent. Hay (1999) again added that lack of training and development of employees' skills was the largest determinant of employee's turnover in organisations. But contradictory to this, Bussi (2002) put forwarded that constant training and development of employees' skills can certainly make easy for their early turnover instead of reinforcing their retention in their job. Noe (1999) said if an employee can acquire new knowledge and skills, he/she can apply on the job and share with their colleagues. For retaining the best employees of the organisation, training and development as one of the key retention strategies being used by managers as stated by Hay (1999) and Smit and Cronje (2002), cited in Michael O. Samuel and Crispen Chipunza (2009).

As cited in Das Lahkar Bidisha and Dr. Barua Mukulesh (2013), Messmer (2000) originated that one of the important factors in employee retention is investment on employee training and career development. It was found by researcher Accenture, (2001) that training and development is a very important factor for attracting and retaining employees. So, it has been proved from the literature review that training and development is inversely related to employee turnover. Where training and development opportunities are present for the employees, there retention rate is higher, productivity of employees go up.

Tomlinson (2002) put forwarded the view that organizations can keep the leading edge in this competitive world by having their employees well trained in the latest technologies. For better senior employee retention, adjusting training practices as per senior employees requirements and an age awareness training program is required as proved by Marjorie Armstrong-Stassen and Andrew Templer (2004). Training and development is necessary to retain employees because if employee quits then it leads to wastage of training cost. But contradictory to this view, Patrick M. Eisen (2005) stated in Chandranshu Sinha and Ruchi Sinha (2012) that training programs available to all employees associate with a 70% raise in employee retention rates. He also added that this is a very effective retention strategies for employees. Amble (2006) proved in his research that access to regular training programs enhances prosperity, growth, and retention for both employees and employers. Supporting this view Garg & Rastogi (2006) added that training is very necessary in this today's competitive environment because more knowledge the employee learn, the more he or she will perform and meet the global challenges of the market place.

Winterton (2007), for making same expertise of the older employees as the younger one, organisation must provide sufficient training to employees to attain the necessary KSA to perform better and keeping the attrition level low. Supporting this view, Sarah Leidner (2013) cited in Dr. Mita Mehta and et al. (2014) added that well trained employees stay loyal to their employers. For survival in any work environment, proper

innovation, and assimilation of new knowledge is essential as established by Handy (2008). Proven by Agrela, et al., 2008; Boomer Authority, 2009; Yazinski, 2009 that either tangible or intangible training benefits associate with higher levels of productivity, adaptability, independence, consistency, competency, and loyalty in employees at any age. Wright, Timothy M. Gardner and Lisa M. Moynihan (2011) stated that HR practices for recruiting and training do not necessarily increase employee's loyalty to the organization. Infact such HR practices actually increases attrition of employees.

2.2.11. **Job Satisfaction:**

Employee's job satisfaction is positively correlated with employee's retention. Various studies determined that employees with positive experience related to greater degree of job satisfaction have a lower tendency to leave their current bosses and organisation. Murray (1999) has clearly stated that job satisfaction not only improves the retention of employees but also reduces the cost of hiring new employees (as cited in Neog Bidyut Bijoya & Dr. Barua Mukulesh (2015). According to Hammer (2000), Denton (2000), employees that are pleased and contented in with their jobs are more dedicated to doing a superior job and taking care of clients that carry on the process [cited in Ankit Laddha *et al.*, (2012)]. Cited in Subedi Jackson(2013), studies showed by Kim (2000); Kirby (2000); Wagner (2000) that employees who are satisfied with their jobs are more productive, creative and be more likely to be retained by the organisation. Many researchers found that recuperating job satisfaction can reduce turnover and help keep a stable and motivated workforce.

2.2.12. **Performance Appraisal:**

Cascio and Bernardin (1981) found Performance Appraisal is one of the most important and critical Human Resource Practice and inevitable part of every organisation where supervisors evaluate the performance of subordinates where

organisations use appraisal ratings to make pay and promotion decisions, identify training and development needs and motivate employees. However this practice generates dissatisfaction among employees and is often viewed as ineffective and unfair. According to Church (1985); Skarlicki and Folger (1997); Rao (2004);though attention and resources paid to this human resource practice, it continues to generate extreme dissatisfaction among employees and employers alike and is often viewed as unfair, political and inaccurate. Bies and Shapiro (1987) proved that now a day it is accepted in a wide range that perceptions of fairness influence the way people think, feel, and act on the job. Cited in Harris (1994) and Ahmed Ishfaq and et al. (2011), according to Murphy and Cleveland (1991), this is one of the most researched topics among all the practices of human resource. Researchers like Bretz, Milkovich and et al., (1992) found in their research that managers faced perceived fairness of the appraisal as the most important issue of their organisation. In Michael M. Harris (1994), according to Thurston (2001); Cook and Crossman (2004); perception of fairness of the performance appraisal system would influence positive affective reactions like performance appraisal satisfaction.

2.2.13. **Work life balance:**

Work place flexibility is the major concern in today's business. Without work place flexibility, money is not alone sufficient for holding employees for a longer time. Many researchers tested the impact of work and family benefits which comprise of childcare information, flexible schedules, childcare assistance and parental leave on organization commitment (as stated in Prof. Niyati R Patel and Prof. Dr. Mitsu B.Patel (2014). Milkovich & Gomez, 1976 has established that provision of onsite childcare centres has been connected with lower turnover intentions among employees. Studies have also shown that as levels of flexibility in terms of working hours decrease, turnover intentions are raised as added by Pierce & Newstrom, 1982; Rothausen, 1994(as cited in Beauregard, T. Alexandra and Henry, Lesley C. (2009).

As cited in Shoaib Madiha *et al.*, (2009), previous researches like Grover and Crooker, (1995) had forwarded the view that there is greater organizational commitment if employees had right to use to work life policies and also these employees articulated considerably with lower intent to leave their job. According to previous researchers like Kossek EE, Ozeki C (1998) and Anderson SE, Coffey BS, Byerly RT (2002), "work-life balance is doing well if they are implemented in a supportive context that truly allows employees to make meaningful and useful choices". In Glass and Riley's (1998) study, it has been found that availability of flexible work hours predicted retention among employed new mothers and Hofferth (1996) found that availability of flexible spending accounts to pay for child care predicted reduced turnover among working mothers. According to Chiu & Ng, 1999; Thompson, Beauvais & Lyness, 1999; Wood & de Menezes, (2008), work-life balance practices has also been related to increased affective commitment and decreased turnover intentions(as cited in Beauregard, T. Alexandra and Henry, Lesley C. (2009). Williams, Ford, Dohring, Lee, & MacDermid, (2000) have been proved that voluntary reduced hours has been related with increased recruitment and retention of employees. Previous research study like Allen (2001) found that organisation who support their employees in maintaining an integration between family responsibilities and work enhances the employee intention regarding retaining in the organisation [as cited in Beauregard, T and *et al.* (2009)]. Mostly cited in different literatures, work-life balance is considered as one of the important retention factors for employees as stated by Anderson SE, Coffey BS, Byerly RT (2002). As stated by Lockwood N (2003), work-life balance has become a chief concern in the workplace especially in the society filled with differing responsibilities and commitments (cited in Benjamin Balbuena Aguenza, Ahmad Puad Mat Som (2012). He again added that work-life balance strategy is always a win win situation for both the employees and employers. The growing priority given by individuals to work -life balance (Kersley et al. 2004; Bonney 2005) as stated by Michael O. Samuel and Crispen Chipunza(2013).

According to Manfredi & Holliday, 2004, by applying work-life course of actions, an organization can improve its ability to respond to demands of customers for better access to services and also the strategy for the organizations to deal with the revolutionized way in order to satisfy both employees and employers. In developing countries, compared to men it is found that women are shifting to small companies leaving their current big companies because of getting more flexibility in their work. According to Pasewark and Viator (2006), work family balance plays a very important role for retaining employees of an organisation (as cited in Neog Bidyut Bijoya & Dr. Barua Mukulesh (2015). Study conducted by the Australian Telework Advisory Committee (2006),It was established that 70% of businesses that incorporated telework options reported a number of positive benefits, such as increased workforce participation , improved employee flexibility and work life balance[As cited in Ashford, S(1989)]. Work-life balance policies facilitate employees lessen the impact of work on family life, increasing focus and motivation at work of them, greater staff loyalty and commitment, resulting in lower turnover rate. Queensland Government (2012) stated two examples of work-life balance. Those are: first example, " Greenslopes Private Hospital in Australia, an award winner in 2005, found that investing in better work and family initiatives led to a 5.5% reduction in employee turnover and a 23% reduction in workers' compensation costs. Second sample, St. George Bank in Australia, a winner in 2007, reported reduced staff turnover from 18% in 2001 to 15% in 2006 and improved staff satisfaction from 48% of employees in 2002 to 73% in 2006 as some of the positive outcomes of introducing work-life balance initiatives". As cited in Dr. Mita Mehta and et al. (2014), Osman M. Karatepe (2013) established that work life balance of employees help organizations in reducing low attrition of the employees. It is because the role of work life balance has a direct relation in employee's decision to stay or leave the organisation.

