

A study on influence of employee compensation, job satisfaction, working environment on employee retention

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Abstract

In an era of employee shortages and increased service delivery demands, it is important to explore factors which contribute to the retention of employees who contribute a wealth of knowledge and experience to their organisations. Schuler and Jackson (2006: 216) define retention as everything an employer does to encourage qualified and productive employees to continue working for the organisation. The main objective of retention is to reduce unwanted voluntary turnover by valuable people in the organisation. Together, effective recruitment and retention efforts attract individuals to the organisation and also increase the chance of retaining the individuals once they are hired. Different generations are currently in the workplace with their differences magnified as a result of the current fragmented, global, and highly technological world. The changes in the workplace, in society, and in organisations over the years have been massive. These changes, according to Fields (2001:19) have, to a great extent, caused the rules of the workplace to change.

Keywords: Employee Retention, Job Satisfaction, Work environment, Employee compensation

Introduction

Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as the employee. Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best employees. If they don't, they would be left with no good employees. A good employer should know how to attract and retain its employees.

Most employees feel that they are worth more than they are actually paid. There is a natural disparity between what people think they should be paid and what Organizations spend in compensation. When the difference becomes too great and another opportunity occurs, turnover can result. Pay is defined as the wages, salary, or compensation given to an employee in exchange for services the employee performs for the organization. Pay is more than "dollars and cents;" it also acknowledges the worth and value of the human contribution. What people are paid has been shown to have a clear, reliable impact on turnover in numerous studies.

Employees comprise the most vital assets of the company. In a work place where employees are not able to use their full potential and not heard and valued, they are likely to leave because of stress and frustration. In a transparent environment while employees get a sense of achievement and belongingness from a healthy work environment, the company is benefited with a stronger, reliable work-force harboring bright new ideas for its growth.

Employee turnover is one of the largest though widely unknown costs an organization faces. While companies routinely keep track of various costs such as supplies and payroll, few take into consideration how much employee

turnover will cost them: Ernst & Young estimates it costs approximately \$120,000 to replace 10 professionals. According to research done by Sibson & Company, to recoup the cost of losing just one employee a fast food restaurant must sell 7,613 combo meals at \$2.50 each. Employee turnover costs companies 30 to 50% of the annual salary of entry-level employees, 150% of middle-level employees, and up to 400% for upper level, specialized employees. Now that so much is being done by organizations to retain its employees.

Why is retention so important? Is it just to reduce the turn over costs?

Well, the answer is a definite no. It's not only the cost incurred by a company that emphasizes the need of retaining employees but also the need to retain talented employees from getting poached.

Research Methodology

Statement of the problem

In today's world, employers face challenges in retaining efficient employees in wake of rapid increase in the volume of work. Employers are struggling to find and retain good people at all levels to keep pace with the volume of work and this means new pressures on salaries and compensation for employees. Furthermore, employers caution about pay levels and compensation despite a strengthening market has led to increasing employee frustration. The market economy also motivates the employment situations to change constantly and the person who works his or her entire career for the same business is less and less common. If employees are staying with the organization from two (2) to five (5) years, then the employer probably has done what is realistically and necessary to retain employees.

Purpose of the Study

The main purpose of this study would be to gauge the extent to which compensation system affects the employees' intention to

stay in the organization, being moderated by working environment. Besides, it is also the objective of this study to examine whether working environment moderates the relationship between compensation system and employees' intention to stay in the organization. The share of manufacturing sector in the GDP of Gujarat is nearly 40 percent, compared to 42 percent coming of the services sector. This is substantially different from the trend witnessed at an all India level, where the industry constitutes not more than 30 percent and the services sector contributes nearly 56 percent of the GDP. Over a period of time, Gujarat has successfully diversified its industrial base as a result of which there has been increase in employment opportunities in Gujarat. The employees as a result of industrial development have started switching over to other industries for money, better growth opportunities or favorable work environment. But these has placed a great pressure on organizations that are struggling to find and retain good people at all levels to keep pace with the volume of work and this means new pressures on salaries and compensation for employees. Furthermore, employers caution about pay levels and compensation despite a strengthening market has led to increasing employee frustration. Therefore, this study aims at providing a clear understanding of the relationship between compensation system and employees' intention to stay in the organization, moderated by employees' working environment. The information and the results of this study would be crucial to the employers of manufacturing sector of Gujarat in designing a competitive compensation system for the employees, with the objectives to retain good employees

Scope of the Study

This study will look into the employees' intention to stay in the organization. A number of private sector employees would be selected from the Manufacturing sector of Gujarat region; Employees from manufacturing sector are mainly selected because this sector in Gujarat is well-known for its turnover or mobility. This high turnover phenomenon is also prevalent in India. In addition, this study is mainly focused on private sector employees because they have the tendency to move from one organization to another organization as compared to employees from the government sector. Therefore, their selection as respondents is more appropriate. With regards to level of position in the organization, the questionnaires are to be distributed to private sector employees in Gujarat region at low level and middle level. This is to ensure that the collection of data is easily monitored and controlled as well as consistent.

Objectives of the Study

The major purpose of this study is to achieve the following two-fold objectives

- To study the level of job satisfaction, working environment, employee compensation and employee retention in manufacturing industries of Gujarat.
- To study the relationship and association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention.

- To study the Relationship and association between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Hypothesis

- There is non- significant association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention
- There is non- significant association. between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention
- There is non- significant relationship. between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Study Design

Universe

The universe comprised of 250 Middle Level Employees of Selected private manufacturing Industries of Gujarat

Sample and sampling

Method of sampling for the study was stratified systematic sampling.

Out of total 250 respondents 151 respondents were taken as sample on the basis of Krejcie and Morgan table,

Variables

Within the Study

Independent: Job Satisfaction, Employee Compensation and Working Environment

Dependent: Employee Retention.

