

**Impact of employee retention strategies on employee performance in telecom sector of  
Pakistan: employee career commitment as mediator of this relationship**

By

Anna Bashir



A thesis presented to Bahria University, Islamabad in partial fulfillment of the requirements for  
the degree of *Master of Philosophy*

**January, 2014**

Copyright 2014 by Anna Bashir

All right reserved

**BAHRIA UNIVERSITY, ISLAMABAD**

**APPROVAL SHEET**

**SUBMISSION OF HIGHER RESEARCH DEGREE THESIS**

Candidate's Name: **Anna Bashir**  
Discipline: **Management Sciences**  
Faculty/Department: **Department of Management Sciences (GS)**

*I hereby certify that the above candidate's work, including the thesis, has been completed to my satisfaction and that the thesis is in a format and of an editorial standard recognized by the faculty/department as appropriate for examination.*

Signature(s):

Principal Supervisor: Dr. Mehboob Ahmad

Date: 20-Januray-2014

The undersigned certify that:

1. The candidate presented at a pre-completion seminar, an overview and synthesis of major findings of the thesis, and that the research is of a standard and extent appropriate for submission as a thesis.
2. I have checked the candidate's thesis and its scope, format; editorial standards are recognized by the faculty/department as appropriate.

Signature(s):

**Dean/Head of Faculty/Department:**

Date:

**DECLARATION OF AUTHENTICATION**

*I, Anna Bashir, M.Phil. Student in the Department of Management Sciences, Bahria University, Islamabad, certify that the research work presented in this thesis is to the best of my knowledge my own. All sources used and any help received in the preparation of this dissertation have been acknowledged. I hereby declare that I have not submitted this material, either in whole or in part, for any other degree at this or other institution.*

Signature: \_\_\_\_\_

Name: Anna Bashir

Date:

**DEDICATION**

To Mr & Mrs Muhammad Bashir Malik (My parents) who allowed me to pursue my dreams of high education.

To Dr.Mehboob Ahmad (my teacher) who has led me to threshold of my mind.

They have gifted me with such beautiful world of knowledge and wisdom.

## **ACKNOWLEDGEMENT**

First of all I would like to thank Allah Almighty for giving me the strength, ability and patience to conduct an in-depth research successfully.

Secondly my parents, Mr and Mrs Muhammad Bashir Malik who supported me and financed me to conduct this study. They patiently allowed me to devote completely myself to my studies.

I am also grateful to my supervisor Dr. Mehboob Ahmad without whom this thesis would not have been possible. His timely feedback, suggestions and guidance enabled me to critically review my work and make improvements.

Last but not the least I also want to thank my family and friend's whose support and trust in my skills gave the confidence to believe in myself and achieve my goals.

My thanks and prayers are always for the above mentioned people, may God bless them abundantly.