2.2.14: **Conceptual framework:**

Based on the above discussions, a research model is developed which is given below.

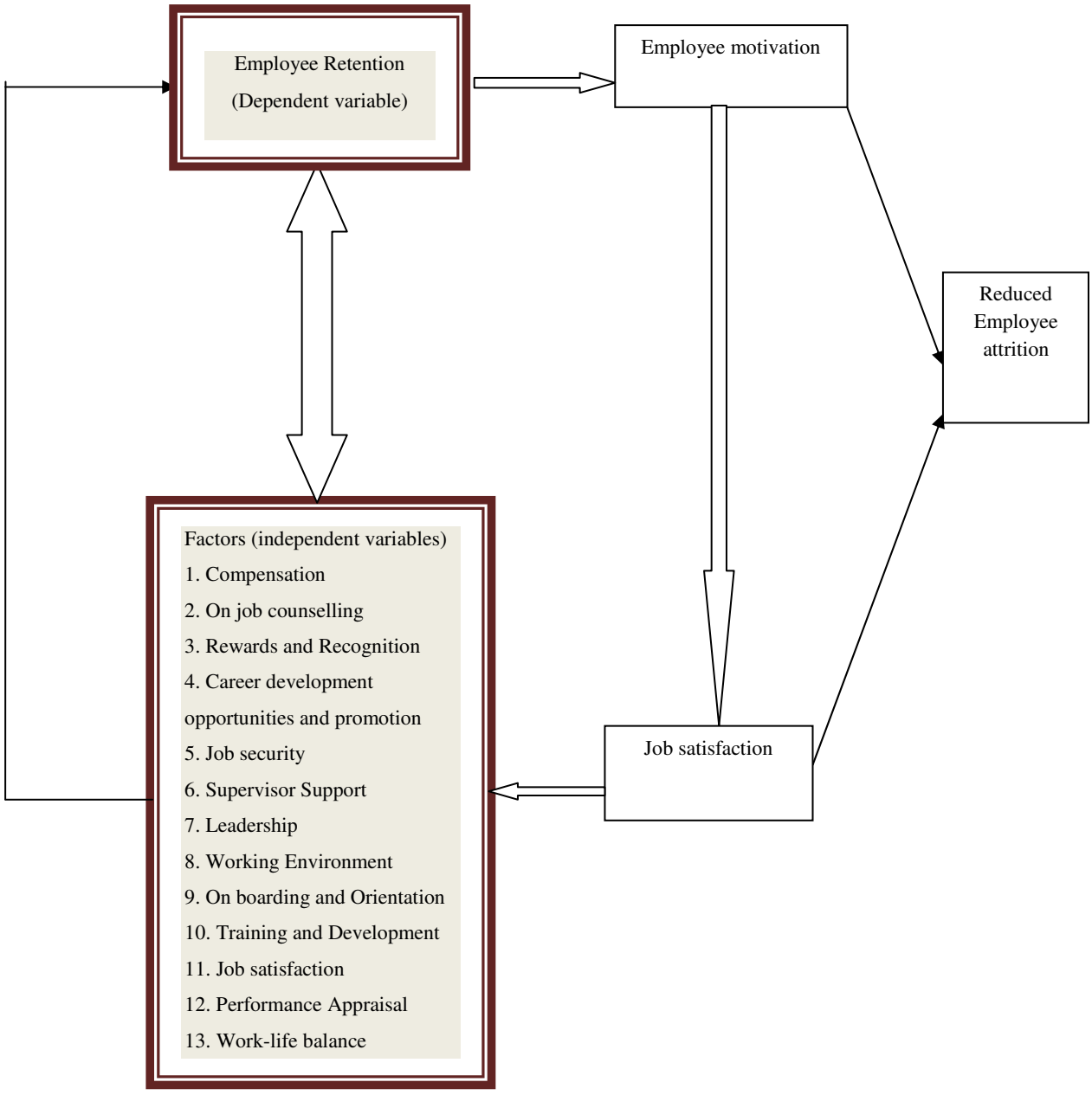

Fig1: Projected Research model

Source: Neog Bidyut Bijoya & Dr. Barua Mukulesh (2015) (Modified).

2.2.15: Literature review of some factors in tabular form:

Table 21: Compensation factor which are said by respective authors having relation with employee retention in their research papers in respective years

Factors	Authors	Research Papers	Year
Compensation	J. Stiglitz	Incentives, Risk, and Information: Notes toward a Theory of Hierarchy.	1975
	J. Salop & S. Salop	Self-selection and Turnover in the Labor Market	1976
	J. Demski & G. Feltham	Economic Incentives in Budgetary Control Systems	1978
	R. Milgrom & J. Roberts	Economics, Organization and Management	1992
	M. Williams & G. Dreher	Compensation Systems Attributes and Applicant Pool Characteristics	1992
	Pfeffer J.	Competitive Advantage Through People	1994
	Trevor, C. O., Gerhart, B., & Boudreau, J. W.	Voluntary turnover and job performance: Curvilinearity and the moderating influences of salary growth and promotions.	1997
	Pfeffer, J.	Six myths about pay	1998
	Brannick, Joan,	Employees; Job satisfaction; Labor turnover; Recruiting, AMACOM (New York).	1999
	Challenger L, Gray T, Christmas A	Overworked and Overpaid: The American Manager.	1999
	Hiltrop JM	The quest for the best: Human resource practices to attract and retain talent.	1999
	S. Highhouse, S.L. Stierwalt, P. Bachiochi, A.E. Elder & G. Fisher	Effects of Advertised Human Resource Management Practices on Attraction of African American Applicants	1999
	Baron, J. N., and D. M. Kreps	Strategic human resources — Frameworks for general managers	1999

	Banker, R. D., S. Lee, G. Potter, and D. Srinivasan	An empirical analysis of continuing improvements following the implementation of a performance-based compensation plan	2001
	Davies, D., Taylor,R., Savery, C	The role of appraisal, remuneration and training in improving staff relations in the Western Australian accommodation industry: A comparative study	2001
	Gardner DG, Van Dyne L, Pierce JL	The effects of pay level on organization-based self-esteem and performance: a field study	2004
	Metcalf H, Rolfe H, Stevens P, Amar AD	Motivating knowledge workers to innovate: A model integrating motivation dynamics and antecedents	2005
	Bhatnagar, J.	Talent management strategy of employee engagement in Indian ITES employees: key to retention	2007
	E. Moncraz, J. Zhao & C. Kay	An Exploratory Study of US Lodging Properties' Organizational Practices on Employee Turnover and Retention	2009
	Simon North	Finding new roles for existing staff within your Organization	2011

Table 22: Career development opportunities and promotion factor having relation with employee retention which is said by respective authors in their research papers in respective years

Factors	Authors	Research Papers	Year
Career development opportunities and promotion	Leibowitz, Z.B., Farren, C., and Kaye, B.L.	Designing career development systems, (1st ed.).	1986
	Hall, D.	The Career Is Dead, Long Live the Career: A Relational Approach to Careers,	1996
	Simonsen J	Linking Design to Business Strategy through Functional Analysis	1997
	Pergamit, M. R. and Veum, J. R.	What is a promotion?	1999
	Woodruffe, C.	Winning the talent war: A strategic approach to attracting, developing and retaining the best people.	1999
	Kreisman BJ	Identification of the drivers of employee dissatisfaction and turnover	2002
	Hsu, M. K., Jiang, J. J., Klein, G., & Tang, Z.	Perceived career incentives and intent to leave.	2003

	Meyer, John, Laryssa Topolnytsky, Henryk Krajewski and Ian Gellatly	Best Practices: Employee Retention.	2003
	Kyriakidou, O., & Ozbilgin, M.	Individuals, organizations and careers: a relational perspective	2004
	Prince, B.J.	Career-focused employee transfer processes.	2005
	Eyster, L., Johnson, R. and Toder, E.	Current strategies to employ & retain older workers	2008
	Ans De Vos and Annelies Meganck	What HR managers do versus what employees value	2009
	Gaurav Bagga	How to keep the talent you have got	2013
	N. Suhasini and T. Naresh Babu	Retention Management: A Strategic Dimension of Indian IT Companies	2013

Table 23: Job security factor having relation with employee retention which is said by respective authors in their research papers in respective years