Independent: Age, Sex, Experience and Education

Dependent: Job Satisfaction, Employee Compensation Working Environment and Employee Retention

Source of data collection

Primary

Primary tool of data collection will be questionnaire.

Secondary

Secondary tools of data collection will be Net \Surfing, E-Journals, Government Reports and Manuals.

Data Operation and Management

The data collected was coded, tabulated, analyzed & interpreted with the help of necessary univariate, bi-variate, multi-variate tables and with appropriate statistical tests

Limitations of the study

There are some limitations for research which are as follows:-

- a) As it was not possible to visit each department the true picture of working condition could not be judged.
- b) The employees were busy with their work therefore they could not give enough time for the interview.
- c) The personal biases of the respondents might have entered into their response.
- d) Respondents were reluctant to disclose complete and correct information.

Data annalysis and interpretation

Objective: To study the relationship and association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention.

Hypothesis: There is non- significant association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Table 1: showing cross tabulation between Age and Job Satisfaction

Crosstab					
Count					
		Job Satisfaction			Total
		Low	Moderate	High	
Age	<30	9	34	20	63
	30-40	22	23	17	62
	40-50	4	15	2	21
	>50	1	3	1	5
Total		36	75	40	151

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.527 ^a	6	.035
Likelihood Ratio	14.143	6	.028
Linear-by-Linear Association	3.002	1	.083
N of Valid Cases	151		

a. 3 cells (25.0%) have expected count less than 5. The minimum expected count is 1.19.

From above table, it is observed that The Pearson chi-square value in the Asymp. Sig. (2-tailed) column is 0.035 which is less than 0.005 which shows that there is significant association between age and job satisfaction.

As the above table shows that there is significant association between demographic variable that is age and Key variable job satisfaction the null hypothesis that is There is non- significant association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention is rejected and alternate hypothesis that is there is significant association between demographic variable that is age and Key variable job satisfaction is rejected which means age does have a significant impact on level of job satisfaction and as it can be known from the above table that. On the whole there are more no of respondents that is 49 per cent who are moderately satisfied followed by 26 percent of the respondents who are highly satisfied and remaining 25 percent who are least satisfied. The no of respondents having low job satisfaction increases as the age of the employees increases that is below 30 years have least no of respondents having low job satisfaction while respondents in the age group of 30 to 40 years have the maximum no of employees with low job satisfaction this is also supported by the study of Herzberg *et al.* (1957) who was the first to report U- Shaped relationship between age and job satisfaction. Based on extensive literature review Herzberg and his associates suggested while morale is high among young workers it tends to go down during the first

few years of employment. The low point is reached when workers are in the middle or late twenty or thirty.

Table showing cross tabulation between age and work environment.

Objective : To study the relationship and association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Hypothesis: There is non- significant association between demographic variables that is Age, Sex, Education and Experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Crosstab					
Count					
		Work Environment			Total
		Low	Moderate	High	
Age	<30	11	32	20	63
	30-40	21	26	15	62
	40-50	5	14	2	21
	>50	0	4	1	5
Total		37	76	38	151

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.786 ^a	6	.095
Likelihood Ratio	12.292	6	.056
Linear-by-Linear Association	1.971	1	.160
N of Valid Cases	151		

a. 3 cells (25.0%) have expected count less than 5. The minimum expected count is 1.23.

From above table, it is observed that The Pearson chi-square value in the Asymp. Sig. (2-tailed) column is 0.095 which is more than 0.005 which shows that there is non- significant association between age and work environment

As the above table shows that there is non - significant association between demographic variable that is age and Key variable work environment the null hypothesis that is There is non- significant association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention is accepted which is also revealed in study by Krishnaevi. V. (2016) Where the Chi-square = 1.873 which was more than $p > 0.05$ which revealed that there is non - significant association between demographic variable that is age and Key variable work environment

Table showing cross tabulation between Age and Employee Retention

Objective 2: To study the relationship and association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Hypothesis: There is non- significant association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Crosstab					
Count					
		Employee Retention			Total
		Low	Moderate	High	
Age	<30	14	33	16	63
	30-40	17	28	17	62
	40-50	6	12	3	21
	>50	0	2	3	5
Total		37	75	39	151

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.802 ^a	6	.446
Likelihood Ratio	6.608	6	.359
Linear-by-Linear Association	.041	1	.839
N of Valid Cases	151		

a. 3 cells (25.0%) have expected count less than 5. The minimum expected count is 1.23.

From above table, it is observed that The Pearson chi-square value in the Asymp. Sig. (2-tailed) column is 0.446 which is more than 0.005 which shows that there is non- significant association between age and employee retention

As the above table shows that there is non - significant association between demographic variable that is age and key variable employee retention the null hypothesis that is There is non- significant association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention is accepted which is line with study conducted by Maya. M. (2014) who revealed that that there is no significant association between plans for staying with the same organization and age. Chi- square value (0.909) shows that the null hypothesis is accepted at 5% level. It is found from the analysis that plans for staying with the same organization does not depend on age

Table showing cross tabulation between Age and Employee Compensation

Objective 2: To study the relationship and association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Hypothesis: There is non- significant association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	78.353 ^a	4	.000
Likelihood Ratio	70.666	4	.000
Linear-by-Linear Association	53.306	1	.000
N of Valid Cases	151		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.82.

Crosstab					
Count					
		Employee Compensation			Total
		Low	Moderate	High	
Age	<30	12	33	18	63
	30-40	17	27	18	62
	40-50	7	13	1	21
	>50	0	4	1	5
Total		36	77	38	151

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.125 ^a	6	.167
Likelihood Ratio	11.879	6	.065
Linear-by-Linear Association	1.913	1	.167
N of Valid Cases	151		

a. 3 cells (25.0%) have expected count less than 5. The minimum expected count is 1.19.

