Towards Understanding Motivational Variables of Employee Retention in Present Indian Scenario

Shyamali Satpathy[1], Sisir Ranjan Dash[2] and Jyotirmaya Mahapatra[3]

[1] *Associate Professor, IILM, Graduate School of Management, Greater Noida – 201306, India, E-mail: shyamalisatpathy@gmail.com*
[2] *Research Scholar, IBCS, Siksha 'O' Anusandhan University, Bhubaneswar – 751003, India, E-mail: dash_sisir@rediffmail.com*
[3] *School of Management, Sri Sri University, Cuttack, India, E-mail: jmahapatra2003@yahoo.co.in*

Abstract: During the post globalization period of Indian economy, the scenario of the corporate sector has changed dramatically as multinational corporations have brought international best practices in human resource management to the country. Now, after more than two and a half decades of promoting a competitive environment in the economy, it is also important to measure how much organizations have become competent to retain their best talent. And in order to understand the motivational variables of employee retention in present Indian scenario, an empirical investigation is most recommended. The present study is an attempt to serve this objective by conducting a primary research in automobile, IT and power sector of India. Apart from descriptive statistical analysis, Z Test and ANOVA have been implemented in the present study as inferential analysis to understand the motivational variables of employee retention in a better manner.

Keywords: Employee Retention, Leadership, Motivation, Quality of Work Life (QWL), Performance Appraisal, Z Test, ANOVA, F Test

1. INTRODUCTION

Organizations can retain employees by motivating them in the following aspects: Open communication, Employee reward program, Career development program, Performance based bonus, Recreation facilities, Gifts at some occasions (Sandhya & Kumar, 2011). Organizations should have a strategy that satisfies the needs described by Maslow in order to prevent or reduce anxiety, insecurity and stress among employees which ultimately helps in improving employee productivity. Additionally, employee empowerment gives a greater sense of achievement to the employees and it means delegating more power to employees to make their own decisions in certain areas of their working life which is also reflected in Herzberg's theory. Hence, a main concern for any organization (whether small or large; private, public or nonprofit) is its capacity to attract, engage, and retain the right people (Claus. 2007). And when we talk about the Indian

corporate sector, any company's growth and success is ensured by four parameters i.e. customer satisfaction, employee success and satisfaction, empowerment of employees and quality, integrity and discipline (Gupta & Srivastava, 2010). Retaining key people in company provides advantages like; strong knowledgebase, experience, add stability and more productivity. There are seven strategies for retaining the top talent: (1) Hire for attitude, train for skill, (2) Align applicant expectations, (3) Use a great employee profile to drive retention, (4) Create an employee value proposition, (5) Count what counts, (6) Drive employee ownership of employee retention, (7) Avoid a "one size fits all" approach to employee retention (Brannick, 2001). But, whether these suggested strategies actually works to contribute motivational variables require empirical investigations and the Indian corporate sector being one of the best places where the theories of human resource management being practiced, the present study is an attempt to understand the motivational variables of employee retention in Indian corporate sector.

2. A THEORETICAL ANALYSIS THROUGH THE REVIEW OF LITERATURE

"By creating an environment that promotes job satisfaction, companies can develop employees who are motivated, productive and fulfilled by adopting good HR policies and this, in turn, will contribute to higher quality of performance and job satisfaction", thus said by Anu Singh Lather and Shilpa Jain (2005) after conducting a study on associates of public and private sector on motivation and job satisfaction. In the same line of research, Dr. Aruna Dubey and Nidhi Kotwal (2008) during their study had found that many efforts focus on job enrichment. They say that in addition to improving the work system, QWL programs usually emphasise development of employee skills, the reduction of occupational stress and the development of more co-operative labour-management relations. Similarly, Daud Normala (2010) in his study had tried to investigate the relationship between quality of work life and organizational commitment among a sample of employees in Malaysia. He examined seven QWL variables namely; growth and development, participation, physical environment, supervision, pay and benefits and social relevance to determine their relationship with organizational commitment. Other researchers including Carayon *et al.* (2003), Cole (2005), Koonmee & Virakul (2007), Dhar (2008) and Bharathi *et al.* (2011) have also emphasized QWL as one of the major variable determining the employee retention in any organization. Apart from QWL, another motivational variable of employee retention is developmental counseling. According to Wayne Williams (2002) through developmental counseling the manager gains insight into the motivations of the people working in his/her section and how best to assist in the development of action plans which compliment employees' abilities. The organization retains motivated employees who understand their role and the roles of others in contributing to the goals and culture of the organization. Then leadership is also another motivational variable that play a key role in organizational success as per Nowack & Learning (2003). They explored the relationship between leadership effectiveness (measured as a composite set of nine specific management practices) and several specific organizational outcomes including employee retention, job satisfaction, employee engagement and perceived stress in a large food service company as part of their annual employee satisfaction surveys over a two year period. Similarly Hernez-Broome & Hughes (2009) studied the notable trends in the leadership development field. According to them some of the most noteworthy issues and trends in the field of leadership development in the past 20 years fall under these two general headings: the proliferation of leadership development methods and the importance of a leader's emotional resonance with and impact on others. Another motivational variable of employee retention is performance appraisal. Daniel A. Sauers *et al.* (2007) in their study compared the performance appraisal