Factors	Authors	Research Papers	Year
Job security	J.C. Abegglen	The Japanese Factory. Aspects of its Social Organization	1958
	J. Davy, A. Kinicki & C. Scheck	Developing and Testing a Model of Survivor Responses to Layoffs	1991
	A. Ruvio & Z. Rosenblatt	Job Insecurity among Israeli School Teachers: Sectoral Profiles and Organizational Implications	1996
	Amar AD	Motivating knowledge workers to innovate: a model integrating motivation dynamics & antecedents	2004
	Zeytinoglu, I.U. & Denton, M.	Satisfied workers, Retained Workers: Effects of work and work environment on Homecare workers Job satisfaction, Stress, Physical Health, and Retention.	2005
	Green, F., & Tsisianis, N.	An investigation of national trends in job satisfaction in Britain and Germany.	2005
	Benz, M., & Frey, B. S.	Being independent is a great thing: Subjective evaluations of self-employment and hierarchy	2008
	Michael O. Samuel and Crispen Chipunza	Employee retention and turnover: Using motivational variables as a panacea	2009
	Muhammad Hassan, Sobia Hassan, Kashif Ud Din Khan & M. Akram Naseem	Employee Retention as a Challenge in Leather Industry	2011

Table 24: On boarding and orientation having relation with employee retention which is said by respective authors in their research papers in respective years

Factors	Authors	Research Papers	Year
On boarding and orientation	Punia, B.K. and priyanka Sharma	Employees perspective on human resource procurement practices as a retention tool in Indian IT sector	2008
	Gaurav Bagga.	How to keep the talent you have got	2013

Table 25: Job Satisfaction having relation with employee retention which is said by respective authors in their research papers in respective years

Factors	Authors	Research Papers	Year
Job Satisfaction	R.A. Murray	Job Satisfaction of Professional and Paraprofessional Library Staff at Chapel Hill, North Carolina	1999
	J. Denton	Using Web-based projects in a Systems Design and Development Course	2000
	R. Hammer	Winning Program Brings Smiles to Hotel's Employees	2000
	Kim	Does Attitude towards Money Moderate the Relationship between Intrinsic Job Satisfaction and Voluntary Turnover?	2000
	Kirby	Impact of Marketing Work-Place Diversity on Employee Job Involvement and Organisational Commitment	2000
	Wagner	Retention: Finders, Keepers	2000

Table 26: Leadership having relation with employee retention which is said by respective authors in their research papers in respective years

Factors	Authors	Research Papers	Year
Leadership	Chung-Hsiung Fang, Sue-Ting Chang, Guan-Li Chen	Applying Structural Equation Model to Study of the Relationship Model among leadership style, satisfaction, Organization commitment and Performance in hospital industry	2009
	Kyndt, N. G., Dochy, F., & Baert, H.	Influence of learning and working climate on the retention of talented employees.	2010
	Cottrell, T	Returns and investments "Retreat. Reveal. Retain	2012
	Sarah Leidner and Simon M. Smith	Keeping potential job-hoppers' feet on ground	2013

Table 27: Supervisor support having relation with employee retention which is said by respective authors in their research papers in respective years

Factors	Authors	Research Papers	Year
Supervisor support	Mcmanus, S.E., & Russell, J.E.A.	New directions for mentoring research: An Examination of related constructs	1997
	Moses, B.	Give people belief in the future: In these cynical times, HR must assure employees that faith and work can coexist	2000
	Silbert, L.T.	The effect of Tangible Rewards on Perceived Organizational Support.	2005
	Freyermuth	Retaining Employees in a Tightening Labor Market.	2007
	Borstorff, P. C., &	Turnover Drivers and Retention Factors	2007

	Marker, M.B.	Affecting Hourly Workers: What is Important?	
	Dr. Mita Mehta and et al.	Review Paper – Study on Employee Retention and Commitment	2014

Table 28: Working environment having relation with employee retention which is said by respective authors in their research papers in respective years

Factors	Authors	Research Papers	Year
Working Environment	Miller, N., Erickson, A., & Yust, B.	Sense of place in the workplace: The relationship between personal objects and job satisfaction and motivation.	2001
	Wells, M., & Thelen, L.	What does your workspace say about you? The influence of personality, status and workspace on personalization	2002
	Ramlall, S.	Managing Employee Retention as a Strategy for Increasing Organizational Competitiveness	2003
	Zeytinoglu, I.U. & Denton, M.	Satisfied workers, Retained Workers: Effects of work and work environment on Homecare workers' Job satisfaction, Stress, Physical Health, and 18 Retention.	2005
	M.M.N.Kabir and Mosammod Mahamuda Parvin	Factors affecting employee job satisfaction of pharmaceutical sector	2011

Table 29: Training and Development having relation with employee retention which is said by respective authors in their research papers in respective years

Factors	Authors	Research Papers	Year
Training and Development	Hays S	Generation X & Y and the art of the reward	1999
	Messmer, M.	Orientations programs can be key to employee retention.	2000
	Accenture	The high performance work force: separating the digital economy‟s winners from losers.	2001
	Tomlinson, A.	High Technology workers want Respect	2002
	Marjorie Armstrong-Stassen, Andrew Templer	Adapting training for older employees	2004
	Amble, B.	Baby boomers look to a working retirement.	2006
	Garg, P. & Rastongi, R.	New model of job design motivation employees Performance.	2006
	Ian M. Taplin, Jonathan Winterton.	The importance of management style in labour retention	2007
	Handy, L.W.	The importance of the work environment variables on the transfer of training.	2008
	Sarah Leidner and Simon M. Smith	Keeping potential job-hoppers' feet on ground	2013

Table 30: Performance appraisal having relation with employee retention which is said by respective authors in their research papers in respective years

Factors	Authors	Research Papers	Year
Performance Appraisal	Murphy, K.R. & Cleveland, J.N.	Performance appraisal: An organizational perspective.	1991
	Bretz, R.D., Milkovich, G.T. Kc Read, W.	The current state of performance appraisal research and practice: Concerns, directions, and implications.	1992

Table 31: Work Life Balance having relation with employee retention which is said by respective authors in their research papers in respective years

Factors	Authors	Research Papers	Year
Work Life Balance	S.L. Grover & K.J. Crooker	Who Appreciates Family-Responsive Human Resources Policies: The Impact of Family-Friendly Policies on the Organizational Attachment of Parent and Non-Parents	1995
	Glass, J. L., & Riley, L.	Family responsive policies and employee retention following childbirth.	1998
	Thompson, C. A., Beauvais, L. L., & Lyness, K. S.	When work-life benefits are not enough: The influence of work-life culture on benefit utilization, organizational attachment, and work-life conflict.	1999
	Williams, M. L., Ford, L. R., Dohring, P. L., Lee, M. D., & MacDermid, S. M.	Outcomes of reduced load work arrangements at managerial and professional levels: Perspectives from multiple stakeholders	2000
	Anderson SE, Coffey BS, Byerly RT	Formal organizational initiatives and formal workplace practices: Links to	2002

		work-family conflict and job related outcomes.	
	Lockwood N	Work/Life Balance: Challenges and Solutions.	2003
	W.R. Pasewark & R.E. Viator	Sources of Work- Family Conflict in the Accounting Profession	2006
	Osman M. Karatepe.	High-performance work practices, work social support and their effects on job embeddedness and turnover intentions	2013

Some earlier model of employee retention:

The Rethinking Retention Model - A Process-Driven Approach to Keeping the Best People

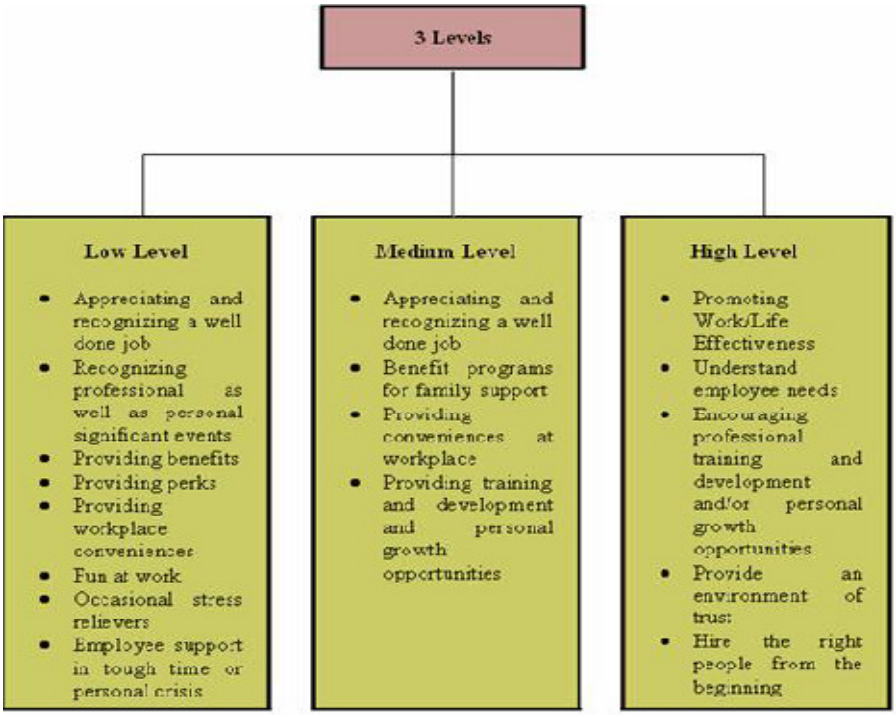

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Figure 2: The Rethinking Retention Model

Source: (http://retention.naukrihub.com/retention-strategies.html) and Sudheendra rao L N(2011).