From above table, it is observed that The Pearson chi-square value in the Asymp. Sig. (2-tailed) column is 0.167 which is more than 0.005 which shows that there is non- significant association between age and Employee Compensation

As the above table shows that there is non - significant association between demographic variable that is age and Key variable employee compensation the null hypothesis that is There is non- significant association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention is accepted which is also reflected in study conducted by R. Alamelu, *et al.* (2015) who on the basis of their study revealed that There is no significant relation between age and components of pay model. Table showing cross tabulation between Job Satisfaction and Work Environment

Objective 3: To study the Relationship and association between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Hypothesis: There is non- significant association. Between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Crosstab					
Count					
		Work Environment			Total
		Low	Moderate	High	
Job Satisfaction	Low	23	11	2	36
	Moderate	12	53	10	75
	High	2	12	26	40
Total		37	76	38	151

From above table, it is observed The Pearson chi-square value in the Asymp. Sig. (2-tailed) column is 0.000 which is less than 0.005 it means that there is significant association between Job Satisfaction and Work Environment

As the above table shows that there is significant association between key variables that is between Job Satisfaction and Work Environment the null hypothesis that is there is non-significant association. between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention is rejected which means there is significant association between job satisfaction and work environment which further can be interpreted that if employees are provided with good work environment they feel happy and get associated with their work which results in their job satisfaction which ultimately raises their productivity and morale also which has also been highlighted in study conducted by Baah and Amoako (2011) described that the motivational factors (the nature of work, the sense of achievement from their work, the recognition, the responsibility that is granted to them, and opportunities for personal growth and advancement) helps employees to find their worth with respect to value given to them by organization. Further, this can increase motivational level of employees which will ultimately raise internal happiness of employees and that the internal happiness will cause satisfaction. Hygiene factor can only cause external happiness but they are not powerful enough to convert dissatisfaction into satisfaction but still its presence is too much important. According to them the Herzberg Two Factor Theory, both Hygiene and Motivation factors are linked with each other, as Hygiene factors move employee from Job dissatisfaction to No Job dissatisfaction, whereas motivation factors moves employees from no job dissatisfaction to job satisfaction (Herzberg *et al.*, 1959).

Table 4. Showing cross tabulation between Job Satisfaction and Employee Retention

Objective 3: To study the Relationship and association between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Hypothesis: There is non- significant association. Between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Crosstab					
Count					
		Employee Retention			Total
		Low	Moderate	High	
Job Satisfaction	Low	18	15	3	36
	Moderate	17	42	16	75
	High	2	18	20	40
Total		37	75	39	151

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.010 ^a	4	.000
Likelihood Ratio	31.441	4	.000
Linear-by-Linear Association	28.239	1	.000
N of Valid Cases	151		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.82.

From above table, it is observed The Pearson chi-square value in the Asymp. Sig. (2-tailed) column is 0.000 which is less than 0.005 it means that there is significant association between Job Satisfaction and Employee Retention

As the above table shows that there is significant association between key variables that is between Job Satisfaction and Employee retention the null hypothesis that is there is non-significant association. between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention is rejected which means there is significant association between job satisfaction and Employee Retention which further can be interpreted that if employees are satisfied and happy with their job ultimately it raises their morale and belongingness to the organization and there are high chances that the employee would be associated and work for the organization in near future which helps in retaining the key employees which has also been highlighted in the studies by (Davidow & Uttal, 1989). The literature on employee retention clearly explains that satisfied employees who are happy with their jobs are more devoted for doing a good job and look forward to improve their organizational customers' satisfaction (Denton 2000). Employees who are satisfied have higher intentions of persisting with their organization, which results in a decreased turnover rate (Mobley *et al.*, 1979). Abundant studies have hypothesized and empirically Page 19 validated the link between satisfaction and behavioral intentions and behaviors such as employee's retention (Anderson & Sullivan, 1993). Further, numerous studies explain the importance of high employees 'involvement and how it could enhance their retention (Arthur 1994). In summary, the literature defines retention as continuing relation between employees and their organization.

Table showing cross tabulation between Job Satisfaction and Employee Compensation

Objective 3: To study the Relationship and association between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Hypothesis: There is non- significant association. Between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Crosstab					
Count					
		Employee Compensation			Total
		Low	Moderate	High	
Job Satisfaction	Low	17	15	4	36
	Moderate	13	50	12	75
	High	6	12	22	40
Total		36	77	38	151

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	38.060 ^a	4	.000
Likelihood Ratio	34.390	4	.000
Linear-by-Linear Association	22.388	1	.000
N of Valid Cases	151		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.58.

From above table, it is observed The Pearson chi-square value in the Asymp. Sig. (2-tailed) column is 0.000 which is less than 0.005 it means that there is significant association between Job Satisfaction and Employee Compensation

As the above table shows that there is significant association between key variables that is between Job Satisfaction and Compensation the null hypothesis that is there is non-significant association. between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention is rejected which means there is significant association between job satisfaction and Employee Retention which further can be interpreted that if employees are given good pay and rewards which they longed for and are appreciated in term of monetary rewards for the work they have done it raises the satisfaction level of the employees which ultimately helps in retaining employee which also has been highlighted in the study conducted by Robbins (2001) described that Herzberg’s motivation-hygiene theory tells that salary is one of those hygiene factors which eliminate job dissatisfaction. Salary is a factor which leads employees from dissatisfaction to no dissatisfaction. Expectancy theory described that people do effort because they want some rewards in term of money, promotion etc. People expect that if

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	79.836 ^a	4	.000
Likelihood Ratio	73.581	4	.000
Linear-by-Linear Association	55.676	1	.000
N of Valid Cases	151		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 9.07.

