

FACTORS INFLUENCING EMPLOYEE RETENTION IN UTTARAKHAND TRANSPORT CORPORATION

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ABSTRACT

Employee Retention is a process in which employees are encouraged to remain within an organization for the maximum period or until the completion of a project. Successful organizations not only need to hire the right people but to retain them people for the job. Failure to retain employees results in the loss of knowledge, experience, customer relations and technical skills which are transfer to another organization. The objective of this study is to identify major factors that affect employee retention in Uttarakhand Transport Corporation Dehradun's. The objectives of this presents study were to identify the major factors influencing employee retention in the transport, to develop a framework based on a Causal Model and recommend possible solutions that could lead to improvements in employee retention. The study is based the quantitative and qualitative methods. The computed sample from the population was 171 but only 144 respondents successfully participated in the study. Quantitative data was analysed b y using the statistical Package for Social Sciences (SPSS). Content analysis was also affected to analyze data from the interviews with the key respondents.

Keywords: *Employee Retention, Job Satisfaction, Organizational Commitment, Workplace Structures.*

Introduction

The present research article is an attempt to the major factors influencing employee retention based on Causal Model. Employees are regarded on the backbone of any organization; Employees are the important resource for the attainment of organizational goals. There can be no success without human resource who in utilize other resources to produce goods and services (Matindo et al., 2015). Due to excessive and cut through competition in the global economy, organizations like Uttarakhand Transport Corporation Dehradun need to anticipate technological innovations and compete national level.

It has been observed that employee retention is not determined by one factor but a cluster of facts (Fitz-enz, 1990). Causal Model was adopted to provide a frame work of factors to be studied. The Causal Model proposes four models of job satisfaction and organizational commitment which are seen to influence the intent to stay. Its applicability to the transport sector will benefit is understanding the factors that have an influence on employee retention.

The area of study in confined to Dehradun study was conducted in a Dehradun.

This has attracted several transport business is providing transportation and logistical services to the surrounding areas.

It is important to note that the industry is becoming very competitive. In addition, due to the similar nature of skills and experience required across all the companies in this industry, employee's can easily switch jobs from one organization to another, carrying with them the business knowledge and strategies that give one business competitive advantage over the next. Therefore, it has become critical to the success of transport operating in Dehradun to ensure that once successful attraction and recruitment of talent is done, active retention forms a key aspect of the company's overall talent management strategy. The motive behind this should be the understanding of how human resource is a

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critical source of competitive advantage especially in service oriented sectors such as transport. The employees' actions empower the effective and efficient execution of the company's or the clients supply chain ecosystem (Millar, 2015).

A key component of this sector is the human resource tasked with the coordination of the entire process to ensure it is done efficiently and effectively. Therefore, it should interest not only the transport of Dehradun but the macro economy because understanding the best strategies to retain talented employees has a effect on the productivity industry when there are inefficiencies in the transport.

Research Objectives

- To identify the major factors influencing employee retention in the transport sector;
- To develop a framework based on the Causal Model for assessing employee retention in the transport sector;
- To recommend measures that will improve employee retention in the sample organization.

Research Questions

- What are some of the major factors influencing employee retention in the transport.
- How can we develop a model based on the Casual Model in order to address the factors identified in (1) for the transport industry?
- How can the major factors factor that affect the transport and organization in (1) be addressed based on the model in (2)?

Literature Review

Employee Retention

Employee retention is a process in which employees are encouraged to remain in an organization for the maximum period (James & Mathew, 2012). According to Kaila (2012) retention is important as it prevents the following:

In assessing the causes of employee turnover which is the opposite of retention, the Causal Model assumed the dominant view that job satisfaction was the cause of greater organizational commitment.

Job Satisfaction

Job satisfaction is an affectionate response by people towards their jobs and is basically the degree that people like their jobs. People that like their jobs are less likely to quit. Job satisfaction has an inverse effect on turnover among workers and it is one of the variables in the Causal Model that will be used in an attempt to grievance what leads to employee retention.

Organizational Commitment

Organizational commitment will measure the employees' attachment to their organizations, it has been suggested that employees who exhibit high organizational commitment are less likely to leave the organization voluntarily (Chelliah et al., 2015). Employees commitment with their work are less likely to leave. As working environment, relationships with superiors, workload, social support, compensation and company rules and regulations among others (James & Mathew, 2012).