This model is based on 3 specific principles, 7 proven strategies, and more than 300 tested employee retention solutions which are again based on broad research into virtually all identified studies and finest practices that create retention development. These practices can be divided in low, medium and high as shown in the above figure. This model is very helpful for keeping the best people in the organisation.

Employee Retention Model by Howatt: A Discussion Model

The following structured by flexible model was used by Howatt. To help the employees and employers in retention, the following SUCCESS model shows the path

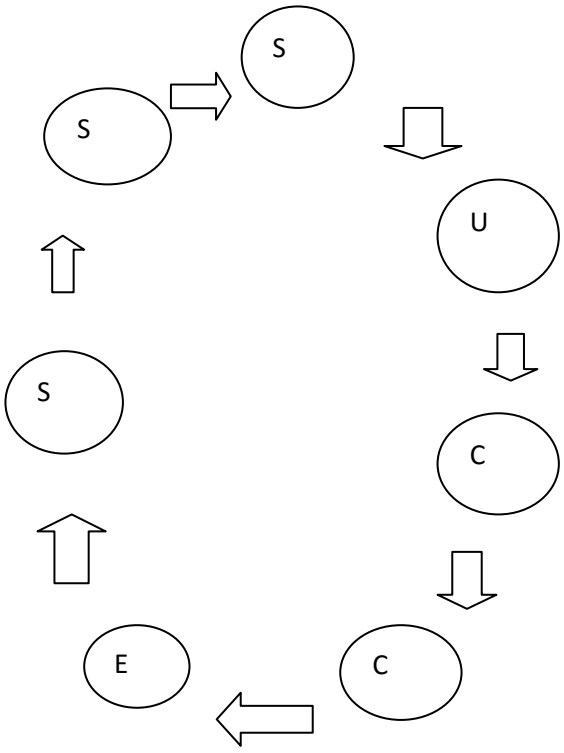

Figure 3: Howartt's Model of Employee Retention

Source:(http://www.howatthr.com/images/pdf/pplmgmt/Employee%20Retention%20A%20Discussion%20Model.pdf) and Sudheendra rao L N(2011).

S— See the priorities and pick out the critical issues and goals that need to be addressed.

U— Understand the needs of the employee from their frame of reference. Learn and practice the Success Touch that is treating others not as you want to be treated, rather as they want to be treated.

C— Create the programs and services that are needed for staff to perceive they are of value and importance.

C— Concentrate on what is working, and reflect and learn why it is. Once we do this we are able to continue to extrapolate the hows in regard to employee motivation. Be aware of how to help employees choose to be motivated.

E— Evaluate if both the employees and upper management are working for a common goal.

S— Study the learning from the above steps and learn what can be done to enhance the workplace

.

S— Set the task to continue to look for feedback. Support the staff and transfer what is learned so that there is a reduction in the same mistakes being made, so that it does not work against staff morale or motivation.

2.3. **Literature review of demographic variables affecting Employee retention:**A demographic variable generally represents the age, gender, education or qualification, Working experience or tenure with the present organisation, Working hours, marital status, department and designation. The researchers by now made attempt to find out the impact of demographic variables over employee retention in the job because these demographic variables have extensive relationship with employee retention and also their turnover intention. Age, gender, tenure, education and income levels are some of the demographic variables that have been found to have stable relationship with retention and turnover intentions in the reviews of literature. These have influenced employee retention and turnover overtime. As supported by (Furnham et al. 2009; Kavanaugh et al. 2006; Ng and Sorensen 2008; Schroder 2008), it has been found that demographic variables are strong predictors of turnover intentions. In S. Uma maheswari and krishnan Dr. Jayashree (2014), it has been forwarded by Cotton and Tuttle (1986) Morrow (1983) and Gregersen and Black (1982) that the age, income and tenure are negatively related to turnover intentions. Again it has been added by William and Hazer (1986) that demographic variables are relevant with turnover intentions. The researcher Naumann (1993) proved that the demographic variables also exert influences over employee retention. In *Dr. K. Lavanya Latha*, it has been put forwarded by (Berg, 1991; Cotton & Tuttle, 1986) that the more educated the employees there is more propensity to quit or resign from the job which means level of education is positively associated with turnover. In Dr. Poongavanam S. and et.al (2014), Cotton and Tuttle (1986) and Weisberg and Kirshenbaum (1993) found that mixed result has been revealed by relationship between gender and turnover. They stated that females more likely to leave their job than males. Again it has been reported by Miller and Wheeler (1992) and Wai and Robinson (1998) that there is no relationship between gender and turnover. In Dr. Poongavanam S. and et.al (2014), it has been put forwarded by (Boswell, Boudreau and Tichy, 2005) that though a lot of time, significant energy is spent on finding new jobs, adjusting to new situations, giving up known routines and interpersonal connection is very stressful for an employee, so the decision of leaving the Organization is not easy for an individual

employee. Again in his paper it has been seen that demographic factors cannot be ignored as level of education, level of income, job category, age, tenure, gender have influenced employee retention and have been found to have stable relationship with turnover intention. Of the above Demographic factors, age, tenure and income level was found to be negatively related to turnover intention as stated by (Arnold & Feldman, 1982; Cotton & Tuttle, 1986; Gerhart, 1990, Mobley ET. Al, 1979; Price & Mueller, 1986; Wai & Robinson, 1998; Weil & Kimball, 1995). In a study by Ahuja et al (2007) on the IT industry in India, it has been revealed that the most studied and the most consistent in its relationship to turnover is the employee's age. They added that age had a modest but significant effect on turnover intention. In Collins Marfo Agyeman and Prof. V.M. Ponniah research study, it is shown in a meta-analysis by Borman and Dowling (2008), in their study on teacher attrition and retention, they indicated that those who are 51 years of age or older are nearly 2.5 times more likely to leave teaching than teachers who are 50 or younger. With respect to years of service, Employees with higher tenure may have familiarity with their work role and have reached a higher level of career attainment than those employees with lower tenure as reported by Ng and Sorensen (2008). On the other hand, a further study conducted by Kavanaugh et al. (2006) exposed that nurses with different levels of tenure are not stimulated to stay with an organization by the same incentives. Crawley (2005) on the military, he stated that women with five to eight years of service are most likely to quit their job.

In Zachariah, Minu and Dr. Roopa T.N(2012), A study conducted by Elaine (1997) and Summers and Hendrix (Mobley (1982) and Dickter, Roznowski and Harrison (1996) found that generally male employees are the breadwinner for the family and females work to basically supplement the family income. So when their expectations are not met then they are more likely to leave their job than females in favour of a more lucrative job. Luekens et al. (2004) suggested most evidently that retained employees are more likely to be male than female as reported in a descriptive statistics. Ingersoll (2001) found in a related study that males were slightly more likely

than females to stay. It has been proved by many researchers that higher income levels are significant for employees to be retained in their job. A large number of studies by (Kelly, 2004; Stockard and Lehman, 2004; Johnson and Birkeland, 2003; Ingersoll, 2001) have examined the relationship between pay and retention and have established a consistent association between larger teacher salaries and lower rates of attrition. Crawly (2005) in his study concluded that married employees have higher intention to leave due to family commitment than unmarried employees.

2.4. **Literature review of Job satisfaction:**

Job satisfaction describes how content an employee is with his or her job. It is a poignant response to a job. It can be considered as a part of life satisfaction. According to Spector 1997, Job satisfaction is one of the most admired and broadly researched topics in the field of organizational psychology. There is lots of definition of job satisfaction given by different previous researchers till now. Some of them are clashing in nature.

[1] It was found in the paper of Bidisha Lahkar Das and Dr. Mukulesh Barua (2013) that Hoppock (1935) was of the view that job satisfaction is any combination of psychological, physiological and environmental circumstances, which cause a person truthfully, satisfied with his/her job.

[2] J.P. Wanous and E.E. Lawler (1972) refer to job satisfaction as the sum of job facet satisfaction across all facets of a job.

[3] Locke & Lathan (1976) stated a comprehensive definition of job satisfaction as pleasurable or positive emotional state resulting from the appraisal of one's job experience found in the paper of Syed Nausheen and Lin Xiao Yan (2012).

[4] In Dr. C. Swarnalatha and Sureshkrishna G. *(*2012) it is found that job satisfaction can be viewed as an emotional state; positive in connotation which is because of the goodness emanating from the job the individual is doing with respect to the view of Locke (1976).

[5] Feldman and Arnold (1983) have stated job satisfaction as, "the amount of overall positive affect (or feelings) that individuals have towards their jobs".