From above table, it is observed The Pearson chi-square value in the Asymp. Sig. (2-tailed) column is 0.000 which is less than 0.005 it means that there is significant association between Work Environment and Employee Retention

As the above table shows that there is significant association between key variables that is between Job Satisfaction and Compensation the null hypothesis that is there is non-significant association. between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention is rejected which means there is significant association between job satisfaction and Employee Retention which further can be interpreted that if employees are given good pay and rewards which they longed for and are appreciated in term of monetary rewards for the work they have done it raises the satisfaction level of the employees which ultimately helps in retaining employee and this findings are related with study conducted by According to Ramlall, (2003), people are strive to work and to stay in those corporation that provide good and positive work environment, where employee feel that they are valued and making difference and Work environment is considered one of the most important factors in employee’s retention (Zeytinoglu & Denton, 2005)

Table showing cross tabulation between Work Environment and Employee Compensation

Objective 3: To study the Relationship and association between key variables such as Job Satisfaction, Working

they work well in the workplace then their performance will increase and automatically their pay will increase and they will be promoted. This will cause increase in their job satisfaction level.

Table showing cross tabulation between Work Environment and Employee Retention

Objective 3: To study the Relationship and association between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Hypothesis: There is non- significant association. Between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Crosstab					
Count					
		Employee Retention			Total
		Low	Moderate	High	
Work Environment	Low	26	10	1	37
	Moderate	9	52	15	76
	High	2	13	23	38
Total		37	75	39	151

Environment, Employee Compensation and Employee Retention

Hypothesis: There is non- significant association. between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Crosstab					
Count					
		Employee Compensation			Total
		Low	Moderate	High	
Work Environment	Low	22	15	0	37
	Modrate	13	49	14	76
	High	1	13	24	38
Total		36	77	38	151

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	66.386 ^a	4	.000
Likelihood Ratio	68.330	4	.000
Linear-by-Linear Association	54.722	1	.000
N of Valid Cases	151		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.82.

From above table, it is observed The Pearson chi-square value in the Asymp. Sig. (2-tailed) column is 0.000 which is less than 0.005 it means that there is significant association between Work Environment and Employee Compensation.

As the above table shows that there is significant association between key variables that is between Work Environment and Compensation the null hypothesis that is there is non-significant association. between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention is rejected which means there is significant association between Work Environment and Employee Retention which further were also highlighted in study that says It is organization’s legal and moral responsibility to ensure hazards free working environment and the surroundings of workplace should also be comfortable and safe for the physical and mental health of workforce (Decenzo). Green (2001) said managers can motivate employees by providing them the conditions necessary for motivation of employees such as trust, working environment which leads to the better performance of the employees. Herzberg and Miller (1968) identified work environment as one of the most important incentive which increase the motivational level of employees. Green (2001) also found the

relationship of working environment, job satisfaction and job performance. Herzberg and Miller (1968) also considered compensation and good working condition as good predictors of employee’s motivation.

Table showing cross tabulation between Employee Retention and Employee Compensation

Objective 3: To study the Relationship and association between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Crosstab					
Count					
		Employee Compensation			Total
		Low	Moderate	High	
Employee Retention	Low	22	13	2	37
	Moderate	14	47	14	75
	High	0	17	22	39
Total		36	77	38	151

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	56.206 ^a	4	.000
Likelihood Ratio	58.717	4	.000
Linear-by-Linear Association	47.022	1	.000
N of Valid Cases	151		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.82.

From above table, it is observed The Pearson chi-square value in the Asymp. Sig. (2-tailed) column is 0.000 which is less than 0.005 it means that there is significant association between Employee compensation and Employee Retention.

As the above table shows that there is significant association between key variables that is between Employee Retention and Compensation the null hypothesis that is there is non-significant association. between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention is rejected which means there is significant association between Work Environment and Employee Retention which means one of the major factor for employee retention by the respondents is employee compensation which further were also highlighted in study The literature considered that compensation one of the largest factors for the retention of employees. Compensation plays significant role in attracting and retaining good employees specially those employees whose gives outstanding performance or unique skill which is indispensable to the organization because company invest more amounts on their training and orientation. According to Lawler (1990) company adopt the strategy of low wages if the work is simple and

requires little training and companies compete in high labor markets adopt the high wages strategy. Some researchers argue that on the company side competitive compensation package is the only strong commitment and also build strong commitment on the workers side. However, the contribution of compensation towards retention, help in retention of employee irrespective of their skill and contribution to the company and it likely affect both turnovers desirable and undesirable. The total amount of compensation offered by other companies also affects the turnover. Organization offered high compensation package is compared to others a large numbers of candidates applying for induction and have lower turnover rate. Moreover high compensation package organizations also create culture of excellence (Lawler 1990),

Table showing correlation between the demographic variables.

Objective: To study the relationship and association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention.

Hypothesis

Correlations					
		Age	Sex	Education	Experience
Age	Pearson Correlation	1	-.257**	.088	.719**
	Sig. (2-tailed)		.001	.282	.000
	N	151	151	151	151
Sex	Pearson Correlation	-.257**	1	-.166*	-.106
	Sig. (2-tailed)	.001		.042	.197
	N	151	151	151	151
Education	Pearson Correlation	.088	-.166*	1	-.021
	Sig. (2-tailed)	.282	.042		.798
	N	151	151	151	151
Experience	Pearson Correlation	.719**	-.106	-.021	1

	Sig. (2-tailed)	.000	.197	.798	
	N	151	151	151	151

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

* . Correlation is significant at the 0.05 level (2-tailed).

There is significant Positive correlation between the demographic variables that is age and experience at p value.000 and 0.719, There is non- significant Positive correlation between the demographic variables that is age and Education at p value.000 and .088, There is non- significant Negative correlation between the demographic variables that is age and Sex at p value.000 and -.257, There is non- significant Negative correlation between the demographic variables that is sex and Education at p value.000 and -.166, There is non- significant Negative correlation between the demographic variables that is sex and Experience at p value.000 and -.106, There is non- significant Negative correlation between the

demographic variables that is Education and Experience at p value.000 and -.021

Thus it can be concluded there is positive correlation between age and experience which means as age increases the experience of the employee is bound to increase.

