



A study on effects of welfare facilities on employee's retention

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Abstract

Retention of employees is the asset of an organization as a key to success in achieving organizational goal. This paper highlights some of the strategies being followed in organizations related to formulating HR policies keeping an optimistic approach towards retention. Around 30 data from employees of various organizations are analysed using statistical tools and finds that the creation of opportunities for role enhancement within the company as well as training and skill development that allow employees to enhance their employability in the internal/external employable market. The study in this Paper relates exclusively with employee retention, tools used for retaining employees, data gathering techniques, and Employee Delight a new way to retain employees in the organization.

Keywords: Retention, Employees Satisfaction, Training and Development.

Introduction

Retention is one of the most important factors in any organization and it is mostly affected by the welfare facilities directly or indirectly. Employee satisfaction involves taking measures to encourage staff to stay within the organization. Most of the times company is facing lot of issues in worker retention because the expectations of employees are changing day by day and hiring knowledgeable individuals for the organization are crucial for managers.

Employee welfare is a difficult task to form life worth living for employees. Welfare helps to keep the self-esteem and motivate the workers, thus to retain the workers for extended period. Now-a-days the most burning problem is the employee voluntary turnover. Thus our research problem is to know whether welfare facilities affect employees' retention in any organization.

Literature review: According to Ingersoll and Smith ineffectiveness and low performance in an organization are the outcomes of high level of employee turnover which further lead to high cost. Thus studying the factors which help retaining employees will help in reducing organizational cost and increasing employee morale.

According to studies by Maertz and Griffeth¹ and also studies by Kinnear and Sutherland² and Meudell and Rodham³; stated that management should also focus on extrinsic factors like good interpersonal relationship, good salary, job security and friendly working environment because both the intrinsic and extrinsic factors act as key motivational variables and increase their retention level in organization. On other hand the organization can also make a combination of both intrinsic and extrinsic variables as an effective retention strategy.

Research by Cappelli⁴ also stated various factors like career environment, leave policy, brand image and work life balance also play an important role in employee retention.

Another research related to reward helping in retaining employees was given by William and Werther⁵. He studied that reward can be in form of salary, bonus, promotion and other incentives but when this reward system is managed effectively then it helps in achieving its objectives and retaining the efficient workforce.

Thus it can be said that there are various factors affecting employee retention and this study will help to know whether factors particularly related to welfare facilities help in retaining employees.

Objectives: i. To find the impact of welfare facilities on employee retention with respect to married and unmarried people. ii. To know factors that help to reduce employee voluntary turnover effecting these groups of married and unmarried employees.

Methodology

Research design: In this study the survey method is used and is mainly done for small organization.

Sample unit: Employees of different organization.

Sample size: 30 employees of different organization.

Hypothesis: H0: There is no significant difference between the married and unmarried groups towards the effect of welfare facilities of employee retention in the district of Durg region.

H1: There is significant difference between the married and unmarried groups towards the effect of welfare facilities of employee retention in the district of Durg region.

Data Collection: i. Primary data: Questionnaires were used to collect primary data from respondents by meeting them personally. **ii. Secondary data:** The major source of secondary data was websites, research reports available online.

Statement of the problem: The aim of the study is to know that retention of employees is influenced by welfare facilities with respect to their marital status. There are many theoretical concepts and evidence which illustrates the different factors for employee retention. Hence in order to increase the productivity and to earn high profit, the employee turnover should be minimum. Therefore, this research is focused on whether there is any relation between welfare facilities and retention.

Results and discussion

Empirical analysis and results: The basic quantitative description of data is summarized in Table, which gives the snapshot of the descriptive characteristics of the respondents regarding effect of welfare facilities of employee retention in the district of Durg region. It can be seen that out of 30 responses taken, with mean ranging from 4.267 having standard deviation of 0.827 to mean of 3.55 with standard deviation of 1.16. All the factor data set are skewed ranging from (-2.115 to 0.286), while the expected value of skewness is "0" ⁶. Data set have no normal distribution as Kurtosis value is deviated from "3", DeCarlo⁶ for many questions asked.

Table-1: Descriptive Statistics.

Questions	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
I feel there should be good working environment.	30	3.0	5.0	4.133	.7761	-.242	.427	-1.261	.833
I prefer clean and accessible drinking water.	30	3.0	5.0	4.200	.7611	-.362	.427	-1.141	.833
Do you think that impletation of 3r's recognitio, respect, and reward will increase retention.	30	3.0	5.0	4.033	.8503	-.066	.427	-1.633	.833
I feel that there should be opportunities for growth and development.	30	1.0	5.0	3.900	.9595	-1.044	.427	1.637	.833
I feel organisation should have flexible leave policy and concession facility.	30	2.0	5.0	3.800	.6644	-.514	.427	.934	.833
I Think Organisation Should Offer Conveyance Allowance	30	2.0	5.0	3.533	1.1666	-.226	.427	-1.439	.833
I believe organisation should provide medical benefits.	30	3.0	5.0	3.833	.7466	.286	.427	-1.095	.833
I find that education allowance is an important factor.	30	3.0	5.0	4.000	.7428	.000	.427	-1.108	.833
I think every organisation should provide overtime allowance.	30	1.0	5.0	4.267	.8277	-2.115	.427	7.509	.833
I recommend my employer to someone else.	30	2.0	5.0	3.667	.8442	-.382	.427	-.200	.833
Age.	30	1.0	3.0	1.800	.6644	.242	.427	-.634	.833
Marital Status.	30	1.0	2.0	1.600	.4983	-.430	.427	-1.950	.833
Qualification.	30	1.0	4.0	2.433	1.1943	.104	.427	-1.523	.833
Valid N (list wise).	30								