[6] Davis et al., (1985) assured that job satisfaction is a combination of positive and negative feelings that workers have towards their work.

[7] Hulin et al.(1985) model proposed that job satisfaction is the function of the balance between work role inputs(e.g., education, time and effort) and the work role outputs(e.g., pay, status, working conditions, wages, fringe benefits, task importance, and intrinsic aspects of the job as cited in Timothy A. Judge and Shinichiro Watanabe (1993).

[8] Insecurity among employees leads to job dissatisfaction as established in the study of Ashford et al., (1989) Davy et al., (1991).

[9] C.R. Reilly (1991) defines job satisfaction as the feeling that a worker has about his job or a general attitude towards work or a job and it is influenced by the perception of one's job.

[10] Rain, Lane & Steiner (1991) said that job satisfaction is correlated to life satisfaction which means that people who are satisfied with life will tend to be satisfied with the job and people who satisfied with job will tend to satisfied with their life.

[11] In Kumar Navdeep and Garg Pankaj (2010) it is forwarded by Schermerhorn (1993) that job satisfaction as an affective or emotional response towards various aspects of an employee's work.

[12] Reichheld (1996) established the three criteria that have impact upon how tough employees are functioning. Those are: (1) they have job pride, (2) when they find their jobs interesting and meaningful, and (3) when they are recognized for their work and benefit from the work they have accomplished.

[13] Spector (1997) refers to job satisfaction in terms of how people feel about their jobs and different aspects of their jobs.

[14] A relevant research by Spector (1997) and Hirschfeld (2000) specified that according to Herzberg's two dimensions, the different aspects of job satisfaction could be split. The intrinsic satisfaction refers to job tasks and job content such as variety, self-fulfillment, autonomy, skill utilization, and self-growth.

[15] Job satisfaction has direct effect on level of commitment, performance, absenteeism, and productivity as stated by Murray (1999). Furthermore, job satisfaction not only improves the retention of employees but also reduces the cost of hiring new employees.

[16] Income or compensation is the most precious determinant of job satisfaction found by Sokoya (2000) in his investigation on job satisfaction level among the public sector managers.

[17] Al–Aameri, (2000) found in his study that satisfied employees tend to be more creative, productive, and committed to their employers, and recent studies in health care organizations have proven a direct correlation between staff satisfaction and patient satisfaction.

[18] Again, Sousa-Poza and Sousa-Poza (2000) propose that determination of job definition is done by the balance between inputs and out puts. According to this concept, an individual will be happy when his/her basic and universal needs are fulfilled in their current situation.

[19] Ellickson and Logsdon (2002) define job satisfaction as the extent to which employees like their work. They have supported the view of Spector. It is an attitudinal variable that illustrates how individuals experience about their job.

[20] Hulin and Judge (2003) noted that job satisfaction means multidimensional psychological responses to one's job, and that such responses have cognitive (evaluative), affective (or emotional), and behavioural components. There are lots of factors that have some influence on person's level of job satisfaction. Some of them are pay and benefits, fair performance appraisal, career and promotional opportunities, proper reward and recognition, work-family life balance, the job itself, proper working conditions, leadership, autonomy in work. Job satisfaction involves complex number of variables, circumstances, opinions and behavioural tendencies.

[21] Job satisfaction is a complex phenomenon which is influenced by factors like salary, working environment, autonomy, communication and organizational commitment as forwarded by previous researchers like Vidal at al., (2007) and Lane et al., (2010).

Conceptual framework:

Based on the above discussions, a research model is developed which is given below.

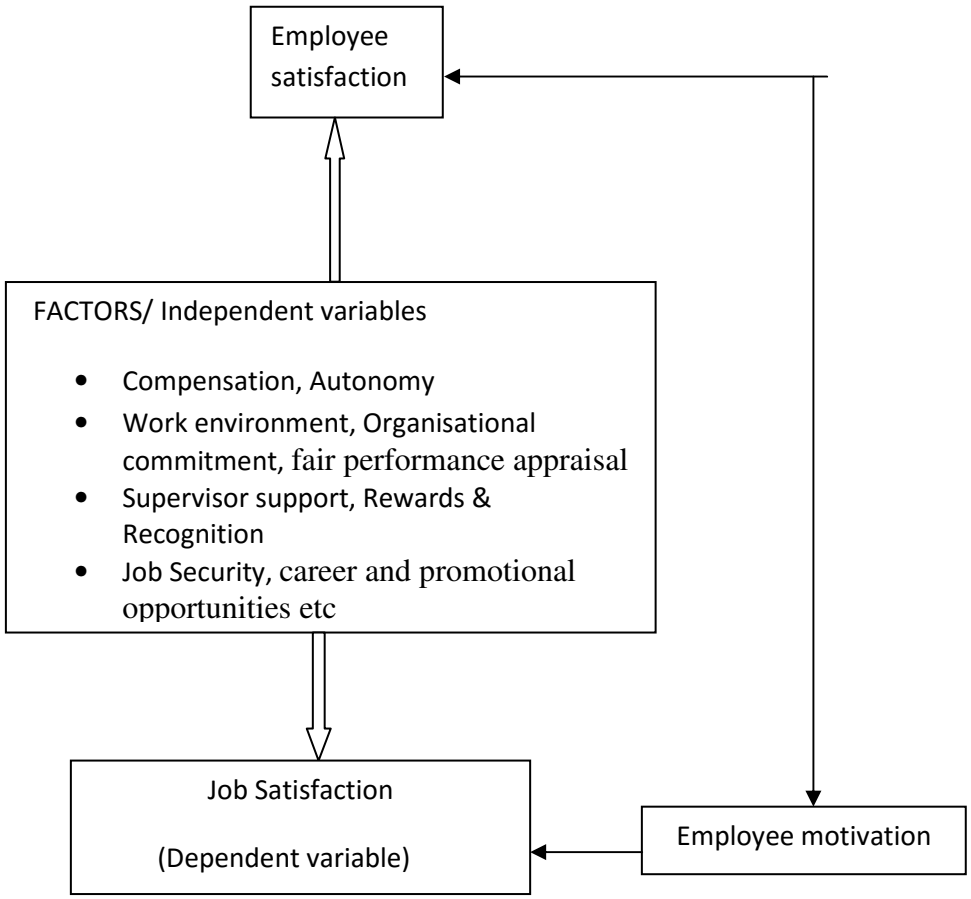

Figure 4: Research model

Source: Neog Bidyut Bijoya & Dr. Barua Mukulesh (2014) (modified)

2.5. **Motivation:**

Webster's Dictionary defines motive as, something that causes a person to act. Therefore, motivation can be defined as by Shanks, 24, the act of providing motive that causes someone to act. In other words, motivation causes someone to act and someone else cannot make someone motivated, according to Nancy Shanks. Ray Williams, the author of Psychology Today defines motivation with respect to workplace as, "predisposition to behave in a purposeful manner to achieve specific, unmet needs and the will to achieve, and the inner force that drives individuals to accomplish personal organizational goals". Previous authors (Ryan and Edward, 54), depicted motivation as, the "orientation of motivation concerns the underlying attitudes and goals that give rise to action". Motivation can be referred as what activates, directs person behaviour and how this behaviour is continued to attain a specific goal. Also it can be defined as the set of processes that awaken, direct and sustain individual behaviour towards achieving various goals.

Beach (1980) stated motivation "*as the keenness to use up the energy to accomplish a goal or incentive"*. According to Perry and Porter, (1982), Motivation has been defined as an amount, quality and direction of employees' effort that energises their behaviour within the work environment (as cited in Wg Cdr. D. D. Mundhra (2010). Although many factors contribute to productivity, job performance is viewed to be the most influential one. Job performance itself is a function of four variables: ability, understanding of the task, environment, and motivation (Mitchell, 1982, pp.82-83). According to Mitchell, (1982, pp.82-83), job performance which is a function of four variables namely understanding of the task, environment, ability, and motivation, is the most influential one factor among many factors which enhances productivity of employees which in return helps to fulfil the organisational goals. Mitchell, (1982, p.81) simply described motivation as "*the goad to action*" according to dictionaries.As cited in Teoh Teik Toe, Beck (1983) has stated that happy employees are motivated employees and they do their work more passionately and actively and consequently

resulting higher quality output. Following are the four basic perspectives given by Beck (1983) that can ignite motivation at a workplace. Those are the social relationship he has or desire to have, the economic condition of that person, self-actualization of his aspirations and get recognition and lastly a combination of all the above elements.

Kovach (1987) supports this suggestion by saying that no standard motivational factor is applicable to all organizations because of individual differences. For example, what is interesting to one person may not be interesting to someone else: one employee may value good wage while the other may prefer interesting work (p.58).