Table showing correlation among the key variables.

Objective: To study the Relationship and association between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention.

Hypothesis: There is non- significant relationship. Between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

Correlations					
		Job Satisfaction	Work Environment	Employee Retention	Employee Compensation
Job Satisfaction	Pearson Correlation	1	.639**	.485**	.441**
	Sig. (2-tailed)		.000	.000	.000
	N	151	151	151	151
Work Environment	Pearson Correlation	.639**	1	.655**	.688**
	Sig. (2-tailed)	.000		.000	.000
	N	151	151	151	151
Employee Retention	Pearson Correlation	.485**	.655**	1	.594**
	Sig. (2-tailed)	.000	.000		.000
	N	151	151	151	151
Employee Compensation	Pearson Correlation	.441**	.688**	.594**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	151	151	151	151

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

* . Correlation is significant at the 0.05 level (2-tailed).

There is significant Positive correlation between the key variables that is job satisfaction and work environment at p value 000 and 0.639., There is significant Positive correlation between the key variables that is job satisfaction and employee retention at p value 000 and 0.485., There is significant Positive correlation between the key variables that is job satisfaction and employee compensation at p value 000 and 0.441, There is significant Positive correlation between the key variables that is work environment and employee retention at p value 000 and 0.655, There is significant Positive correlation between the key variables that is work environment and employee Compensation at p value 000 and 0.688, There is significant Positive correlation n between the key variables that is Employee compensation and employee retention at p value 000 and 0.594.

As the above table shows that there is significant association between key variables the null hypothesis that is There is non- significant relationship. between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention is rejected which says there is positive correlation among key which means if employees are provided with good working environment it raises their job satisfaction and simultaneously if they are satisfied with the job and paid fairly there are high chances they will remain associated with the company and it helps company in retaining the best talent which also have been highlighted under the study conducted by Fitz-enz (1990) recognized that employee retention is not influenced by a single factor, but there are hosts of factors

which are responsible for retaining employees in an organization. Management need to pay attention to factors such as compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice etc. According to Osteraker (1999) the employee satisfaction and retention are the key factors for the success of an organization. The Retention factor can be divided into three broad dimensions, i.e., social, mental and physical. The mental dimension of retention consist of work characteristics, employees always prefer flexible work tasks where they can use their knowledge and see the results of their efforts which, in turn, helps in retaining the valuable resources. The social dimension consists of the contacts that the employees have with other people, both internal and external. The physical dimension consists of working conditions and pay. Stein (2000) Clarke (2001) Parker and Wright (2001) have rightly observed that organization must utilize an extensive range of human resource management factors to influence employee commitment and retention. Walker (2001) identified seven factors 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
 - (viii) good communications.
- Together, these suggest a set of workplace norms and practices that might be taken as inviting employee engagement

Table showing regression analysis.

Table Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	EC1, JS1, WE1 ^b	.	Enter

- a. Dependent Variable: ER1
- b. All requested variables entered.

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.972 ^a	.945	.944	6.76054	.945	837.971	3	147	.000

a. Predictors: (Constant), EC1, JS1, WE1

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	114898.184	3	38299.395	837.971	.000 ^b
	Residual	6718.624	147	45.705		
	Total	121616.808	150			

- a. Dependent Variable: ER1
- b. Predictors: (Constant), EC1, JS1, WE1

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.917	3.386		1.748	.083
	JS1	-.003	.013	-.006	-.247	.805
	WE1	-.014	.017	-.025	-.837	.404
	EC1	.971	.026	.991	37.750	.000

a. Dependent Variable: ER1

The Regression coefficient 'R' = 0.972 or 97.2 % which means that correlation between dependent variable and independent variables is positive. The coefficient of determination 'R²' = 0.945 indicating that 94.5% of variation in dependent variable is explained by independent variables. General rule of thumb a good fit is considered to predict minimum of 60% variation of the dependent variable (Zygmunt & Smith, 2014) hence as this model is predicting 94.5% of variation this model is considered to be a good fit. Hence, null hypotheses will be rejected and alternative hypotheses will be accepted that Employee Retention is positively associated with Job Satisfaction, Work Environment and Employee Compensation. This also implies that the correlation between dependent variable and independent variables is statistical significant and the regression model is valid.

According to Table Regression coefficient Shows Employee compensation (β_1) = .991 or 99.1% which implies that one percent increase in Employee Compensation of employees increase 99.1% of retention level if other variables are kept controlled. The T-test value 37.750 is significant at .000 which is less than the 0.05. The relationship is positive and statistically significant. The result shows that only Employee Compensation significantly and positively influences employee retention.

Findings

Section 1 Background Information

- Majority of the respondents covered under the study that is 82.8 % (n=125) belong to the age group of less than 30 years and between 30 to 40 years of age.
- Majority of the respondents covered under the study that is 90.7 % (n=137) are males.
- Majority of the respondents covered under the study that is 50.3 % (n=76) are graduates.
- Most of the respondents covered under the study that is 43 % (n=65) have work experience of around 10 years.

Section 2: Objective to study the level of job satisfaction, working environment, and employee compensation and employee retention.

- most of the respondents that is 49.7 per cent (n=75) are moderately satisfied with overall job satisfaction in the organization
- majority of the respondents that is 50.3 per cent (n=76) are moderately satisfied with their work environment conditions prevailing in the industries
- most of the respondents that is 49.7 per cent (n=75) are moderately satisfied with the companies employee retention policies
- majority of the respondents that is 51 per cent (n=77) are moderately satisfied with the companies compensation policy

Section 3 Hypothesis: There is non- significant association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention.

