

# DETERMINANTS OF EMPLOYEE RETENTION IN PAKISTANI ORGANIZATIONS

### By

## SHUANA ZAFAR NASIR REG# 7115

A Thesis Presented To Bahria University, Karachi Campus In Partial Fulfillment Of The Requirements For The Degree Of Master Of Philosophy

**AUGUST, 2013** 

#### **ABSTRACT**

The thesis is done in the area of human resource management on the topic "Determinants of Employee Retention in Pakistani organization". Employee retention is one of the biggest challenges for today's managers and organization. It involves taking actions to motivate employees to stay in the organization for a longer period of time. Employees keep on looking for better work place and environment. While on the other side, employers use new tactics to retain best talent due to rigorous competition. In order to save turnover cost, the focal point of organizations has been shifted from turnover to retention. To compel people to stay in any organization, various factors are identified through research that includes environmental, motivational and succession planning.

This research study will indicate the effectiveness of retention strategies that the organizations use to retain people. It is conducted directly from employees to investigate the elements that make them committed to their organizations. An effort is made to discover the effectiveness of the retention strategies in Pakistani organizations and that how practical they are to retain people. This study aims to explore the determinants of employee retention in Pakistani organizations. For this purpose the data was collected through both secondary and primary sources. The questionnaire was distributed among the middle and upper level employees of different organizations operating in Pakistan. The groundwork of this research rely on the employees responses. Five variables are taken into account to study employee retention. That includes supervisor support, work environment, work-life balance policies, career development and rewards & recognition while job satisfaction is taken as mediating variable.

The results of this research study have shown that employee retention is highly dependent and correlated with all the independent variables which are supervisor support, work life balance, career development opportunities, rewards and recognition, work environment and job satisfaction. The level of employee retention would increase in Pakistani organization by practicing identified variables more appropriately.

#### **Table of Contents**

Acknowle	dgement	iv
Dedication	1	v
Abstract		iv
CHAPTER 1		3
1. INTR	ODUCTION	3
1.1. E	mployee Retention Challenges in Pakistan	7
1.2. B	ackground of the Study	8
1.3. P	roblem Statement	9
1.4. R	esearch Question	10
1.5. R	esearch Objectives	10
1.6. S	gnificance of the Study	11
1.7. P	urpose of the Study	11
1.8. L	imitations of the Study	12
1.9. O	rganization of Study	12
CHAPTER 2		13
2. LITER	RATURE REVIEW	13
2.1. D	eterminants of Employee Retention	21
2.1.1.	Career Development	21
2.1.2.	Work Environment	23
2.1.3.	Rewards and Recognition	24
2.1.4.	Supervisor Support	26
2.1.5.	Work life Balance Policies	28
CHAPTER	3	30
3. RESE	ARCH METHODOLOGY	30
3.1. Da	ata Collection	30
3.2. Re	esearch Design	32
3.2.1.	Sample Population	32
3.2.2.	Sample Unit	32

3.2	2.3. Sample Size	32
3.3.	Statistical Methods	33
3.4.	Hypotheses	33
4.1.	Frequencies: Demographic Factors	35
4.2.	Mean and Standard Deviation	39
4.3.	Cross Tables	39
4.4.	Inter Item Consistency of Items Use in Constructs	41
4.5.	Mean Table	42
4.6.	Pearson Correlation	44
4.7.	Findings of Results	45
4.7	.1. Hypothesis 1	45
4.7	.2. Hypothesis 2	45
4.7	.3. Hypothesis 3	45
4.7	.4. Hypothesis 4	46
4.7	.5. Hypothesis 5	46
4.7	.6. Hypothesis 6	46
4.8.	Regression Analysis	47
4.8	.1. Interpretation of Regression Model	48
4.9.	Discussion	50
4.9	.1. Impact of Supervisor Support on Employee Retention	50
4.9	.2. Impact of Career Development on Employee Retention	50
4.9	.3. Impact of Rewards and Recognition on Employee Retention	51
4.9	.4. Impact of Work Environment on Employee Retention	51
4.9	.5. Impact of Job Satisfaction on Employee Retention	52
4.9	.6. Impact of Work-life Policies on Employee Retention	52
СНАРТ	ER 5	53
5. CO	NCLUSION AND RECOMMENDATIONS	53
5.1.	Conclusion.	53
5.2.	Recommendations	55
5.3.	Suggestions/Future Implications	57
References		58