According to Deci, Connell, & Ryan, (1989), intrinsic motivation can be defined as the motivation to perform an activity for it, in order to experience the pleasure and satisfaction inherent in the activity. Intrinsic motivation refers to internal factors such as interest, enjoyment, choice, perceived competence, etc.

The term motivation is defined as the power that enables an individual in advancing towards in achieving definite target. Dunnette, Hough and Triandis (1990) assured that motivation is "*a label for determinants of choice to begin effort on a certain task, the choice to expand a certain amount of effort, and the choice to persist in the efforts over a period of time."*

Reece and Brandt (1990) defined motivation *"as the reason why people do the things they do, and in a work setting, motivation is what makes people want to work"(p.149).*

Helliegel, Slocum, and Woodman (1992) depicted motivation as the energy acting on or within an individual that causes the individual to perform in an explicit, goal-directed manner (p.204, as cited in Dongho Kim (2006). The word motivation is coined from the Latin word *motus*, a form of the verb *movere*, which means to move,

influence, affect, and excite. So, according to Rainey, 1993, p.20), motivation means the degree to which a person is moved or aroused to act.

Motivation originates within an individual self consciously or unconsciously according to Gouws (1995). Peti (1996) defined motivation *as a force that exerts on an individual to initiate a special behaviour and sometimes this behaviour can be more intense than others and varies depending on the situation.*

Pinder (1998) stated motivation as "*a set of internal and external forces that triggers work related behaviours that determine its form, intensity, direction and duration."* This relates to both the influence of environmental forces and personal inherent thoughts on his work behaviour.

Luthans (1998) put forward that motivation is the process that arouses, energizes, directs, and sustains behaviour and performance (as cited in Rizwan Saleem and et.al (2010).

Schultz and Schultz (1998) stated that motivation is aimed to achieve increases in the work productivity and job satisfaction as highly motivated persons tend to work harder and perform more effectively in their jobs than the less motivated individuals.

Motivation is defined by Robbins, Coulter and Coulter, (1998) as *"the willingness to exert high levels of effort to reach organisational goals, conditioned by the effort's ability to satisfy some individual need".*

Linder 1998 defined motivation as internal strength that drives person to achieve individual and organizational goals (Linder, 1998).

Pinder (1998) defined work motivation under the context of a workplace in an organization as "*a set of inner and outer forces that triggers behaviours that were*

work related". According to him, work motivation is invisible and created within an individual's inner self.

Anderson and Fornell, (2000) argued that the role of intangible resources like systems, knowledge, customer Relationships, etc. is very crucial to compete in rapidly changing economic world(as cited in Muhammad Bilal Ahmad and et. al(2012).

Motivation is of two types–extrinsic and intrinsic. According to Aronson, Wilson and Akert (2002)"Extrinsic motivation refers to external factors which can be measured in monetary terms such as salary and bonuses etc."

As stated by Harter, Schmidt & Hayes, (2002), it is very essential for an organisation to keep their employees motivated and engaged with the organisation because it helps to achieve higher customer satisfaction level and productivity particularly in the service industry. According to Gittell & Weiss, (2003), employee motivation headed for their employment can have a crucial impact on customer's satisfaction level and service quality.

Spector (2003) has described motivation "*as an inner state of mind of an individual that influences him/her to display a definite type of activities"*.

Kremer, Sheehy, Reilly, Trew & Muldoon, (2003) put forwarded the view of motivation by some individual as skiping better financial benefits in favour of having a job which provides them with personal pleasure and feeling good about what they do. According to them, motivation is *'a broad construct pertaining to the conditions and processes that account for the arousal, direction, magnitude, and maintenance of effort in a person's job.*

Scholars like Greenberg/Baron, 2003, p.190; Robbins/Judge, 2008, p.209 developed the term "motivation" as "*the set of psychological processes that cause the*

arousal, direction, and persistence of individual's behaviour toward attaining a goal". The latter definition underlines three pillars of motivation. The first – *arousal* – has to do with the drive or energy that ignites behaviour (Greenberg/Baron, 2003, p.190). The second – *direction* – has to do with the type of behaviour that is exerted and whether it is in line with demand or organization goal (Robbins/Judge, 2008, p.209). The third pillar – *persistence* – deals with the lastingness of behaviour. As motivation is an individual phenomenon, so the factors which are responsible for motivating one individual may be different from the factors which are responsible for motivating another individual.

Gredler, Broussard and Garrison (2004) broadly define motivation as "the attribute that moves us to do or not to do something" (p. 106).

Again, Daft and Marcic (2004) stated that motivation refers to *"the forces either within or external to a person that arouse enthusiasm and persistence to pursue a certain course of action"(p.444).*

Gagne and Deci (2005) reported "Intrinsic needs derive satisfaction from performing the activity itself from the implementation of an activity without receiving any apparent reward."
Guay et al., 2010, p. 712) refers Motivation as "*the reasons underlying behaviour*".

According to Simon and DeVaro (2006), the expense incurred by any organisation of investing for developing motivated employees will promote the organization in the long run as it increases employee efficiency level and quality of the service by them(as cited in Muhammad Bilal Ahmad and et. al(2012). There are lots of ways by which employees can be motivated according to Simon and DeVaro (2006). Those are organizational culture, by officering good salaries, and growth opportunities of their career. To satisfy customer's demand, it is very important for the organisation to keep motivated their employees. It is because; one motivated employee's enhanced

productivity will result as improved services of him/her. According to them, organisations that are perceived as best organisation stimulates their employee's attitude by attracting them towards different recompenses. Simon and DeVaro (2006) again put forwarded that strategic human resource can play a significant responsibility in improving an organisation's performance. Because, they are responsible for keeping their employees stimulated and happier with their work so that they can offer better services to their customers.

According to Grant, (2010), highly motivated employees lead to the effective ability of the self assessment which can have vast impact on flourishing work efficiency.

Morosan (2010), Motivation is defined as the act of orienting ones actions to a specific goal (cited in Cristian Valentin HAPENCIUC and Andrei-Alexandru)

In *Yair Re'em (2011),*Managers most often fulfil their organizational goals through the work of employees. Thus, managers need to have highly efficient and productive staff members.

Many researchers have been trying to answer the question as to what determines people's intention to quit. Until date, there has been slight uniformity in findings, which is partly due to lots of reasons. Actually, there are several reasons why employee quit from one organization to another or why employees leave their present organization.

Following diagram represents the Motivational factors for employee retention and engagement:

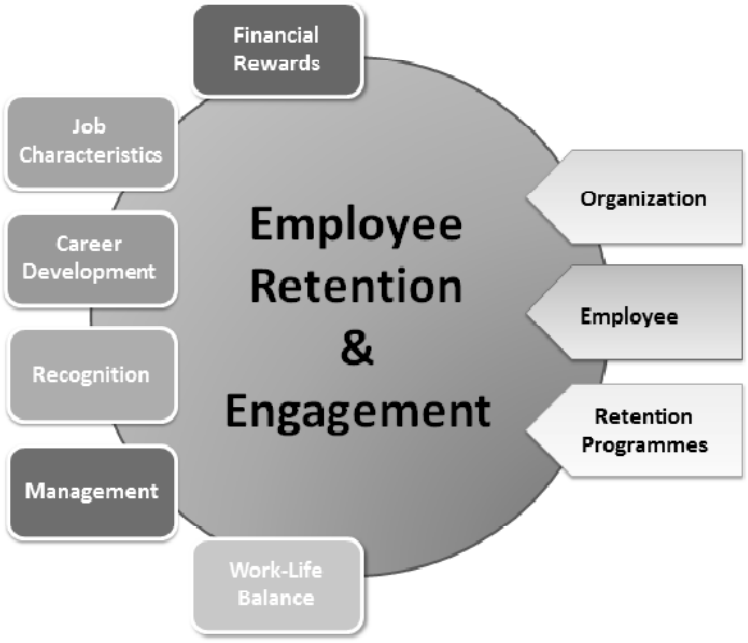

Figure 5: Motivational factors for employee retention and engagement

Source: Modified from the Recruitment Communications Company, Understanding Employee Retention, 2002 (Benjamin Balbuena Aguenza *et.al*,2012)

2.6. **COST OF TURNOVER:**

In Neog Bidyut Bijoya & Barua Dr. Mukulesh (2015), Bliss (2007) estimates the cost of employee turnover as 150% of an individual employee's annual salary. The cost is significantly higher 200% to 250% of salary for managerial and sales positions. The cost can be substantial when high profile employees or higher number of employees is involved. A huge amount of cost incurred in loosing critical employees. For example, Hale, in his study, it was found that employers cited recruitment costs of 50 to 60% of an employee's first year's salary and up to 100% for certain specialized, high-skill positions. Again, total replacement costs can range from 90 – 200% of an employee's annual salary; Study found that turnover costs represent >12% of pre-tax

income for the average company; for companies with >75% turnover, the costs associated with turnover are nearly 40% of pre-tax income. Again, In an another study, Fitz-enz has proved that when direct and indirect costs are combined, the total turnover cost of an exempt employee is a minimum of one year's pay and benefits, or a maximum of two years' pay and benefits. He again added that the regular company loses approximately $1 million with every 10 managerial and professional employees who leave the organization. So, there is a huge loss of knowledge given to the employee along with his/her departure. Turnover is always expensive as turnover costs are associated with time, money, and other resources, such as: Manager's time (retention attempts, exit interviews, etc.); Hiring inducements (signing bonus, relocation expenses, etc.) On-the-job training (supervisor time, employee time); Delays in production and customer service. Turnover also impacts business performance. For example; there is always a link between high turnover and organizational performance shortfalls; secondly, sales growth increase if turnover reduces; reducing turnover improves workforce morale. Also, finding qualified and skilled employees is becoming more difficult now a day. Labour shortages caused by factors such as: Aging population; inadequate educational programs; Globalization. It is very hard to find right people with the right skills especially in case of an Automobile service sector.

