A STUDY ON STEERING TOWARDS EMPLOYEE RETENTION - EMPLOYEE LOYALTY MATTERS

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ABSTRACT

Employee loyalty can be defined as the employees being committed to the success of the organization and believing that their work is recognized in the organization. It mainly depends upon four factors such as Motivation, Commitment, Belongingness and Career Development of the employee. Many studies have been made in the areas to increase the loyalty of the employees in the organization so that the retention rate will be higher and costs to the company can be reduced to a greater extent. There are many training and development programs, attractive salary packages, flexible working hours; more benefits given to employees to make them feel organization is another home like place and also the employees must feel comfortable to come and work rather than seeing it as a punishment to work. Thus, this paper will focus on the factors that affect the loyalty of the employee and how much each factor influences the employee loyalty.

KEY WORDS:

Retention, Employee loyalty, Career development, Commitment, Motivation.

1.1 INTRODUCTION

Employees are an essential asset for all organizations, especially since they represent a significant investment in terms of finding, recruiting, and training along with the salaries, bonuses, healthcare plans, etc. The management of many organizations builds their training programs, compensation packages, performance appraisal and work flow based on their organization policy. Normally these strategies are planned for creating loyal employees since this prompts a progressively long stay. The more extended an employee works for an organization the more valuable and potential they become to the organization.

1.2 OBJECTIVE OF STUDY:

PRIMARY OBJECTIVE:

To study on steering towards employee retention strategies on employee loyalty matters.

SECONDARY OBJECTIVE:

- To identify the employee's satisfaction level toward their jobs as well as organization.
- To identify major strategies which help the organization to motivate the employee to stay long period in the organization.

2. REVIEW OF LITERATURE

- **Seema Mehta, Tarika Singh, S.S.Bhakar, Brajesh Sinha (2010)** said about the two dimensions for loyalty such as consistency and reliability which resulted in significant difference occurred due to career development motivation and satisfaction.
- **AlamSageer, Dr.SameenaRafat, Ms. Puja Agarwal (2012**) did a literature survey of the major variables that are affecting the employee satisfaction and their impact on the organization and the outcome was employee attitude is directly related to the morale of the company and thus by strengthening the morale; performance and productivity can be increased.
- **Lady Nadia Fremont, Wonder Agbenyo, Peter Adjei Darko (2018)** published a paper on impact of job satisfaction on employees' loyalty and commitment across manufacturing, finance and mining

sectors and stated the results job satisfaction depends on workplace environment, rewards and recognition and empowerment respectively.

- **Josee Bloemer, Gaby Odekerken-Schroder (2006)** presented a paper on the role of employee relationship proneness in creating employee loyalty which stated that it can be found by the customer loyalty and the workplace performance of the employee.

- **Mr. M. Suresh, Dr. S. Mahalingam (2018)** published a paper on impact of employee loyalty towards organizational culture and performance which showed that there is a significant impact on employee staying loyal and efficient in the company if the culture and performance is fit for the employee.

3. RESEARCH METHODOLOGY

Research methodology is a to find out a given problem on a specific matter or a problem that is also referred as research problem.

RESEARCH DESIGN:

Research design is a framework of research methods and techniques chosen by a researcher. Primary data was obtained through surveys using questionnaires. Secondary data was collected from Journals, Internet, Books and Databases. In this project a questionnaire was surveyed on various demographic parameters and other parameters needed for the study targeting a sample of 150 respondents. Tool used for analyses are chi-square one sample KS test.

4. DATA ANALYSIS AND INTERPRETATION

Chi-square:

The Chi-Square test is statistical procedure used by researchers to examine the differences between categorical variables in same population. Chi-square ($\chi 2$) statistic is a test that will measures how a model compares to actual observed data. Chi-square tests are often used in hypothesis testing.

Null Hypothesis (H0) – There is no link between training programs and career development.

Employee doesn't want to plan career in current organization

Alternative Hypothesis (H1) - There is a link between training programs and career development.

Employee want to plan career in current organization.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	131.157[a]	12	.000
Likelihood Ratio	71.171	12	.000
Linear-by-Linear Association	24.405	1	.000
N of Valid Cases	151		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is .01.

INTERPRETATION:

Since p value is lesser than 0.05, we accept the alternate hypothesis and reject the null hypothesis.

ONE SAMPLE KOLMOGOROV SMIRNOV TEST (KS TEST):

A one-sample KS testis used to test whether sample comes from specific distribution. We can use this procedure to determine whether sample comes from population that is normally distributed.

Null Hypothesis (H0) – The employee is not happy and satisfied with the organization.

Interpersonal relationships are not encouraged in the organization.

Alternative Hypothesis (H1) - The employee is happy and satisfied with the organisation.

Interpersonal relationships are encouraged in organisation.

One-Sample Kolmogorov-Smirnov Test

		How happy and satisfied are you with the organization	Interpersonal relationships are encouraged in this organization
N		151	151
Normal Parameters[a,b]	Mean	3.8278	3.7881
	Std. Deviation	.66092	.57282
Most Extreme Differences	Absolute	.397	.379
	Positive	.311	.289
	Negative	-.397	-.379
Kolmogorov-Smirnov Z		4.884	4.662
Asymp. Sig. (2-tailed)		.000	.000

a. Test distribution is Normal.
b. Calculated from data.

INTERPRETATION:

Since p value is lesser than 0.05, we accept the alternate hypothesis and reject the null hypothesis.

5. FINDINGDS:

- The majority 56% of the respondents fall in the age category of 20 to 30 years.

- From the table it is interpreted that the number of male respondents is 55% and female respondent is 45%.

- The majority 58.3% of the respondents says agree for I take pride in my work

- The majority 58.9% of the respondents says agree for I would not change my company if I got another offer

- From the table it is interpreted that the 10.7% of respondents says Salary, 18.7% says Career development,42% says Recognition & Respect, 30% says Job security, 32% says Retirement benefits, 36% says Reputation and 40% says Loyalty towards the company.

- The majority 49.7% of the respondents says agree for I would recommend this company to my friends.

6. SUGGESTION:

- Employee should be provided with the proper training which are linked with their   career development.
- Employee should be appreciated for their good work.
- Employee must be motivated to welcome the change.

7. CONCLUSION:

At last, there are certain factors as discussed earlier, if not given the right amount of motivation to the right employee, then the employee leaves the organization and thus it results in increase of the attrition rate of the organization.

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