- The Pearson Chi-Square value for the association between Age and Job Satisfaction was obtained as 13.527 with 6 degrees of freedom and a Significance Probability less than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.035 which shows that there is significant association between age and job satisfaction.
- The Pearson Chi-Square value for the association between Age and work environment was obtained as 10.786 with 6 degrees of freedom and a Significance Probability of more than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.095 which shows that there is non- significant association between age and work environment.
- The Pearson Chi-Square value for the association between Age and Employee Retention was obtained as 5.602 with 6

- degrees of freedom and a Significance Probability of more than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.046 which shows that there is non- significant association between age and employee retention.
- The Pearson Chi-Square value for the association between Age and Employee Compensation was obtained as 9.125 with 6 degrees of freedom and a Significance Probability of more than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.167 which shows that there is non- significant association between age and Employee Compensation.
 - The Pearson Chi-Square value for the association between Sex and Job Satisfaction was obtained as 4.416 with 2 degrees of freedom and a Significance Probability of more than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.110 which shows that there is non- significant association between sex and job satisfaction.
 - The Pearson Chi-Square value for the association between Sex and Work Environment was obtained as 3.475 with 2 degrees of freedom and a Significance Probability of more than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.176 which shows that there is non- significant association between sex and work environment.
 - The Pearson Chi-Square value for the association between Sex and Employee Retention was obtained as 1.441 with 2 degrees of freedom and a Significance Probability of more than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.486 which shows that there is non- significant association between sex and employee retention.
 - The Pearson Chi-Square value for the association between Sex and Employee Compensation was obtained as 1.690 with 2 degrees of freedom and a Significance Probability of more than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.430 which shows that there is non- significant association between sex and Compensation.
 - The Pearson Chi-Square value for the association between Education Job Satisfaction was obtained as 26.396 with 8 degrees of freedom and a Significance Probability of less than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.001 which shows that there is significant association between Education Job Satisfaction.
 - The Pearson Chi-Square value for the association between Education and Work Environment was obtained as 32.543 with 8 degrees of freedom and a Significance Probability of less than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.000 which shows that there is significant association between Education and Work Environment.
 - The Pearson Chi-Square value for the association between Education and Employee Retention was obtained as 5.749 with 8 degrees of freedom and a Significance Probability of more than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.675 which shows that there is non- significant association between Education and Employee Retention
 - The Pearson Chi-Square value for the association between Education Employee Compensation was obtained as 29.925 with 8 degrees of freedom and a Significance Probability of less than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.000 which shows that there is significant association between Education and Employee Compensation
 - The Pearson Chi-Square value for the association between Experience and Job Satisfaction was obtained as 8.545 with 4 degrees of freedom and a Significance Probability of more than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.074 which shows that there is non- significant association between Experience and Job Satisfaction.
 - The Pearson Chi-Square value for the association between Experience and Work Environment was obtained as 3.029 with 4 degrees of freedom and a Significance Probability of more than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.553 which shows that there is non- significant association between Experience and Work Environment.
 - The Pearson Chi-Square value for the association between Experience and Employee retention was obtained as 3.057 with 4 degrees of freedom and a Significance Probability of more than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.548 which shows that there is non- significant association between Experience and Employee retention
 - The Pearson Chi-Square value for the association between Experience and Employee Compensation was obtained as 5.641 with 4 degrees of freedom and a Significance Probability of more than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.228 which shows that there is non- significant association between Experience and Employee Compensation
- Section 4 Hypothesis:** There is non- significant association. Between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention.
- The Pearson Chi-Square value for the association between Job Satisfaction and Work Environment was obtained as 78.353 with 4 degrees of freedom and a Significance Probability of less than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.000 which shows that there is significant association between Job Satisfaction and Work Environment.
 - The Pearson Chi-Square value for the association between Job Satisfaction and Employee Retention was obtained as 31.010 with 4 degrees of freedom and a Significance Probability of less than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.000 which shows that there is significant association between Job Satisfaction and Employee Retention.
 - The Pearson Chi-Square value for the association between Job Satisfaction and Employee Compensation was obtained as 38.060 with 4 degrees of freedom and a Significance Probability of less than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.000 which shows that there is significant association between Job Satisfaction and Employee Compensation
 - The Pearson Chi-Square value for the association between Work Environment and Employee Retention was obtained as 79.836 with 4 degrees of freedom and a Significance Probability of less than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.000 which shows that there is significant association between Work Environment and Employee Retention
 - The Pearson Chi-Square value for the association between Work Environment and Employee Compensation was

obtained as 66.386 with 4 degrees of freedom and a Significance Probability of less than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.000 which shows that there is significant association between Work Environment and Employee Compensation.

- The Pearson Chi-Square value for the association between Employee compensation and Employee Retention. Was obtained as 56.206 with 4 degrees of freedom and a Significance Probability of less than 0.005 in the Asymp. Sig. (2-tailed) column which is 0.000 which shows that there is significant association between Employee compensation and Employee Retention.

Section 5: Objective: To study the relationship and association between demographic variables that is Age, Sex, Education and experience and key variables that is Job Satisfaction, Working Environment, Employee Compensation and Employee Retention.

Hypothesis: There is non- significant relationship. Between key variables such as Job Satisfaction, Working Environment, Employee Compensation and Employee Retention

- There is significant Positive correlation between the demographic variables that is age and experience at p value.000 and 0.719, There is non- significant Positive correlation between the demographic variables that is age and Education at p value.000 and .088, There is non-significant Negative correlation between the demographic variables that is age and Sex at p value.000 and -.257, There is non- significant Negative correlation between the demographic variables that is sex and Education at p value.000 and -.166, There is non- significant Negative correlation between the demographic variables that is sex and Experience at p value.000 and -.106, There is non-significant Negative correlation between the demographic variables that is Education and Experience at p value.000 and -.021.
- There is significant Positive correlation between the key variables that is job satisfaction and work environment at p value 000 and 0.639., there is significant Positive correlation between the key variables that is job satisfaction and employee retention at p value 000 and 0.485. There is significant Positive correlation between the key variables that is job satisfaction and employee compensation at p value 000 and 0.441, There is significant Positive correlation between the key variables that is work environment and employee retention at p value 000 and 0.655, There is significant Positive correlation between the key variables that is work environment and employee Compensation at p value 000 and 0.688, There is significant Positive correlation n between the key variables that is Employee compensation and employee retention at p value 000 and 0.594.