Anna Bashir

Annabashir2008@yahoo.com

**Table of Contents**

ACKNOWLEDGEMENT ..... 6

ABSTRACT..... 11

CHAPTER 1 ..... 13

INTRODUCTION ..... 13

    1.1 Background of the Study..... 13

    1.2 Contextual Overview of Present Study ..... 15

    1.3 Problem statement..... 17

    1.4 Objective of Research study ..... 18

    1.5 Research question ..... 19

    1.6 Overview of Research Methodology ..... 20

    1.7 Significance of Study ..... 20

    1.8 Structure of thesis ..... 21

CHAPTER 2 ..... 24

LITERATURE REVIEW ..... 24

    2.1 Employee Career commitment..... 24

    2.2 Retention strategies ..... 26

        2.2.1 Compensation ..... 29

        2.2.2 Training and development ..... 33

        2.2.3 Job characteristics ..... 33

        2.2.4 Supervisor support ..... 37

        2.2. 3 Career development Opportunities (promotion)..... 40

    2.3 Employee Performance ..... 41

    2.4 Relationship among retention strategies and employee career commitment ..... 43

        2.4.1 Compensation and employee career commitment ..... 43

        2.4.2 Training and development and employee career commitment ..... 45

        2.4.3 Job characteristics and employee career commitment ..... 47

        2.4.4 Supervisor support and employee career commitment ..... 49

        2.4.5 Promotion and employee career commitment..... 50

    2.5 Employee career commitment and Employee performance and Employee retention strategies ..... 51

    2.6 conclusion ..... 52

CHAPTER 3 ..... 53

THEORETICAL FRAMEWORK .....	53
3.1 The theoretical framework .....	54
3.2 Description of theoretical framework .....	55
3.3 Causality in theoretical framework .....	55
3.4 Hypothesized relationship between variables .....	56
3.4.1 Retention strategies and employee career commitment .....	56
3.5 Retention strategies and Employee performance .....	57
3.6 Employee Career Commitment and employee performance .....	58
3.7 Retention strategies, Employee Career Commitment and employee performance .....	58
3.5 conclusion .....	59
CHAPTER 4 .....	60
METHODOLOGY .....	60
4.1 Overview of research objectives .....	62
4.2 Methodology of research and Justification .....	64
4.2.1 Quantitative Research Approach .....	65
4.3 Research design .....	65
4.3.1 Unit of analysis .....	67
4.3.2 Sample Size .....	68
4.3.3. Time frame of study .....	69
4.3.4 Challenges of Research .....	69
4.4 Data collection instrument and operational definition of variables .....	70
4.4.1 Data collection Instrument .....	70
4.4. 2 Operational definitions of variables .....	71
4.4.3 Employee performance .....	78
4.5 Data analysis .....	79
4.7 Reliability and Validity of Research Instrument .....	80
4.7 Conclusion .....	81
CHAPTER 5 .....	82
DATA ANALYSIS AND RESULTS .....	82
5.1 Descriptive Statistics of Variables .....	82
1.2 Correlation .....	83
Table 3 : Correlation Matrix .....	84



5.3 Regression Analysis.....	85
1.3-Multiple regression analysis .....	99
1.4- Mediated Regression analysis.....	103
CHAPTER 6 .....	109
CONCLUSION, RECOMMENDATIONS AND FUTURE RESEARCH .....	109
6.1 Conclusion .....	109
6.2 Recommendation and significance of study .....	110
6.3 Limitations and Future Research .....	112
REFERENCES .....	114
APPENDIX-I .....	124
QUESTIONNAIRE .....	124

**LIST OF TABLES**

Table 1 Alpha Reliability coefficients ..... 80

Table 2: Descriptive Statistics ..... 83

Table 3 : Correlation Matrix ..... 84

Table 4 Regression analysis of compensation impact on employee career commitment ..... 86

Table 5 Regression analysis of training and development impact on employee career commitment..... 87

Table 6 Regression analysis of Job characteristics impact on employee career commitment..... 88

Table 7 Regression analysis of career development opportunities impact on employee career commitment  
..... 90

Table 8 Regression analysis of supervisor impact on employee career commitment..... 91

Table 9 Regression analysis of compensation impact on employee performance ..... 93

Table 10 Regression analysis of training and development impacts on employee performance..... 94

**Table 11 Regression analysis of Job characteristics impact on employee Performance** ..... 95

Table 12 Regression analysis of Career development opportunities impact on employee performance.... 97

Table 13 Regression analysis of employee career commitment impact on employee performance..... 98

Table 14 Multiple Regression Analysis of retention strategies impact on employee performance ..... 100

Table 15 Multiple Regression Analysis of retention strategies impact on employee career commitment102

**Table 17 Mediated regression analysis**..... 104

Table 18 Summary of Results ..... 106

## ABSTRACT

The basic motivation of present study is to empirically investigate the relationship of employee retention strategies (compensation, training and development, job characteristic, supervisor support and career development opportunities) on employee career commitment towards the employee performance in telecom sector of Pakistan and employee career commitment as mediator of this relationship. A framework is proposed to link the relationship between employee retention strategies, employee performance and employee career commitment. This investigative study works to enhance *academic knowledge* by being part of a very limited collection of studies available till now that links the concept of retention strategies and employee performance with employee career commitment as a mediating factor.

The current study has been conducted in the context of telecom sector of Pakistan; This sector is specifically chosen because the demand for high technology employees, increase in turnover and the shortage of qualified candidates existed in this sector. Because of this shortage, it has become vital to retain skilled employees in telecom sector of Pakistan. Primary data is collected through a structured questionnaire from the sample of 300 respondents which included the higher, middle and lower managers using liner and multiple regression and Baron and kenny (1986) model of mediation in SPSS (20). The present study focused on the inclusion of employee retention strategies, offering some suggestions to discover potential crises due to absence of retention strategies and to improve the influence of employee retention strategies on career commitment of employees towards the employee performance.

The present study finds that employee retention strategies are positively related to employee performance and employee career commitment. However, job characteristics are not found to have positive relationship with employee performance or employee career commitment. These

findings of study supports the oriented culture along with job content or design of work and also proved that supportive culture of an organization is important and employees cannot perform high with varied skills and freedom without the supportive culture of workplace. This study developed a model of employee retention for an organization that wants to improve their employee performance with respect to employee retention and career commitment.