Chiavenato as cited in Filipe fidalgo and Luis borges gouveia (2012), presented a cost list that is divided into primary, secondary and tertiary groups. The first group is quantitative, the second and third are qualitative estimates. Following are the costs of employee turnover.

1. Primary cost: recruitment and selection costs; registration and documentation costs; integration costs; separation costs.
2. Secondary cost: production effects; staff attitude effects; extra labour cost; extra operating cost.

3. Tertiary cost: extra investment costs; losses in business.

2.7. **Turnover**

1. According to Locke (1976) and Jewell and Segall, (1990); people, who are satisfied with their jobs, tend to retain longer, i.e. lower turnover.

2. Mobley (1977) first projected a model describing the relationship between job satisfaction and feelings of quitting which, ultimately led to actual turnover.

3. According to Louis (1980), turnover takes place because new employees compare their actual experience with their past work experiences. Past work experience always plays an important role in taking decision to quit in case the new employee's expectations are not met.

4. Chruden (1980), Testa (2008) in their studies have established that high turnover rates of skilled professionals can create as a risk to the business or organization. It is because of the human capital (such a skills, training and knowledge) cost. As cited in Das Lahkar Bidisha & Dr. Barua Mukulesh (2013), given the natural specialization of skilled professionals, these employees are likely to be reemployed within the same industry by a competitor.

5. Price & Muller (1981) in their study of seven hospitals on 1091 registered nurses initiated that job dissatisfaction influenced actual turnover in some way through its straight effect on turnover intention.

6. Price & Muller (1981) established the variables that have an effect on job satisfaction and employee turnover intention are pay and promotional opportunities, rewards and recognition, rules and regulation, immediate

supervisor, fringe benefits, relation with co-workers, types of work done, and communication within the organization.

7. High turnover is caused by the following causes which are proved by Jackson, (1981) and Stear (1991) in their research. Those are: discontent with the work, unhealthy and risky working conditions, low salary package, impractical expectations from the organisation, improper candidate screening, lack of career opportunities and promotions, clash with management and unsuitable tools.

8. Mobley (1982) defines turnover as "voluntary cessation of membership in an organization by an individual who receives monetary compensation for participating in that organization".

9. The factors which are consistently related to turnover intentions and the actual turnover are tenure, age, job satisfaction, organizational commitment, job image as concluded in the study of many previous researchers like Arnold and Feldman, (1982) ; Wotruba and Tyagi, (1991) ; Brodie, (1995).

10. Both the organizational factors as well as the individual factors influence organizational commitment which ultimately influences turnover intentions among employees as stated by Williams and Hazer (1986). They have differentiated between commitment and job satisfaction by explaining the latter as an emotional reaction to the whole organization and the former as an emotional reaction to definite aspects of job.

11. There is a negative correlation between job satisfaction and turnover as proved by Carsten and Spector (1987) in his meta-analysis study.

12. There are some causes for which high staff turnover in an organization happens as forwarded by Costly et al. (1987). Those are poor recruitment policies, poor

personnel policies, poor grievance procedures, poor supervisory practices, or lack of motivation of the staff. All these factors denote that there are no proper management practices and policies on personnel matters of the staff. Hence the employees are not recruited scientifically, no grievance procedures are there in the organization, employees are not clear about the promotion policy of the organization or in other words it is not communicated properly to the employees, and as such the employees decide to quit the job.

13. As forwarded by Zedeck and Mosier (1990), the subject of employee turnover is very critical and significant to three parties i.e. researchers, managers and individuals.

14. Denvir and McMahon (1992) define labour turnover as "the movement of people into and out of employment within an organization", as cited in Gayatri Negi (2013).

15. Wanous (1992) made a close look on new employee attrition and stated that new joined employees often leave the organization. It is because their expectations are not met which results into a contravention of their emotional contract resulting into turnover of the employees.

16. Several researches in the past have exposed that job satisfaction and organizational commitment are critical factors that influence turnover intention of the employees as added by Hom & Griffeth (1995).

17. When employees feel autonomy and are involved decisions making process, then they retain in the organisation as stated by Magner et al. (1996). In fact, they should clearly understand their working environment.
18. Lower level of turnover is possible if any kind of communication gap is not present in between employees and employers as proved by Labov, (1997).

19. Griffeth et al. (2000) wrapped up that pay and pay-related variables have a major effect on employee turnover.

20. Turnover problem should be dealt with cautious strategies entirely focussed on human resource problems as put forwarded by Susskind at el., (2000).

21. Abassi et al (2000) concluded that there are other factors which are responsible for quitting of employees from the organisation. Those are like style of management, lack of recognition, inefficient and poor recruitment practices, work place conditions, and a lack of competitive compensation system.

22. When there is an expected work environment and vice versa, then only employees retain in the organisation as added by Zuber (2001). He again supplemented that insecure organization have a high degree of employee turnover rate.

23. The main predictors of employee's intention to leave the job are lower levels of intrinsic job satisfaction, discontent with salary and promotional opportunities and emotional fatigue as put forwarded by Harrington et al. (2001).

24. Trevor (2001) argues that "local unemployment rates interact with job satisfaction to predict turnover in the market". Role stressors also guide to employees' turnover. Role ambiguity is also important for predicting employee turnover from the job.

25. Meaghan et al (2002) was very much serious about controlling attrition. He states that the value of employees to an organization is intangible and cannot

be replicated. The employees are very crucial element in the success of the organization. Therefore, the managers should control attrition.

26. Kevin et al. (2004) has assured that an extensive series of factors are helpful in predicting employee turnover although there is no standard structure for understanding the employee's turnover process.

27. The main factor of employee's quitting from the organisation is economic reason as identified by Manu et al. (2004). This has been proved by using economic model. It is used to predict the labour turnover in the market.

28. There existed negative relationship between turnover intention and both procedural and distributional justice as stated by Loi et al. (2006).

29. Firth et al (2007) always tries to come across the causes of attrition. He says that there are lots of factors that lead to job related stress, lack of commitment towards the organization and job dissatisfaction which cause employees to quit.

30. Ongori (2007) established stress like occupational stress as a cause of attrition of the good employees of the organisation. This turnover affects the organization negatively in increasing the recruitment and selection costs of the organization.

31. For decreasing employee turnover and retaining employees, management should encourage task significance and task identity, open book management, job redesign, task autonomy, empowerment of employees, scientific and proper recruitment and selection as employees are the long term investment in an organisation as stated by Henry Ongori (2007).

32. Gurpreet Randhawa (2007) proved in her study that higher the job satisfaction, lower is the individual's intention to quit the job.

33. A low level of turnover intention was seen on employees who showed positive feelings towards procedural and distributive justice as disclosed by Elanain Abu, (2010) in his study.

34. In Filipe fidalgo and Luis borges gouveia (2012), Employee turnover is "*the rotation of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment"*.

35. Mrs. E. Deepa; Mrs. M. Stella (2012) have proved the following factors which contribute to turnover of employees. Those are the economy, the organizational culture, the performance of the organization, the characteristics of the job, and impractical expectations from the organisation, demographics and the individual.

36. According to H. Beazley, J. Boenisch e D. Harden, employee turnover is very much costly from the organisational point of view. It is because the knowledge and secrets lost from an outgoing employee is a very long-term problem which is responsible for initiating other new problems of the organisation and finally reducing organization's effectiveness.

According to Ms.S.Janani (2014), there are four types of turnover:

Voluntary: Voluntary turnover consists of employees exercising their free choice to leave.

Involuntary: Involuntary turnover consists of separations where an employee unwilling leaves.

Functional: Functional turnover is when low performing employees leave the organisation.
Dysfunctional: Dysfunctional turnover is when high performing employees leave the organisation.