practices of U.S. subsidiaries in Taiwan to those of their parent firms and to those of large Taiwanese companies in an effort to understand how foreign subsidiaries adjust to the competing demands for global integration and local responsiveness and found that performance appraisal is one of the differentiating factor of the sampled organizations. Maiya *et al.* (2011) did their study with the purpose to measure and assess the employee's perception towards organization success through performance management system (PMS) with reference to IT sectors in Karnataka State. They found that PMS can help to meet these big challenges of improving employee performance and organizational effectiveness. So, after this extensive review of existing literature on motivational variables of employee retention the research question that arises is that "Have the motivational variables of employee retention been fully understood and then implemented in present Indian scenario?" So the present study is an attempt to understand the key motivational variables of employee retention valid in present Indian scenario.

3. RESEARCH DESIGN

The main purpose of this study is to provide material that will help forward thinking pragmatic managers to tackle their employee retention problems in a creative and efficient manner in present Indian scenario. However, the objectives of the study are:

1. To determine the factors that most significantly influence employees' decision to remain employed at a particular organization and possible reasons for choosing to leave.
2. To find out the effectiveness / ineffectiveness of employee retention policies followed by the organizations.
3. To explore remain behind of the effectiveness or ineffectiveness.
4. To find out the alternatives to enhance or strengthen the celebrated employee retention policies.

Selected Cases of Sample Organizations

The selected cases of sample organizations that have been taken for undertaking the present study are spread over three distinct sectors i.e. automobile, Information Technology (IT) and power. For the selection of the sectors a simple random sampling process has been adopted where all the units of the population are believed to be having equal chance of getting selected in the sample. Then a sample of a few randomly selected sectors were taken into consideration and finally after a comparative analysis among the selected industries on the basis of their contribution to the Indian economy, degree of emergence of employee retention as an HR issue and nature and characteristics of the industry; the above said three sectors have been selected.

Research Hypotheses

Based on extensive review of literature and the research objectives, four null hypotheses (H01 to H04) were framed. As segmentation (grouping) based on demographic categories, levels of employment and the industry in which the employees are working; all are important attributes for employees to remain retained, hence the hypotheses were developed to measure the overall difference in perceptions of various groups of employees on various dimensions of employee retention attributes. This has been done with the expectations that it will help in designing group specific management intervention for retention of the employees. The null hypotheses considered for the study are as follows;

H01: Significant differences do not exist in the perception regarding employee retention attributes in Indian scenario among employees of different hierarchical levels.

H02: Significant differences do not exist in the perception regarding employee retention attributes in Indian scenario among employees of different age groups.

H03: Significant differences do not exist in the perception regarding employee retention attributes in Indian scenario among employees of different genders.

H04: Significant differences do not exist in the perception regarding employee retention attributes in Indian scenario among employees of different industries.

Research Instrument

The research instrument used in the present study is a quantitative questionnaire and it is so because primary data are going to be the base of the analysis here. While designing the questionnaire, first of all the secondary data was perused from literature survey in order to carry out the survey like published reports of specific industries, growth statistics from different ministries, best employers surveys etc. Subsequently, the environment scan was conducted. On the basis of secondary data, findings from the environment scan, literature survey and discussions with few select executives of reputed organizations and university level academicians the questionnaire was prepared. The questionnaire used in the present study is having two sections which include a total of 41 questions i.e. 25 questions in the first section and 16 questions in the second section.

