

**A CASE STUDY ON IMPROVING EMPLOYEE
RETENTION IN A TRADING SOLUTION
PROVIDER COMPANY**

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Degree of Master of Business Administration in Information Technology

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ABSTRACT

The most important and valuable factor in a high labor intensive industry is the labour itself. The talent labour force immensely contributes to increasing the productivity, customer satisfaction, and consistency of smooth operation of an organization. It is known to be the most disturbing factor that should be addressed in the software industry, which is the high labour turnover.

Software organizations mostly deal with knowledge worker who is considered as above average brainy people. The contribution that each individual has towards the organization will be comparatively high. Therefore losing an employee of such capacity will definitely impact on the organization in short-term and as well as in the long run depending on the left person's capacity. Moreover, the cost that the company has to incur in training a new individual to the same capacity will be very high as it will take months or maybe years.

This had been carried out in one of the leading software organizations in the Sri Lankan context as a case study. The company currently accommodates around 180 employees and distributed in seven departments. The domain it operates is the capital market which requires people with expert knowledge as it possesses complex trading instruments. The said organization is currently facing an employee turnover issue.

The Hypothesis and the Conceptual Framework has been developed based on the Literature Review and the Secondary Data obtained by the company. A questionnaire consisting of 26 questions relating to Dependent and Independent Variables in the Conceptual Framework had been distributed among the selected sample in an unbiased way according to the Sample Calculation guideline. Based on the feedback, critical analysis was carried out using SPSS Software and Statistics. Demographic Analysis, Statistical Analysis of feedback of the Questionnaire and Core relational Analysis between Dependent and Independent Variables were carried out.

According to the findings of the analysis, it had been found out that remuneration package, career development and the working environment can make a positive impact to decide to retain with the employer or not. The researcher had given recommendations to the company based on the findings of this study. In addition, further study had been suggested by the researcher.

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LIST OF ABBREVIATIONS

| | |
|------|---------------------------------|
| IT | Information Technology |
| TSP | Trading Solution Provider |
| SLDC | Software Development Life Cycle |
| HRM | Human Resource Management |
| HR | Human Resource |
| CAC | Cronbach's Alpha Coefficient |
| EPF | Employees' Provident Fund |
| ETF | Employees' Trust Fund |
| KPI | Key Performance Indicator |

1. INTRODUCTION

1.1 Research Background

The main focus of undertaking this research project is to fulfill the academic requirements of the researcher. Accordingly the researcher has undertaken to study a general HRM issue that is prevailing in the industries in the present dynamic and competitive market environment. Many researchers such as Brewster (2007), Paauwe (2004) have asserted that organization's employment practices and performance are heavily influenced by a broader political, legal, social, technological, institutional and cultural context. Boxall et al (2009) have suggested that lack of attractiveness of the organizations affect the ability of the firm to gain a pool of talents that can be utilized to achieve strategic objectives of the organization. However the researcher viewed that the employment retention is a crucial problem in the IT based organizations since the sector requires to gain the attraction of an IT skilled workforce in order ensure the accuracy and reliability of the products and services provided by the firm to its clients.

In an industry which is in a growing competitive environment of this new era of knowledge economy, employees experience and values has become one of the major ingredients in any solution of a company. Employees' commitment, behavior, experience and attitude are some of the factors that decide the quality of the work that is performed by the company. These attributes of employees provides the cutting edge or the competitive advantage that supports the success of an organization.

Though the research had been carried out for a real organization, due to confidential purposes researcher had been used the name Trading Solution Pvt Ltd (TSP Pvt Ltd). In TSP Pvt Ltd, the employee turnover rate has been on the raise in past few years. The organization has been witnessing a challenge in retaining experienced employees which has been identified as one of the root cause of several issues identified in other departments. Losing experienced employees is a vital financial and non-financial issue for an organization in the short and the long run. Tacit knowledge can't be transferred while limited opportunities are given for knowledge transfer in TSP.

