



“Turnover lead to more turnover” The effect of organization culture and job climate on employee retention in Pakistan

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ABSTRACT

This study investigated the employee retention dependency on predictor variables like training program, incentive programme, co-worker social support, working hours and union representation. For this purpose data have collected from individuals in four banks and government employee who are living in government colonies in Pakistan. Total population was approximately 550 and sample size 226 has been used for collecting data. The regression test is used to check dependency of employee retention on predictor variables. the result of the study indicate that employee retention depend more on incentive program, union representation, co-worker social support, and less on working hours and supervisory program. However incentive program is more significant predictor variable for employee retention than other variable.

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Introduction

In any industry the success of an organization is extremely dependent on its human resources. Although there are many other factors that play a key role, a company must have effective employees in order to stay financially solvent and competitive. In order to maintain this valuable commodity, organizations must be aware of employee satisfaction and retention

Organizations depend heavily on the performance and quality of current employees. Current employees have specialized, institutional knowledge.

Also of concern are the costs of employee turnover, including hiring costs: time spent in screening, verifying credentials, references, interviewing, hiring, and training the new employee just to get back to where you started. In addition there are the hard costs of productivity loss. Replacement costs usually are 2 ½ times the salary of the individual, and may include lost customers and business and damaged morale.

employee turnover actually show the employee who have leave the organization in a particular time period if turnover is high it is not good for any organization because other employee who are working in the organization are effected and their morale and performance may be decrease. Furthermore they may be influence to quit the organization. For success and prosperity of any organization employee retention is necessarily there are so many factors which contribute to retain employee in the organization just like the following.

Organization culture can be describes as psychology, attitudes, experiences, beliefs and Values (personal and cultural values) of an organization. It has been defined as "the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization."

This definition continues to explain organizational values also known as "beliefs and ideas about what kinds of goals members of an organization should pursue and ideas about the appropriate kinds or standards of behavior organizational members should use to achieve these goals. From organizational

values develop organizational norms, guidelines or expectations that prescribe appropriate kinds of behavior by employees in particular situations and control the behavior of organizational members towards one another."

Organizational culture is not the same as corporate culture. It is wider and deeper concepts, something that an organization 'is' rather than what it 'has' (according to Buchanan and Huczynski).

Corporate organization culture is the total sum of the values, customs, traditions and meanings that make a company unique. Corporate culture is often called "the character of an organization" since it embodies the vision of the company's founders. The values of a corporate culture influence the ethical standards within a corporation, as well as managerial behavior. Senior management may try to determine a *corporate culture*. They may wish to impose corporate values and standards of behavior that specifically reflect the objectives of the organization. In addition, there will also be an extant internal culture within the workforce. Work-groups within the organization have their own behavioral quirks and interactions which, to an extent, affect the whole system. Roger Harrison's four-culture typology, and adapted by Charles Handy, suggests that unlike organizational culture, corporate culture can be 'imported'. For example, computer technicians will have expertise, language and behaviors gained independently of the organization, but their presence can influence the culture of the organization as a whole. Job climate mean practicle situation where employee perform work therefore factor in job climate may be include supportive supervision, coworker social support and job awearnace that effect employee satisfaction and retention.

Hypothesis and model

In this study we are going to frame the following hypothesis:

H₀: employee retention depends upon training programs.

H₁: employee retention cannot depend upon training programs.

H₀: employee retention depends upon incentive plans.

H₁: employee retention cannot depend upon incentive plans

H₀: employee retention depends upon union representation.

H₁: employee retention cannot depend upon union representation.

H₀: employee retention depends upon co-worker social support.

H₁: employee retention cannot depend upon co-worker social support.