Pilot Study

For the purpose of verifying content validity, the preliminary questionnaire was pre-tested through a pilot study. During this study a total of 60 respondents were taken into account working in automobile, IT and power sectors. The surveys were personally administered and the respondents were requested to suggest additional variables/attributes, if any, besides commenting on the general aspects of the questionnaire design. Based on the opinion of the respondents relevant changes in the parameters of the questionnaire were incorporated.

Reliability Analysis

Cronbach's alpha developed by Lee Cronbach in 1951 is the most common form of internal consistency reliability coefficient. Alpha equals zero when the true score is not measured at all and there is only an error component. Alpha equals 1.0 when all items measure only the true score and there is no error component. Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. A "high" value of alpha is often used (along with substantive arguments and possibly other statistical measures) as evidence that the items measure an underlying (or latent) construct. Theoretically, alpha varies from zero to 1, since it is the ratio of two variances. Empirically, however, alpha can take on any value less than or equal to 1, including negative values, although only positive values make sense. Higher values of alpha are more desirable. Some professionals as a rule of thumb, require a reliability of 0.70 or higher (obtained on a substantial sample) before they will use an instrument. Obviously, this rule should be applied with caution when 'á' has been computed from items that systematically violate its assumptions. Furthermore, the appropriate degree of reliability depends upon the use of the instrument. By convention,

a lenient cut-off of 0.6 is acceptable in exploratory research (Nunnally, 1978). The calculation of Cronbach's alpha resulted a value of 0.62 for the data collected through the pilot study which is higher than the lenient cut-off of 0.6. Further, it was planned to implement this tool for the main study in order to measure the reliability and internal consistency of the data.

Interview Design

The field survey was conducted over a period of six months where face to face personal interviews were conducted to obtain the required information from the respondents. Choosing the method of personal interview for data collection during the survey has enabled the interviewer not only to screen the eligibility of the respondents but also to assist the respondents when they find difficulty in understanding any of the questions in the questionnaire. However, around 20% of the total number of interviews were forced to be conducted telephonically or by mailed questionnaire method since some of the senior level employees contacted were so busy that they denied to give time for face to face personal interview and in order to increase the generalizations of the study it was essential to include them in the main study.

The Target Population

The target population should be defined in terms of elements, sampling units, extent and time. An element stands for the object about which or from which the information is desired. In survey research like the present one, the element is usually the respondent. A sampling unit is defined as an element, or a unit containing the element, that is available for selection at some stage of the sampling process.

Table 3.1
The Target Population

Elements:	Workers of the Indian Corporate Sector
Sampling Units:	Full Time Employees
Extent:	Automobile, IT & Power Sector Organizations

Source: Researchers' Distillation

The Sample Frame

A sampling frame is defined as the representative collection of elements from the target population. The sampling frame consists of a list or set of directions for identifying the target population. Of course it is possible to compile or obtain a list of population elements, but the list may omit some elements of the population or include other elements that do not belong. Hence, the use of a list leads to sampling frame error in such cases. In a few circumstances, the discrepancy between the population and the sampling frame is small enough to ignore. However, in most cases, the researcher should recognize and treat the sampling frame error.

In the present study the sampling frame error has been completely avoided as during the data-collection phase careful screening of the respondents with respect to their employment characteristics i.e. any respondent is required to be a full time/regular (not contractual) employee of the organizations (from Automobile, IT or Power sector) in order to get included in the sample.

The Sampling Technique

The sampling technique chosen for the present study is quota sampling which is a stratified cum purposive or judgment sampling and thus enjoys the benefits of both. It aims at making the best use of stratification. Here, the first stage consists of developing control categories, or quotas, of population elements. The quotas are assigned so that the proportion of the sample elements possessing the control characteristics is the same as the proportion of population elements with these characteristics. On the basis of the nature of the present study, the following relevant control characteristics were taken in to consideration and the elements were selected to fit these categories: hierarchical levels, age, gender and industry. The control characteristics are the variables which are used to divide the population in-to categories. Keeping in mind the homogeneity, heterogeneity, relatedness and cost, the above control characteristics were taken in-to consideration for the present study.

The Sample Size

The number of elements to be included in the study is called the sample size. The following table gives an idea about the sample sizes used in research studies.