Table-2: Statistics.

Reliability	
Cronbach's Alpha	N of Items
.851	30

Internal Consistency of all the factors measured is 0.851 (acceptable range 0.6 to 1) Lee Chronbach and hence all the responses are consistence to measure the same concept of their stress level at working place⁷. Thus there is fair degree of interrelatedness of various scores of individual factors.

Statistical Test: As the response is ordinal in nature i.e non-parametric test with two independent samples as married and unmarried, response related to effect of welfare facilities of employee retention in the district of Durg region. Mann-Whitney U test is used non-parametric test that is used to compare two sample means that come from the same population, and used to test whether two sample means are equal or not. The Ranks table is the first table that provides information regarding the output of the Mann-Whitney U test. It shows mean rank and sum of ranks for the two groups tested (i.e., Married and unmarried group).

The Table-3 is very useful because it indicates out of married or unmarried group which group can be considered as having the higher concentrations, overall; namely, the group with the highest mean rank.

Test statistics table: The table shows the actual significance value of the test. Specifically, the Test Statistics table provides the *U* statistic, as well as the asymptotic significance (2-tailed) *p*-value.

Null Hypothesis: There is no significant difference between the married and unmarried groups towards the effect of welfare facilities of employee retention in the district of Durg region.

Interpretation: The Table-4 having *p*-value more than 0.05 as it can be seen that most of the questions are with *p*-value greater than 0.05, hence there is no significant evidence to reject null hypothesis and can be concluded that there is significant difference between the married and unmarried groups towards the effect of welfare facilities of employee retention in the district of Durg region.

Conclusion

i. Reward should be given on the basis of performance. ii. As there is difference between married and unmarried so they

should be given facilities according to their status which help them to motivate them. iii. Productivity of employees will increase when better working condition are provided to them. iv. To reduce absenteeism an organization should provide complete medical facilities.

Table-3: Ranks.

Questions	Marital status	N	Mean Rank	Sum of Ranks
I feel there should be good working environment.	1.0	12	17.67	212.00
	2.0	18	14.06	253.00
	Total	30		
I prefer clean and accessible drinking water.	1.0	12	18.00	216.00
	2.0	18	13.83	249.00
	Total	30		
Do you think that impletation of 3r's recognition, respect, and reward will increase retention.	1.0	12	16.79	201.50
	2.0	18	14.64	263.50
	Total	30		
I feel that there should be opportunities for growth and development.	1.0	12	16.58	199.00
	2.0	18	14.78	266.00
	Total	30		
I feel organisation should have flexible leave policy and concession facility.	1.0	12	15.33	184.00
	2.0	18	15.61	281.00
	Total	30		
I think organisation should offer conveyance allowance.	1.0	12	17.17	206.00
	2.0	18	14.39	259.00
	Total	30		
I believe organisation should provide medical benefits.	1.0	12	16.38	196.50
	2.0	18	14.92	268.50
	Total	30		
I find that education allowance is an important factor.	1.0	12	17.33	208.00
	2.0	18	14.28	257.00
	Total	30		
I think every organisation should provide overtime allowance.	1.0	12	19.83	238.00
	2.0	18	12.61	227.00
	Total	30		
I recommend my employer to someone else.	1.0	12	16.13	193.50
	2.0	18	15.08	271.50
	Total	30		

Table-4: Test Statistics^a.

	1	2	3	4	5	6	7	8	9	10
Mann-Whitney U	82	78	92.5	95	106	88	97.5	86	56	100.5
Wilcoxon W	253	249	263.5	266	184	259	268.5	257	227	271.5
Z	-1.17	-1.36	-0.69	-0.58	-0.09	-0.88	-0.47	-1.00	-2.48	-0.34
Asymp. Sig. (2-tailed)	0.239	0.172	0.486	0.556	0.921	0.375	0.632	0.316	0.013	0.731
Exact Sig. [2*(1-tailed Sig.)]	.285 ^b	.215 ^b	.518 ^b	.602 ^b	.950 ^b	.415 ^b	.662 ^b	.368 ^b	.028 ^b	.755 ^b

a. Grouping Variable: Marital Status, b. Not corrected for ties.

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