Section 6 Regression analysis

As the model using dependent and independent variable was showing significant finding the further regression was done. The Regression coefficient 'R' = 0.972 or 97.2 % which means that correlation between dependent variable and independent variables is positive. The coefficient of determination 'R2' =

0.945 indicating that 94.5% of variation in dependent variable is explained by independent variables. The F-test value of 837.971 is significant because the significance level is = .000 which is less than 0.05.

Hence, null hypotheses will be rejected and alternative hypotheses will be accepted that retention is positively associated with Job Satisfaction, Work Environment and Employee Compensation. This also implies that the correlation between dependent variable and independent variables is statistical significant and the regression model is valid The regression analysis results as shown in reveal a statistically significant positive relationship between work environment and employee retention ($\beta = 0.456$, p- value = 0.05)

According to Table Regression coefficient for the table it shows Employee compensation (β_1) = .991 or 99.1% which implies that one percent increase in Employee Compensation of employees increase 99.1% of retention level if other variables are kept controlled. The T-test value 37.750 is significant at .000 which is less than the 0.05. The relationship is positive and statistically significant. The result shows that only Employee Compensation significantly and positively influences employee retention

Conclusion

This study sought to identify the various employee demographic characteristics and their effects on Employee Retention in manufacturing Industry. Regression analysis and chi-square test also revealed a positive and significant association between the dependent and the independent variables

The association of different demographic characteristics such as sex, age, education, and years of experience in which Education was significantly associated with all key variables that are Job Satisfaction, Employee Compensation, Job Satisfaction and Employee Retention which was also revealed in study conducted by Pooniah. V. *et al*, 2014 in his their study titled Employee Demographic Characteristics and Their Effects on Turnover and Retention in MSMEs level of education qualification is found to be positively associated with turnover suggesting that the more educated employees are, the more likely they are to quit and age was significantly associated with only Job Satisfaction while remaining demographic characteristics were not significantly associated with key variables.

The review of the literature identified that Human Resource Practices and Policies are the most important and valuable means that influence employee retention in any organization. These are considered as the key factors in managing Human Resource Manufacturing Industry and they have a significant contribution to the economic growth of a country and therefore needs better retention strategies to increase retention rates of employees, improve their productivity and profitability margins. It is therefore concluded that increasing job satisfaction, Employee Compensation, providing good working environment and increasing recognition and rewards are some of the strategies that can help minimize the turnover rate these findings are in line with study done by Pooniah. V. *et al*, 2014 in his their study titled Employee Demographic Characteristics and Their Effects on Turnover and Retention in MSMEs.

The association between different key variables that is Job Satisfaction, Employee Compensation, Job Satisfaction and Employee Retention was founded out to be significant which indicated that all the key variables had influence on other variables too which means that employee compensation, job satisfaction and working environment do have an positive Influence on each other and play a major role in employee retention which was also revealed in study done by Imna, M. and Hassan, Z. (2015) in their study titled Influence of Human Resource Management practices on Employee Retention in Maldives Retail Industry stated that The findings of the study revealed that it is important to note that reward and compensation practices have significant and positive influence on employee retention. This is evident in many organizations. Reward and compensations are paid much more to those who are important or key players in the organization in order to keep them in the organization. However it is also important to note that this method alone may not be a sustainable method to retain staff. Therefore non-monetary and other reward and recognition methods should be employed to retain staff rather than focusing on monetary methods alone and in Akila, R. (2012) in her study titled A study on employee retention among executives at bgr energy systems ltd, Chennai stated Employee retention It was founded out that reward place an important indispensable role in employee retention and organization should give more importance towards financial rewards to retain key employees. The findings revealed that there was positive significant relationship between work environment and employee retention. Work environment has 86.3% impact on employee retention. There is a positive significant relationship between work life balance and employee retention. Work life balance has 94% impact on employee retention.

There is positive correlation among key variables that is Job Satisfaction, Employee Compensation, Job Satisfaction and Employee Retention which means if employees are provided with good working environment it raises their job satisfaction and simultaneously if they are satisfied with the job and paid fairly there are high chances they will remain associated with the company and it helps company in retaining the best talent which also have been highlighted under the study conducted by Fitz-enz (1990) recognized that employee retention is not influenced by a single factor, but there are hosts of factors which are responsible for retaining employees in an organization. Management need to pay attention to factors such as compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice etc. According to Osteraker (1999) the employee satisfaction and retention are the key factors for the success of an organization. The Retention factor can be divided into three broad dimensions, i.e., social, mental and physical. The mental dimension of retention consist of work characteristics, employees always prefer flexible work tasks where they can use their knowledge and see the results of their efforts which, in turn, helps in retaining the valuable resources. The social dimension consists of the contacts that the employees have with other people, both internal and external. The physical dimension consists of working conditions and pay. Stein (2000) Clarke (2001) Parker and Wright (2001) have rightly observed that organization must utilize an extensive

range of human resource management factors to influence employee commitment and retention. Walker (2001) identified seven factors 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 (viii) good communications. Together, these suggest a set of workplace norms and practices that might be taken as inviting employee engagement

There is significant Positive correlation between the demographic variables that is age and experience at p value.000 and 0.719, There is non- significant Positive correlation between the demographic variables that is age and Education at p value.000 and .088, There is non- significant Negative correlation between the demographic variables that is age and Sex at p value.000 and -.257, There is non- significant Negative correlation between the demographic variables that is sex and Education at p value.000 and -.166, There is non- significant Negative correlation between the demographic variables that is sex and Experience at p value.000 and -.106, There is non- significant Negative correlation between the demographic variables that is Education and Experience at p value.000 and -.021. Thus it can be concluded there is positive correlation between age and experience which means as age increases the experience of the employee is bound to increase which was also revealed by Chung. J. *et al*, 2015 in their study titled A study on the relationships between age, work experience, cognition, and work ability in older employees working in heavy industry According to the results of the correlation analysis of workers' age, number of years of service, cognitive ability, and work ability, there was a strong correlation between workers' age and number of years of service which mean as experience increases with age there are more chances to retain employees.