Table 3.2
Sample Sizes Used in Research Studies

Type of Study	Minimum Size
Problem Identification Research	500
Problem Solving Research	200

Source: Marketing Research: An Applied Orientation by Naresh K. Malhotra, Fourth Edition, Pearson Press

Keeping in view the following factors;

1. The importance of decisions

2. The nature of the research (i.e. Problem identification research)

3. The number of variables

4. The nature of analysis

5. Sample sizes used in similar studies

6. Resource constraints

A sample size of 500 had been planned for the present study. On the basis of their proportional strengths in the aggregate population the sample sizes in each category were decided. It has been ensured that more than 30 respondents were covered in each group, in order to study individuals and group scores.

Execution of Sampling Process

A detailed specification of how the sampling design decisions with respect to the population, sampling frame, sampling unit, sampling technique, and sample size are to be implemented is required for execution of the sampling process.

The following are the screening criteria for selecting the employees of the different organizations to be included in the sample;

1. Should be a full time/regular employee of the organization (should not have been appointed on deputation).

2. Should be more than 21 Years of age.

3. Should not have crossed the age of retirement as per the rules of the organization.

4. Should not be working/have worked ever in the HRM/HRD/Personnel/PR department of the organization in which he/she is working presently or has worked earlier.

5. Should not have any family member/relative working/have worked ever in the HRM/HRD/ Personnel/PR department of the organization in which he/she is working presently or has worked earlier.

6. Should not have taken a leave of more than three months in one go during the last one year.

The initial three criteria were taken in order to ensure the characteristics of the sample as defined previous sections, while the last three criteria were taken in-to consideration just to avoid any bias in the information to be provided.

Sources of Data

In the present study, both primary and secondary sources of data collection have been used. Questionnaire survey was conducted in the present study to collect data regarding perception of existing employees with respect to the employee retention attributes of the organizations in which they were working. Secondary data from the sources of company records, archives, various survey results from magazines, journals etc. such as best employer survey, secondary data in respect of existing practices of recruitment, executive development and succession planning etc. were followed.

Pattern of Analysis

The computation of certain measures along with searching for patterns of relationship that exist among data groups is called analysis. For statistical analysis of the results, various descriptive statistics like measures of central tendency and measures of dispersion Calculations of descriptive statistics and testing of hypothesis has been done using MS Excel The scrutiny or careful checking of the data collected from various sources is what is called the 'cleaning of data'. It is highly necessary that the data should be properly cleaned by the researcher before they are used; else, they might be remaining certain errors and irregularities with the data, which in turn may lead to fallacious conclusions. Therefore in the present study, a proper cleaning exercise is conducted in the beginning of the analysis. It included consistency checks and treatment of missing responses.

Data that are out of range, logically inconsistent, or have extreme values which are inadmissible and must be corrected are identified under consistency check. For identifying out-of-range values and the correct responses to be determined by going back to the edited and coded questionnaires MS Excel has been used.

Values of a variable that are unknown, either because respondents provided ambiguous answers or their answers were not properly recorded are called missing responses. Here there are two options that can be used for the treatment of the missing values. First, a neutral value, typically the mean response to the variable, is substituted for the missing responses. But, since ours is a survey with rating scales where we cannot allow decimal figures, by substituting the immediate higher rounding up figures there is a chance that the mean of the variable and other statistics, such as correlations, may get affected much. In such cases, substitution of an imputed response is done. Here the respondent's patterns of responses to other questions are used to impute or calculate a suitable response to the missing questions.

The role of statistics in research is to function as a tool in designing research, analyzing its data and drawing conclusions there-from. After classification and tabulation, as stated earlier, we go further to develop certain indices or measures to summarize the collected/classified data. Only after this, we adopt the process of generalization from small groups (i.e. samples) to population.

We are mainly concerned with inferential or sampling statistics to deal estimation of population parameters. The important statistical measures that we use to summarize the survey/research data are;

1. Measures of central tendency

2. Measures of dispersion, skewness and kurtosis

3. Measures of hypothesis testing

4. RESULTS AND DISCUSSIONS

First of all the demographic profile of the respondents has been presented in Table 4.1.

Table 4.1
Demographic Profile of Respondents (N = 418, Employee Retention Survey)

Stratification Variable	*Category*	*Frequency*	*Percent*
Hierarchical Levels	Junior Level	174	42%
	Middle and Senior Level	244	58%
Age	Less than 40 Years	336	78%
	More than 40 Years	82	22%
Gender	Male	328	80%
	Female	90	20%
Industry	Automobile	111	27%
	IT	190	45%
	Power	117	28%

Source: Primary Data

Final Reliability Analysis

By convention, a lenient cut-off of 0.6 is acceptable in exploratory research. The data was tested for reliability and yielded a Cronbach alpha score ranging from 0.65 to 0.95 against pilot study result of 0.62.