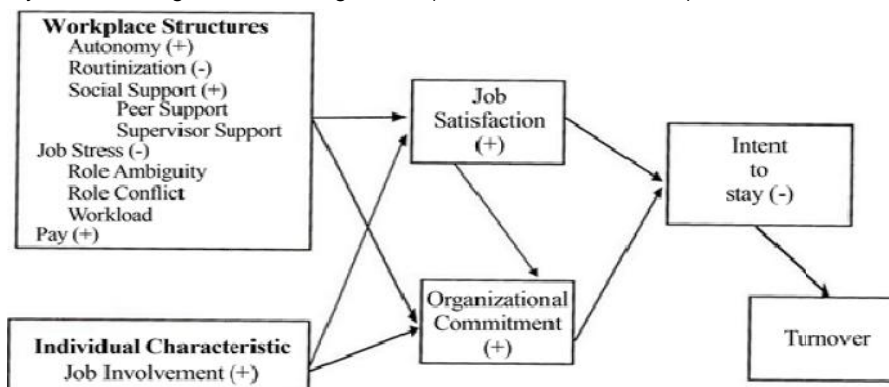


Exhibit 1: The Causal Order of Job Satisfaction and Organizational Commitment. Source: Currivan (1999).

- **Workplace Structures**

Workplace structures refers the way the various parts of an organization collaborate with one another to achieve organizational objectives.

- **Individual Characteristics**

The demographic profile of the employees will be measured also and its impact on retention, will be analysis's through the application various statistical data.

- **Intent to Stay**

The intention to stay is a tendency by employees to retain their membership with the current organizations (Currivan, 1999). Intent to stay is an indicator of near and distant turnover action and it negatively affects turnover (Ghiselli et al., 2001). Employee retention is an act by the employer to retain an employee while intent to stay is a behavior by the employee, the two can be viewed as two sides of the same coin.

- **Related Works**

The strong evidence of association between job security and retention was attributed to the socio-economic stability and psychological wellbeing of individuals in stable employment. Challenging and interesting work motivated employees based on the different aspects of their work which resulted in opportunities to have the freedom for innovative thinking.

It was thus concluded that employers had a growing need to retain employees in the face of competition both locally and globally. To do so, the variables stated above are crucial in influencing employees' decision to either leave or remain in an organization (Samuel & Chipunza, 2009).

Methodology

Based on the Causal Model a framework of 3 independent variables; job satisfaction, organizational commitment and workplace structures was developed. Also, the dependent variable determined was employee retention, measured by the intent to stay. To analyze the influence of the independent variables in Exhibit 2, the following hypotheses will be used to test the relationship:

H₀: job satisfaction has influence on employee retention

H₁: job satisfaction has no influence on employee retention

H₀: organizational commitment has influence on employee retention

H₁: organizational commitment has no influence on employee retention

H₀: workplace structures has influence on employee retention

H₁: workplace structures has no influence on employee retention

Sample Size

The sample size of the study was determined using the Yamane formula (Israel, 2003) where; n = sample size, N = the size of the population 15 e = the error of 5 percentage points. The respondents were randomly selected from a sample size with an error of 5% and with confidence coefficient of 95%. From an estimated population of 300, the sample size was determined using the Yamane Formula as follows;

$$n = N/(1 + Ne^2); \text{ where } N = 300, e = 5\%$$

when the formula was applied, the following sample was derived:

$$300/1 + 300 (0.0025) = 171.$$

The sample size of 171 was broken down into 168 questionnaires for ordinary employees while the remaining 3 questionnaires were for key respondents representing the employers in the transport and logistics industry.

- **Data Collection Procedures**

168 semi structured questionnaires were distributed but only 144 could be retrieved.

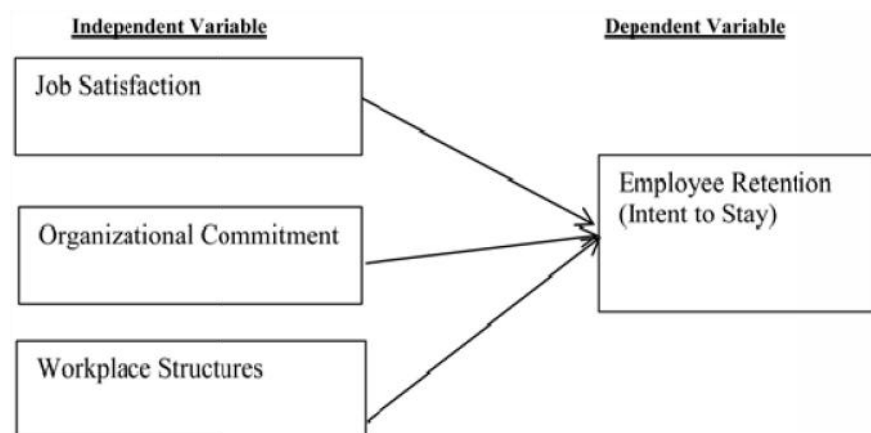


Exhibit 2: Conceptual framework based on the causal model source: author, 2019.