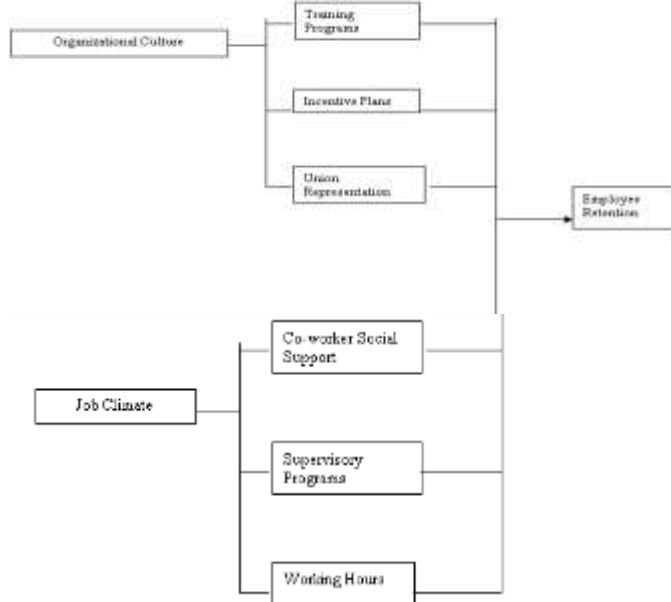
H₀: employee retention depends upon supervisory programs.

H₁: employee retention cannot depend upon supervisory programs.

H₀: employee retention depends upon working hours.

H₁: employee retention cannot depend upon working hours.

Theoretical Framework



Methodology

Sample and data collection

Procedure

In this study unit of analysis were individual from four banks and government employees who are living in government colonies and total population was approximately 550 therefore sample size according to table 11.3 page 294 Research Methods' for business (fourth edition) author name Uma Sekaran is 226 and questioners are used to collect data from the individual. Two non-probability sampling techniques are used for collecting data which was "reference and quota" sampling.. Therefore 30 questioners were filled from UBL bank, 30 from HBL bank , 25 from National bank , 25 ALFLA Bank and remaining questioners are filled by government employees. The study setting was non contrived for all four banks with a minimum interference and contrived while collecting data from government employees. However response rate was 100% .and interval scale is used in this research which is mentioned below.

Discussion

In our model employee retention is used as a criterion variable and six variables are used as a predictor variable. Total number of questions in our questioners was 25 in which first four were related to training programme, three are related to incentive programme, three related to union representation, three with co-worker social support, four with working hours, two for supervisory problems and six related to our criterion variable (employee retention) and the frequencies related to each variables are given below.

Predictor variables

The reliability of this study is approximately 0.601 R is 48% and R² is 30% it means that overall dependency of predictor variable with each other and criterion variable is 30%.

In anova table F is equal to 11.92% and significance of above model summary is 0.00.it means that result which are given in model summary is 100% accurate

In the above coefficient table the value of t for criterion variable is 3.369 and significance is 0.001. It means that only 10% chance that data is not accurate.

In the predictor variables like training program, incentive programme, union representation, working hours, supervisory problem, co-worker social support the value of t are 3.291,3.771,.243,1.104,1.278,3.167 and the significance are 001,.000,.808,.271,.203,.002 respectively. However 10% chance that result for training programme may not be accurate but result of incentive program

is 100% accurate. In union representation 19% chance that data may not be accurate however accuracy for working hour and supervisory program is 27% and 20% respectively. The reason for low accuracy for working hour and supervisory problem is that respondent may not be able to understand the questions related to these variables. the accuracy for co-worker social support is 80% and 20% chance that result is not accurate.

Conclusion

The result of this study indicate that the employee retention depend ends more on predictor variables like training program, incentive programme, co-worker social support than working hours and union representation. In model summary the value of R² is 30% which indicate that the overall dependency of predictor with each other and with criterion variable is 30%. However the result of the study also indicate that employee retention depend more on incentive program, union representation, co-worker social support, and less on working hours and supervisory program. However incentive program is more significant predictor variable for employee retention than other variable.