The inter-item correlations are high; it is evident that the items are measuring the same underlying construct.

Table 4.2
Reliability Analysis: Chronbach's ALPHA

	Chronbach's ALPHA	*Inter-Item Correlation (Mean)*
Section I & II Overall (41 Items)	0.895084122	0.410558056
Section I Overall (25 Items)	0.952061601	0.466626821
Pay Structure & Compensation (5 Items)	0.841457995	0.612617012
Company Image (5 Items)	0.852245397	0.630155555
Scope for Growth & Development (5 Items)	0.831846481	0.59878631
Reward & Recognition Practices (5 Items)	0.863388042	0.648689606
Quality of Life (5 Items)	0.849015545	0.628153243
Section II Overall (16 Items)	0.65907324	0.423203613

Source: Primary Data

Table 4.3
Sensitivity of Cronbach's ALPHA to Exclusion of an Item (Cronbach Alpha = 0.895084122)

Excluded Item	*Alpha*	*Excluded Item*	*Alpha*
1	0.888869723	22	0.889830588
2	0.889712181	23	0.889651326
3	0.890101622	24	0.890029055
4	0.890095668	25	0.890072282
5	0.888635961	26	0.895044957
6	0.889553339	27	0.894796380
7	0.889676291	28	0.894858179
8	0.889035672	29	0.895049347
9	0.889043366	30	0.894512075
10	0.889287506	31	0.895027802
11	0.889361756	32	0.894316583
12	0.889824698	33	0.894739930
13	0.890181681	34	0.894250059
14	0.890137079	35	0.894114769
15	0.890458864	36	0.894982376
16	0.889213939	37	0.894236133
17	0.890129841	38	0.894599128
18	0.888972891	39	0.895028061
19	0.888728227	40	0.894561710
20	0.888335089	41	0.89969013
21	0.890215501		

Source: Primary Data

The descriptive statistics which are calculated on interval or ratio data, include the measures of location, variability and shape. Under the measures of locations, here the mean values which are considered the most superior of all are calculated. Range, variance and standard deviations were computed for studying the variability and in addition to measures of variability, measures of share were also computed i.e. skewness and kurtosis which are considered most useful for understanding the nature of the distribution. Subsequent to data cleaning and screening, descriptive analysis of the data was carried out. For the interval-scaled variables the descriptive statistics including minimum, maximum, means, range, standard deviation and variance were obtained. The skewness and kurtosis were calculated for assessing the normality of data. Any distribution is said to be normal when the values of skewness and kurtosis are equal to zero. Absolute values of univariate skewness indices greater than 3.0 seem to describe extremely skewed data sets and absolute values of the kurtosis index greater than 10.0 may suggest a problem. Of the 418 observed variables, none had skewness greater than 3.0. Also of the 418 observed variables, none had kurtosis index greater than 10.0. In a scale ranging from 1 to 5 representing 'Not Agree At All' to 'Strongly Agree', the means of perception ranged from 3.02 to 3.67 which imply that perception of the respondents is less than their expectations on most of the attributes. The scores were tightly packed around the mean (standard deviation ranging from 1.01 to 1.22), indicating that most of the respondents share similar perceptions. The data was also slightly skewed towards negative -0.80 to -0.05 and the kurtosis ranges from -1.01 to -0.24.

The 41 items questionnaire administered in this survey is divided into two sections. The Section I of the questionnaire is meant for measuring the perception of the employees while the Section II has been prepared to mapping their belief regarding various attributes of employee retention. The mean scores of each variable in the Section I of the instrument could theoretically range from 1 to 5. For analyzing in the best possible way, the mean scores of the Section I have been converted and ranked as per merit so that the influencing factors can easily be recognized (Table 4.4). The total mean of each item has been worked out using MS Excel package.