- **Sources of Data**

Individual characteristics questions sought to establish the demographic profile of the respondents while the other variables employed questions on a Likert scale with responses such as strongly agree, neutral, disagree and strongly disagree. The other set of questions were on the satisfaction to dissatisfaction scale providing for responses in one of the following categories; highly dissatisfied, dissatisfied, neutral, satisfied and highly satisfied. The question of what recommendations the respondents had, was open ended.

- **Sampling Methods**

Purposive sampling was used in this study in UTC of Dehradun operating in the transport. All the existing departments in all were included in the sample selection but the respondents who received the questionnaire were those available during the researchers visit to the companies because majority of employees in these organizations are shift workers. Random Sampling of employees from all the departments in each company was done to ensure the participants represented all sections in the Organization.

- **Data Analysis**

Quantitative data from the semi-structured questionnaires was analyzed using Statistical package for Social Sciences (SPSS) to create frequency tables, simple descriptions, cross tabulations and Mann Whitney tests for hypothesis testing. Excel was used to create tables and graphs from the information generated in SPSS. Correlation analysis was done to determine which factors influenced retention.

To analyze the interview and open-ended question responses, the questionnaires and handwritten notes were read repeatedly, and key ideas or statements highlighted. Once the themes were determined, content analysis was used to classify the information into categories responding to the research questions on what the major factors of employee retention were, and recommendations made for improving these factors.

Results and Discussions

The data collected was analyzed using the data analysis tools described in the methodology and the results presented using exhibit s and tables.

- **Individual Characteristics**

Exhibit 3 indicate the gender distribution of the respondents, 84% are males and 16% are females, it can be concluded that the transport and logistics industry in the study is a male dominated industry. Exhibit 4 indicate the age group distribution; 27.7% of the age group were between 30 - 34 years, 22% were in the age group between 25 - 29 years, 18.4% were between 35 - 39 years, 10.6% were between 40 - 44 years, 8.5% were between 20% - 24%, 6.4% were between 45 - 49 years, 4.3% were between 50 - 54 years and 1.4% were between 60 - 64 years of age.

Exhibit 4 and Exhibit 5 illustrate the findings of the level of education and length of service of the respondents.

Exhibit 3: Sample Distribution by Gender

Gender	Percentage (%)
Male	84
Female	16
Total	100

Source: Author, 2019

Exhibit 4: Percentage distribution by Age group

Age (years)	Percentage (%)
20-24	8.5
25-29	22
30-34	27.7
35-39	18.4
40-44	10.6
45-49	6.4
50-54	4.3
Above 54	2.1
Total	100

Source: Author, 2019

Exhibit 5: (a) Percentage distribution by Education Level;

Educational Qualification	Percentage (%)
Secondary	23.4
College	34.8
University	16.3
Others	3.5
No response	7.1
Total	100

Source: Author, 2019

Percentage Distribution by Length of Service

Years of Experience (Years)	Percentage (%)
0-1	9.2
1-3	34.8
3-5	25.5
5-7	14.9
7-10	5.7
Above 10	5.7
No Response	4.3
Total	100.00

Intent to Stay

Exhibit 6 shows the findings in response to respondents' intent to stay in the organization, 80% intended to stay in the organization while 16% indicated no when asked if they intended to stay in the organization and 4% did not respond to the question.

Intent To Stay	Percentage(%)
No Response	4
Yes	16
No	80
Total	100

Exhibit 7 illustrates the response from the respondents when asked if they were actively searching for another job, 55.32% indicated No, 34.75% indicated Yes and a final 9.93% did not respond.