As the model using dependent and independent variable was showing significant finding the further regression was done. The Regression coefficient 'R' = 0.972 or 97.2 % which means that correlation between dependent variable and independent variables is positive. The coefficient of determination 'R²' = 0.945 indicating that 94.5% of variation in dependent variable is explained by independent variables. The F-test value of 837.971 is significant because the significance level is = .000 which is less than 0.05. Hence, null hypotheses will be rejected and alternative hypotheses will be accepted that retention is positively associated with Job Satisfaction, Work Environment and Employee Compensation. This also implies that the correlation between dependent variable and independent variables is statistical significant and the regression model is valid The regression analysis results as shown in reveal a statistically significant positive relationship between work environment and employee retention ($\beta = 0.456$, p- value = 0.05) which was highlighted in study by Nazia, S. & Begum, B. (2013) in their study on employee retention practices in indian corporate – a study of select MNCs who stated that Rewards are the extra perks that a company offers beyond the basics of respect and recognition that makes it worth people's while to work hard, to care. The third variable that is chosen under organizational efforts is rewards given based on

performance and its impact on employee retention. It is seen that the calculated value of F for this variable is 4.84 which is greater than the table value 3.8415, the null hypothesis is rejected and it is concluded that rewards given based on performance has an impact on retention of employees. Work environment as a variable affecting retention of employees is also analyzed using ANOVA. The calculated value of F is 0.24 while the table value is 3.8415 at $df=1$. As the calculated value is less than the table value, the null hypothesis is rejected and it is concluded that a congenial work environment helps to retain employees in Indian MNCs and Rathnaweera, R. (2010) in her study titled Do hr practices impact employee satisfaction, commitment or retention? (Empirical studies of sri lankan public sector banks) The results of this study revealed that Compensation & social benefits ($t = 3.269$; $p = 0.001$) and performance appraisal ($t = 3.253$; $p = 0.001$) emerged as the most significant variables in explaining the variance in employee retention. Five out of eleven indicators of compensation & social benefits were found to be explanatory factors having significant effects on employee satisfaction. Results of regression analysis supported the hypothesis that provision of compensation and social benefits is positively related to higher employee commitment as well as employee retention

According to Table Regression coefficient for the table it shows Employee compensation (β_1) = .991 or 99.1% which implies that one percent increase in Employee Compensation of employees increase 99.1% of retention level if other variables are kept controlled. The T-test value 37.750 is significant at .000 which is less than the 0.05. The relationship is positive and statistically significant. The result shows that only Employee Compensation significantly and positively influences employee retention which was also highlighted in study by Nawab, S. (2011) in her study on Influence of Employee Compensation on Organizational Commitment and Job Satisfaction: A Case Study of Educational Sector of Pakistan Regression models are utilized to predict the value of dependent variable from the values of two or more independent variables. Regression model for the study was as Employee Compensation = Intercept + Coefficient (Job Satisfaction) + error. The results showed that in Pakistani educational sector setting employee compensation has 52.1% impact on employees' job satisfaction. Results of equation 2 show that employee compensation has a strong a significant impact on job satisfaction (proves our second research hypothesis for Pakistani educational sector employee compensation has a significant and positive impact on employees' job satisfaction. The results also indicate that as compared with job satisfaction impact of employee compensation is stronger on organizational commitment,

Suggestions

The employer should keep in mind Employee Compensation strategy depending on the age of the employees as younger age employees have inclination towards extrinsic reward while older age employees have more inclination towards intrinsic reward this has to be kept in mind while framing effective compensation policy.

Employees should be provided good working environment and pay should also reflect the job and designation the person holds which would help in raising the satisfaction of employees ultimately retention of the employees.

Besides job satisfaction, working environment and employee compensation employee should also look into other factors as study reveals there are other factors which might have impact on employee retention and raising the satisfaction level of the employees.

The age of the employees play a vital role in estimation of job satisfaction level of an employee as factors such as extrinsic reward flexibility, job rotation might not be important for older employees these thing should be kept in mind by the employer. The Employee retention activities and strategies should be given utmost importance and should change according to needs and demands as employees they are most vital resources which helps company getting the needed edge over the counterparts in the current scenario.

Competitive benefits which fit the needs of the employees should be provided.

Promote from within whenever possible. And give employees a clear path of advancement. Employees will become frustrated and may stop trying if they see no clear future for themselves at your company.

Create open communication between employees and management. Hold regular meetings in which employees can offer ideas and ask questions. Have an open-door policy that encourages employees to speak frankly with their managers without fear of repercussion.

Make sure employees know what you expect of them. It may seem basic, but often in small companies, employees have a wide breadth of responsibilities. If they don't know exactly what their jobs entail and what you need from them, they can't perform up to standard, and morale can begin to dip.

Flexibility in working hours and working conditions should be given importance as today employees seek flexibility rather than monotony.

More opportunities for development and growth of the employees should be provided and it should be made known to the employees.

Rather than holding exit interview with employees who've already made the decision to leave your organization, why not hold "stay interviews"? They can be a great way to learn what's important to each employee.

$\square = 0.421, p = 0.000$). This also validates and

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