In his research paper, Mobley's model of employee turnover is given which is presented below. In the below figure, a schematic demonstration of the turnover decision process is illustrated. The turnover decision process can be described as a series of cognitive stages starting with the process of evaluating the existent job followed by the emotional state of satisfaction or dissatisfaction. If the employee is satisfied then he or she will be retained in the job or if he/she is dissatisfied then the employee may be thinking of quitting the job. Then comes the step evaluation of the expected utility of search and of the cost of quitting i.e. loss of vested benefits. Then the employee starts search for alternatives. If the employee finds any suitable alternatives then he/she starts evaluating it. If the comparison favours the alternative, then behavioural intention to quit will be inspired, followed by the final decision to quit from the organisation.

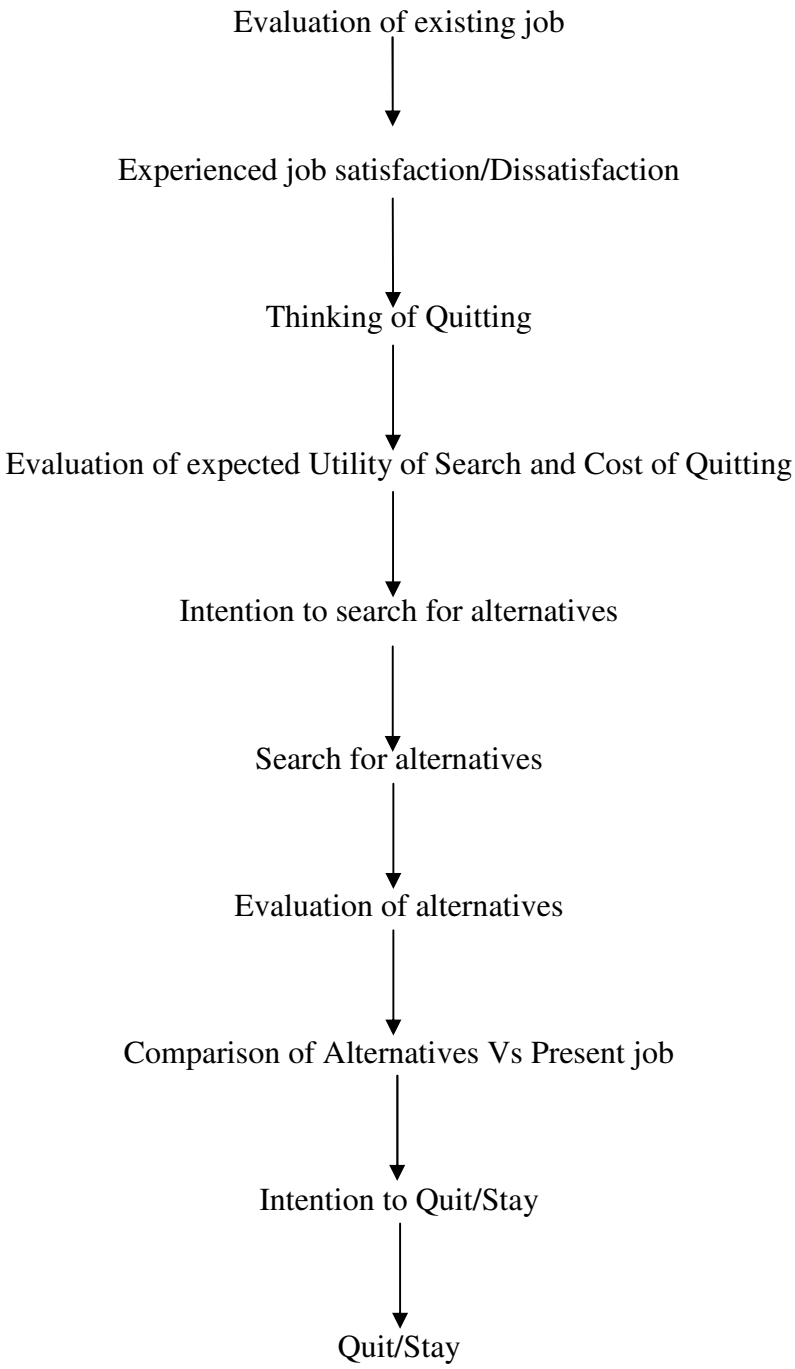

Figure 6: Mobley's model of employee turnover

Source: (Mobley, 1977: p. 237-239). (Ms.S.Janani, Indian journal of applied research, Volume: 4 | Issue: 3 | Mar 2014 | ISSN - 2249-555X)

Forbes (1971) states that labour turnover means parting from an organization and included transfer, promotion, or any other internal movement within the organisation as cited in Gayatri Negi(2013). For prediction of attrition, tenure of an employee is the best measure as stated by Mobley (1977). *The term "turnover" is defined by Price (1977) as cited in Henry Ongori (2007) as: the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period.* While comparing the new employee's actual experience with their past work experiences and if their expectations are not met, then attrition takes place as forwarded by Louis (1980). It is because past work experience plays important role in taking decision to quit of the employee. Many previous researchers like Peters et al., 1981, Bluedorn, 1982, Kramer et al., 1995, Saks, 1996, Kalliath and Beck, 2001 has published a lot of literature on attrition of employees by determining employee's intention to quit from the present job by investigating past history of what determines employees' intentions to quit(cited in . Jins Joy P. and R. Radhakrishnan (2012). Mobley (1982) defines turnover as *"voluntary cessation of membership in an organization by an individual who receives monetary compensation for participating in that organization"* cited in Gayatri Negi (2013).Previous researcher Garden (1989) put forwarded that high labour turnover may mean , poor supervisory practices, poor grievance procedures, poor personnel policies, lack of motivation or poor recruitment policies. Where management practices and policies on personnel matters are very weak, there these factors help the employee to quit from his or her present job. As stated by Philips, J.D. (1990), Employee turnover is very costly as because it involves lots of cost such as administrative costs of recruitment as there is a vacancy, training cost for the new employee etc. Sometimes employee turnover benefits organizations positively. This might happen when a retired employee replaced by a younger one or poor performer is replaced by a more skilled employee. Employee attrition refers to the loss of employees through a number of circumstances, such as resignation and retirement. While new employee's expectations are not met then attrition occurs as stated by Wanous (1992) because it violets the psychological contract of the new employees.

Denvir and McMahon (1992) identify labour turnover as "*the movement of people into and out of employment within an organization.* Lee and Mitchell (1994) have stated that there is no any particular basis why employee *leave organisation.* According to Webster's New American Dictionary (1995), *Attrition is the reduction of numbers through resignation, retirement or death and turnover means number of employees hired within to replace that those have left.* The two terms are very alike in nature. . Job satisfaction and Organisational commitment are two very crucial factors for influencing turnover intentions of employees as stated by Hom & Griffeth (1995).*Woods (1995) defined turnover as fillup a vacancy which is caused by either voluntarily or involuntarily, a new employee must be hired and trained.* As stated by Magner et al. (1996) that employees must clearly realize about issues that affect their working environment. As stated by Labov (1997), the organisations which have very strong communication system always enjoyed lower turnover of their employees, Employee will retain in the organisation if they found their involvement in some level of decision making process. According to Shaw et.al (1998), Employees' turnover is a much studied fact as cited in Henry Ongori (2007). Employee turnover is the revolving of employees around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment as stated by H. K. Abassi SM (2000), cited in Filipe fidalgo and Luis borges gouveia (2012). *Abassi et al. (2000) stated Employee turnover is the rotation of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment.* Abassi et al (2000) winded up with following factors which cause employees to quit their job. Those are lack of recognition, work place conditions, inefficient and poor recruitment practices, style of management, and a lack of competitive compensation system. Pay and pay-related variables are also very important factors for effecting turnover of employees as said by Griffeth et al. (2000). Elangovan (2001) clearly stated turnover intention to quit represents an attitudinal orientation or a cognitive expression of the behavioural decision to give up. As employees are the crucial asset for success of any organisation so Meaghan et al (2002) draws attention on controlling attrition. It is because the value of human

resource is intangible and cannot easily be replicated. So, keeping them is very much essential for today's world.

According to Houkes et al.2003, turnover intentions can be seen as a psychological outcome.

The turnover rate always varies from organisation to organisation and also region to region. The highest level of turnover is generally found in private sector organisation than public or government sector organisation. According to Rankin, N. (2006), where employee gets alternative job easily or where unemployment rate is lower, there highest rate of turnover is found. Turnover rate is used to measure the effectiveness of recruitment and is sometimes considered as one of the indicators of organizational performance (Cho, Woods, Jang, & Erdem, 2006). For quitting of employees, there are lots of factors suggested by Firth et al (2007) which lead to lacking of commitment towards the organization, job dissatisfaction and job related stress. Occupational stress leads to attrition of employee increasing recruitment and selection costs of the organization as told by Ongori (2007).

According to Chikwe, (2009), Turnover rate can be simply stated as how fast the employers recruit and lose employees (as cited in Ut Lon Im (2011). As stated by Mondy, (2010) Mondy (2010) clearly put forwarded turnover rate as to replace resigned employees, how many new recruitments were hired.