Table 4.4
Perception of Employees on Various Attributes of Employee Retention

/A/ Perception of Employees Regarding Pay Structure and Compensation	Mean	SD	% Age	Var.	Skew.	Kurt.	Rank
This Company is offering me a Salary which is Competitive with the Market.	3.18	1.13	63.54	1.27	-0.29	-0.77	4th
This Company is providing me Opportunity to Create Wealth.	3.03	1.22	60.67	1.49	-0.25	-1.01	5
This Company is ensuring me Reasonable Retirement Benefits.	3.20	1.08	63.97	1.16	-0.25	-0.85	3
Based on Performance and Potential only, this company is paying the Compensation.	3.05	1.11	61.05	1.24	-0.14	-0.65	4
This Company is giving Excellent Perquisites.	3.27	1.10	65.41	1.21	-0.37	-0.66	2
/B/ Perception of Employees Regarding Company Image	3.49	1.05	69.73	1.11	-0.54	-0.41	1st
This Company is Well Managed by Capable Leaders.	3.34	1.12	66.79	1.26	-0.59	-0.49	5
The People here are with Diverse Backgrounds.	3.49	1.01	69.76	1.02	-0.48	-0.39	2
It is an Exciting and Interesting Industry.	3.47	1.03	69.38	1.06	-0.52	-0.43	3

contd. table 4.4

/A/ Perception of Employees Regarding Pay Structure and Compensation	Mean	SD	% Age	Var.	Skew.	Kurt.	Rank
This Company is maintaining a Culture of Strong Performance	3.46	1.05	69.28	1.10	-0.40	-0.58	4
This Company has a High Reputation in the Society	3.67	1.03	73.44	1.06	-0.65	-0.24	1
/C/ Perception of Employees Regarding Scope for Growth & Development	3.22	1.08	64.48	1.18	-0.30	-0.70	3rd
This Company is providing High Opportunities for Career Advancement	3.09	1.13	61.72	1.28	-0.21	-0.81	5
There is a Culture of Mentoring and Coaching the Juniors here	3.35	1.01	66.94	1.03	-0.49	-0.48	1
There are Fast Promotions for High Performers in this Company	3.11	1.15	62.11	1.32	-0.22	-0.85	4
Training Program are conducted here for the Development and Growth	3.34	1.06	66.79	1.13	-0.34	-0.69	2
Competency Mapping is used to identify Competency Gaps in this Company	3.24	1.04	64.83	1.08	-0.16	-0.61	3
/D/ Perception of Employees Regarding Reward & Recognition Practices	3.23	1.12	64.58	1.26	-0.28	-0.80	2nd
Talented Employees are Recognized for their Contributions in this Company	3.20	1.18	64.07	1.40	-0.35	-0.90	4
There are Opportunities given for Foreign Assignments in this Company	3.06	1.15	61.20	1.33	-0.11	-0.89	5
Here the Employees are Encouraged to Innovate	3.28	1.08	65.60	1.16	-0.34	-0.76	2
The Rewards in this Company are based on Fair and Transparent System	3.23	1.07	64.64	1.14	-0.25	-0.67	3
Even the Individual Contributions are Rewarded here	3.37	1.10	67.42	1.21	-0.33	-0.74	1
/E/ Perception of Employees Regarding Quality of Life	3.17	1.09	63.37	1.19	-0.80	-0.73	5th
The Environment in this Company offers Interesting and Challenging Work	3.11	1.12	62.30	1.25	-0.38	-0.86	4
I am able to meet my Personal Commitments in this Company	3.24	1.02	64.78	1.03	-0.11	-0.63	2
The company gives the employees Choice for Place of Posting to meet Family Commitments	3.02	1.06	60.38	1.12	-0.05	-0.65	5
This Company offers Reasonable Work Places	3.18	1.04	63.54	1.09	-0.21	-0.66	3
There is a Long Term Commitment to me (Job Security) here	3.29	1.20	65.84	1.44	-0.29	-0.84	1
Total =	81.43						

Source: Primary Data

The data collected through the questionnaire containing 25 items have been grouped under five categories namely; Pay Structure and Compensation, Company Image, Scope for Growth and Development, Reward and Recognition and Quality of Life. The mean scores of "Pay Structure and Compensation" have been ranked. All the factors are contributing to Pay Structure and Compensation (as perceived by employees) to make its overall score 63.54 which is above the theoretical average (i.e. 50% of maximum obtainable score). The most important factor influencing the employees in the Indian scenario is found to be the "Excellent Perquisites" (Mean = 3.33) while the least important factor is found to be the "Market Competitive Salary" (Mean = 3.03). Under Company Image, the factor that is contributing most is found to be "High

Reputation in the Society" (Mean = 3.67) while the factor perceived by the people in Indian context as least contributing is found to be "Management by Capable Leaders" (Mean = 3.34). "Mentoring and Coaching the Juniors" is the most important factor explored in the survey (Mean = 3.35) to be contributing to build a positive perception among people regarding Scope for Growth and Development. However, it has also been found that there is a considerable lack of "High Opportunities for Career Advancements" (Mean = 3.09) that contribute negatively to the overall score of Scope for Growth and Development.