Organizational Commitment and Employee Retention (Intent to Stay)

Search For Another Job	Percentage (%)
No Response	9.93
Yes	34.75
No	55.32
Total	100

Job Satisfaction and Organizational Commitment

	Yes	No
Highly Dissatisfied	1	2
Dissatisfied	3	4
Neutral	21	7
Satisfied	41	9
Highly satisfied	45	1
	111	23

Table 1 indicates the results obtained from the cross tabulation of organizational commitment and retention (intent to stay). The majority of those who agreed and strongly agreed to feeling committed to their organization also scored highly on intent to stay with the organization.

Non-Parametric Tests

To determine whether or not there is a relationship among the independent and dependent variables, non-parametric tests were conducted in testing the hypotheses. The Mann-Whitney U test was conducted on ordinal data which included workplace structures, job satisfaction and organizational commitment

Table 2 is a cross tabulation of job satisfaction and employee retention(intent to stay), the majority of the respondents who agreed and strongly agreed to job satisfaction also stated yes to their intent to stay with their employers.

	Yes	No
Highly Dissatisfied	2	2
Dissatisfied	9	3
Neutral	35	13
Satisfied	42	5
Highly satisfied	23	5
	111	23

Table 3: According to the Mann Whitney U test, the P-value (0.032) is less than the significant level 0.05, hence the test is significant and we fail to reject the null hypothesis. Therefore, it can be concluded that there is evidence to suggest that workplace structures have influence on employee retention.

Mann Whitney test Statistics	
Mann Whitney U	1004.000
Wilcoxon W	1304.000
Z Value	0.032
Assy 2 Tail	-2.139

Table 4: According to the Mann Whitney test, the P-value (0.00772) is less than the significant level 0.05, hence the test is significant and we fail to reject the null hypothesis. Therefore, it can be concluded that there is evidence to suggest that job satisfaction has influence on employee retention.

Mann Whitney test Statistics	
Mann Whitney U	1353.0
Wilcoxon W	7794.5
Z Value	-0.015
Assy 2 Tail	0.0098

Table 5: According to the Mann Whitney test, the P-value (0.0098) is less than the significant level 0.05, hence the test is significant and we fail to reject the null hypothesis. Therefore, it can be concluded that there is evidence to suggest that organizational commitment has influence on employee retention.

Recommendations

While majority of the sample respondents intend to stay with the organizations that have currently employed them, at least 34.7% in Exhibit 7 were actively searching for a job. The respondents were of the opinion for the implementation of strategies which fell under at least one or more of the following themes, job security, improved rules and regulations, career development opportunities, competitive compensation and benefits and improved conditions of service. The themes that occurred most often are job security implemented through longer contract terms. The analysis of the data reveal sample that organizations want to improve employee retention and gain competitive advantage, need to employ strategies with a focus on work place structures in the many dimensions that it takes. Walker (2001) identified 7 factors that enhance employee retention, and these are; compensation and appreciation for work performed, provision of challenging work, chances to be promoted or to learn, invitational atmosphere within the organization, positive relations with colleagues, a healthy balance between professional and personal life and good communications.

In addition to improved workplace structures, organizational commitment needs to be improved in order to have employee retention. According to Curtis and Wright (2001) an important indicator of employee retention is organizational commitment, employees who strongly identify with their organization, value the sense of membership within it and agree with its objectives and value systems are not only likely to remain with an organization but also work considerably hard on its behalf.

Regarding job satisfaction, it was observed in Table 2, that a significant number of respondents were neutral about job satisfaction which reveals that strategies aimed at increasing job satisfaction levels which influences employee retention need to be improved. The level of job satisfaction is influenced by both intrinsic and extrinsic motivation factors. The extrinsic factors include job security, working conditions, pay and benefits; while intrinsic factors include recognition, promotion, freedom, learning opportunities, nature of the job and status (Armstrong, 2010). Strategies include salary reviews based on merit and organizational performance, regular labor market salary surveys to review if the organizations' compensation is competitive in the industry, regular staff surveys assessing work place structures, job satisfaction and organizational commitment would help organizations gain an understanding of areas requiring improvements from the employees' perspective.

Conclusion

Based on the findings of the present study, it can be concluded that the frame work applicable to the transport organization when addressing is one considering workplace structures, job satisfaction and organizational commitment as factors having an influence on employee retention in the transport organization.

Limitations

The study focused on the transport and logistics industry in Uttarakhand Transport Corporation Dehradun given both time and financial constraints, however this study could be carried out in a wider transport and logistics industry while paying attention to enable the generalization of the research findings to the rest of the transport and logistics industry.

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