1.2 Problem Statement

Particularly TSP (pvt) limited is developing software to cater the requirements in the capital markets. Therefore it requires brainy workforce as the market they are approaching is fairly

sophisticated and require specialized knowledge. The company itself is very keen in recruiting people from genius category or nearly to that level. One very good example for that is the majority of the passing out graduates from Department of Electronic and Telecommunication and Computer Science and Engineering from University of Moratuwa are attracted by TSP Technologies.

While the company is showing this level of interests on recruiting correct individuals on one hand, considerable number of employees from the existing workforce leaves the company every month. This set represents the very senior people who were with the company for more than 10 years to people who joined TSP recently. The HR department of the company has to work on a tremendous phase and under pressure as they need to pump people with correct skills to fill the gaps created due to vacant positions while recruiting people for new planned projects. Therefore, solutions should be found for this issue by comparing other software companies.

1.3 Motivation

Software Industry is highly knowledge driven industry with fast moving technologies. Therefore the companies should always need to cater the software requirement of the customers by using latest technologies by competing with each other for grab the market share as well as to attract knowledge workers to own companies. Not only attract people, but to retain the knowledge workers also a challenge in current context. Due fast moving technologies, differing salary ranges and other factors, most of the companies face to the challenge to retain the knowledge workers within the company. But it can be seen a HRM issue in TSP (pvt) Ltd to retain the employees with high employee turnover. Therefore the researcher has been motivated to find out the prevailing issues in TSP (pvt) Ltd to retain the employees as well as to give strategic solutions to omit the problem by analyzing the factors to retain the employees within the company.

1.4 Research Scope

When an organization has hired, trained and developed the knowledge workers into high-performing teams it does not want to lose them since the developed employees help to develop a pleasant work pace, happy organization's community, skill inventory which can be rotated when needed, and reflect the success of organizational performance. Generally the knowledge workers are specific employees who have different skills and knowledge who can demand themselves

based on the expertise they have. There would be several symptoms of the problem that lead employees of this nature leave the organization such as lack of support, not meeting the required competence level, adjusting to dynamic working environment, absence of growth opportunities, over work, imbalance between work life and personal life and etc.

1.5 Research Question

In order to find the solutions for the problem stated above in section 1.2, research question can be raised as;

“What factors significantly contribute to the retention of the workforce at Trading Solution Provider?”

1.6 Research Objectives

Identifying the aim of the research is crucial to do a meaningful research study in order to fulfill a knowledge gap existing in the literature and to assure the credibility of the study. Accordingly the aim of this study is to investigate the factors affecting the retention of employees of an IT based company. Following research objectives have been set in order to achieve the research aim;

- To identify the factors affecting employee retention of the IT based organizations.
- Identify and assess the internal organizational, micro and macro environmental factors that affect the employee retention in the study organization
- Identify the correlation between the causes of employee retention.
- Recommend relevant strategies to retain the workforce within the company.

1.7 Research Justification

The target organization has been encountered an employee turnover issue since recent years, though it was a key player in providing trading market solutions. The company consists of seven main departments. The organization has been witnessing a challenge in retaining experienced employees which has been identified as one of the root cause of several issues identified in other departments. Losing experienced employees is a vital financial and non-financial issue for an organization in the short and the long run. Recruiting suitable people for the vacant positions

and give adequate training will be a huge additional cost to the organization. This significant turnover problem was the main cause for conducting this case study.

1.8 Research Significance

As disclosed by Delery and Shaw (2001) organizations' ability to attract and retain a high quality work force is crucial for assuring the competitiveness by enhancing the competitive capabilities and resources. Boselie et al (2005) has supported this view by stating that there is a stream of strategic HRM researches which examine the linkage between HR practices and firm's performance and effectiveness. The proposed study would help TSP in order to understand the root causes and the impact of them. The study will help to understand the factors that are influencing employee turnover of millennial employees and other employees.