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Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
1	2	3	4	5

Table 1
Training program

	Frequency	Percent	Valid Percent	Cumulative Percent
1.00	2	.9	.9	.9
1.25	8	3.6	3.6	4.4
1.50	11	4.9	4.9	9.3
1.75	10	4.4	4.4	13.8
2.00	41	18.2	18.2	32.0
2.25	103	45.8	45.8	77.8
2.50	22	9.8	9.8	87.6
2.75	15	6.7	6.7	94.2
3.00	5	2.2	2.2	96.4
3.50	3	1.3	1.3	97.8
3.75	3	1.3	1.3	99.1
5.00	2	.9	.9	100.0
Total	225	100.0	100.0	

Incentive program

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.00	26	11.6	11.6	11.6
1.33	40	17.8	17.8	29.3
1.67	26	11.6	11.6	40.9
2.00	12	5.3	5.3	46.2
2.33	21	9.3	9.3	55.6
2.67	7	3.1	3.1	58.7
3.00	84	37.3	37.3	96.0
3.33	9	4.0	4.0	100.0
Total	225	100.0	100.0	

Union representation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	6	2.7	2.7	2.7
	1.33	7	3.1	3.1	5.8
	1.67	25	11.1	11.1	16.9
	2.00	15	6.7	6.7	23.6
	2.33	22	9.8	9.8	33.3
	2.67	29	12.9	12.9	46.2
	3.00	27	12.0	12.0	58.2
	3.33	86	38.2	38.2	96.4
	3.67	6	2.7	2.7	99.1
	4.00	1	.4	.4	99.6
	4.33	1	.4	.4	100.0
	Total	225	100.0	100.0	

Supervisory problem

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	18	8.0	8.0	8.0
	1.50	137	60.9	60.9	68.9
	2.00	29	12.9	12.9	81.8
	2.50	16	7.1	7.1	88.9
	3.00	20	8.9	8.9	97.8
	3.50	2	.9	.9	98.7
	4.00	1	.4	.4	99.1
	4.50	1	.4	.4	99.6
	5.00	1	.4	.4	100.0
	Total	225	100.0	100.0	

Working hours

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	3	1.3	1.3	1.3
	1.25	6	2.7	2.7	4.0
	1.50	10	4.4	4.4	8.4
	1.75	19	8.4	8.4	16.9
	2.00	103	45.8	45.8	62.7
	2.25	16	7.1	7.1	69.8
	2.50	38	16.9	16.9	86.7
	2.75	17	7.6	7.6	94.2
	3.00	2	.9	.9	95.1
	3.25	3	1.3	1.3	96.4
	3.50	3	1.3	1.3	97.8
	3.75	2	.9	.9	98.7
	4.00	1	.4	.4	99.1
	4.25	2	.9	.9	100.0
	Total	225	100.0	100.0	

Co-worker social support

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	6	2.7	2.7	2.7
	1.33	11	4.9	4.9	7.6
	1.67	33	14.7	14.7	22.2
	2.00	114	50.7	50.7	72.9
	2.33	25	11.1	11.1	84.0
	2.67	16	7.1	7.1	91.1
	3.00	9	4.0	4.0	95.1
	3.33	7	3.1	3.1	98.2
	3.67	3	1.3	1.3	99.6
	6.00	1	.4	.4	100.0
	Total	225	100.0	100.0	

**Criterion variables
Employee retention**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.17	2	.9	.9	.9
	1.33	3	1.3	1.3	2.2
	1.50	23	10.2	10.2	12.4
	1.67	15	6.7	6.7	19.1
	1.83	5	2.2	2.2	21.3
	2.00	25	11.1	11.1	32.4
	2.17	61	27.1	27.1	59.6
	2.33	44	19.6	19.6	79.1
	2.50	15	6.7	6.7	85.8
	2.67	10	4.4	4.4	90.2
	2.83	5	2.2	2.2	92.4
	3.00	4	1.8	1.8	94.2
	3.17	4	1.8	1.8	96.0
	3.50	4	1.8	1.8	97.8
	3.67	2	.9	.9	98.7
	4.00	2	.9	.9	99.6
	4.17	1	.4	.4	100.0
	Total	225	100.0	100.0	

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.480(a)	.30	.209	.44347

ANOVA (b)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.809	6	2.135	11.92	.000(a)
	Residual	42.872	218	.197		
	Total	55.681	224			

Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.706	.210		3.369	.001
	training program	.206	.063	.209	3.291	.001
	incentive program	.168	.045	.269	3.771	.000
	union representation	.012	.050	.017	.243	.808
	working hours	.070	.064	.071	1.104	.271
	supervisory problem	.063	.049	.080	1.278	.203
	Co-worker social support	.176	.056	.195	3.167	.002