Then the testing of hypothesis using standard normal variate Z for hierarchical levels, age and genders revealed that hierarchical levels does not have any significant effect on general perception of the respondents. But age and gender does have significant effect on perception of employees regarding pay structure and compensation as well as on perception of employees regarding company image. After it ANOVA has been implemented to know the impact of type of industry on perception of respondents and it has been found that the type of industry is having highest significant impact on the perception of respondents regarding motivational variables of employee retention.

5. POLICY IMPLICATIONS AND CONCLUSION

The aim of this study is to identify and understand the factors those are affecting the success of employee retention policies in Indian organisations. To accomplish this task, both secondary and primary research approaches have been used here. During the survey phase, the participants were asked to express their opinion and judgement on current development of retention management in the organisations and to identify the key factors influencing their loyalty towards the organizations they are working in. The main questionnaire was developed and administered in order to validate the notions so built. The first objective of the study was to determine the factors that most significantly influence employees' decision to remain employed at a particular organization and possible reasons for choosing to leave in Indian context and this was fulfilled by a number of statistical analyses that includes the analysis of data through descriptive statistics, hypothesis testing and a multivariate technique factor analysis. The analysis of data through descriptive statistics as well as factor analysis reveals that in the Indian context the most influential factor of employee retention is the "Image of the Company", followed by "Reward and Recognition Practices". There are three more factors i.e. in order of their rank "Scope for Growth and Development", "Pay Structure and Compensation" and "Quality of Work Life". On the basis of these ranks and factors, an interesting inference can be drawn. Poor image of the company/organization stands out as the most significant factor for attrition. It means the poor company image obviously would be increasing the demoralisation and decreasing the loyalty among the employees that leads to reduced motivation, which in turn results in lowered efficiency. When the efficiency is lowered, employees are not able to deliver their expected output which results in their leaving the job. When employees quit, the perceived company image among the employees and society at large is further lowered.

The item contributing most to the great company image in Indian context is found to be the high reputation of it in the society. The findings here are strongly advocating about the inclination of Indian public towards the prestige value they get by working in a company which has high reputation in the society. After the company image the second factor so discovered in the study to be affecting favourably the loyalty of the employees in Indian organizations is the reward and recognition practices. And the people in Indian context are found to be motivated most when even their individual contributions are

rewarded in the company. If we consider here Maslow's Hierarchy of Needs (1943) where Abraham Maslow through a pyramid of five levels proved that motivation helps an individual to satisfy his basic needs; then we can relate the first and the second factor i.e. Company Image and Reward and Recognition Practices to the need for self esteem. Esteem needs are the needs that are derived from recognition resulting in feelings of acceptance, prestige and status. Employees who are satisfied with the needs of the self-esteem can result in feelings of adequacy, confidence and competence. These esteem needs gives the employees a sense of importance and also provide them with opportunities to contribute. People also need to feel self-confident and a sense of achievement, to respect others and to be respected in return. If esteem needs are not full-filled, employees will feel discouraged and inferior this affects their enthusiasm and performance level. Working in a company that has high reputation in the society, full of people from diverse backgrounds, from an exciting and interesting industry, with a culture of strong performance and managed by capable leaders would obviously be able to satisfy the self-esteem need. Secondly a company with a good reward and recognition practice would further enhance the motivation level by working in the same directions. The third and fourth factors discovered in the study that contribute positively the retention of employees in Indian context are the scope for growth and development and pay structure and compensation.

6. LIMITATIONS OF THE STUDY AND SCOPE FOR FURTHER RESEARCH

Every study has its share of limitations and shortcomings but efforts were made to minimize although it is not possible to eliminate completely. At the same time, despite limitations, the study is expected to contribute in helping the Indian corporate sector in improving Human Resource Development (HRD) climate in their organizations.

Key limitations of the study are as follows;

1. It was difficult to get cooperation from many respondents. Researcher had to personally persuade the respondents.

2. The extent of the study being only the automobile, IT and power sector, this study shall provide insight in-to the employee retention in the organizations under study. The findings of this study may not be applicable to other sectors of India due to varying nature of various influencing factors.

3. Study is aimed at suggesting measures for employee retention with a special focus on automobile, IT and power sector; the other key areas are described in general.

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