The factors that have caused employee turnover will be highlighted and organizations could take the effort to consider these and how these factors would be impacted by the operational decisions that are made. This will allow organizations to understand the depth of decision making in regard to employees and take necessary precautions in order to avoid the same in the future.

The study will significantly help TSP to reduce or even avoid factors that may cause employee turnover. Further, the organization could yield financial benefits from retaining the employees in various aspects. Initially, the recruitment expenses of the organization can be reduced.

By retaining the employees with experience, the organization can create a knowledge pool by which all other employees could feed off from. This will increase the knowledge of the employees leading to higher quality of work. Innovative solution could earn not only additional income but also reduce time spend on repetitive tasks.

Accordingly it has been suggested that a systematic approach to creating a workplace with high performing work systems and a high performing cultures can be considered as the way of building inimitable resource capabilities that creates an environment in which corporate strategies can be implemented achieving higher performance goals. However mere focus on creating a high performance work environment would not ensure the retention of a high skilled workforce.

1.9 Outline

Chapter 1 – Introduction to the research topic. It discloses identification of the symptoms, research problem justification, and defining the research problem. Further, it covers the objective, significance and the limitations for the study.

Chapters 2 - Is focused totally on literature review of the subject taking up variables and findings and relate with previous studies and arrive at conclusion.

Chapter 3 - explains the research methodology applied on the study and arrangement of capturing data and information

Chapter 4 - Is the data presentation and analysis part leading to final outfit of the study

Chapter 5 - Is the conclusion with recommendations after proper analysis.

2.0 LITERATURE REVIEW

2.1 Introduction

In slightly more than a decade, the most crucial issue for many companies has become attracting and retaining employees who have skills and competencies to do the work. The recent economic downturns and financial crises have created an environment that is more challenging for the managers to keep their employees satisfied and for a substantive period of time in the organization. Employees' loyalty to the employer, the morale and the job satisfaction and etc have become crucial components of employee retention and widely discussed topics in the business management researches. Further as explained by Allen (2001) costs attached with employees such as costs of absenteeism, costs of insurance and medical compensation and etc have increased due to physical and mental health matters that have been aroused as consequences of the work stress and other problems prevailing in the workplace. Higher employee turnover has hit many areas of the companies' operations and performance such as the loss of productivity, lower customer satisfaction, and company image. This chapter is focused on presenting a critical review of literature that is attached to the relevant areas of employee retention in the organizations.

2.2 Manager's role in Managing people in organization

Buckingham and Coffman (1999) have asserted the manager's function as a function of a catalyst and as all catalysts; the manager should speed up the reaction between two substances which lead the desired output. Importantly the manager must create an output by emerging and accelerating the reaction between the employees' talents and goals and objectives of the organization and employees' performance and customer satisfaction by meeting their expectations as Imamoglu & Gozlu (2008) described. According to Wang & Guo (2003), the managers perform up to the desired level as catalysts in the organization then the company becomes strong as well as the employees become accountable and engaged in their jobs. However the present dynamic and competitive business environment have entrusted more responsibilities to the managers. The managers are required to be expert in their fields such as that a general administrative clerk has become disqualified to perform human resource functions of a company as in the past. Mitchell (2002) has explained that the managers face a difficult challenge of motivating and retaining employees in an environment of which the business and

market uncertainty has increased. Any organization or a community is exempted from the challenges in the globalized marketplace and many organizations have experienced necessity for layoffs and failures of restructuring in the recent past as consequences of the industrialization of economies.

2.3 Employee Retention – A Strategic Business Issue

In present turbulent socio-economic environment and the competitive market and organizational environment a stable, talented workforce can be considered as a competitive capability of the organization. According to Dominic and Sarata (2014) identifying, training and retaining key knowledge workers is a primary concern of the software industry. Therefore employee turnover delays the projects increases the cost and reduces the quality of the product.

Sinha (2012) had been mentioned about the employee retention issue as the most critical workforce management challenge for the emerging industries. Therefore this can directly apply to the software industry. Further, he had shown that there had been many changes happened to the motivations, beliefs and value structures of individuals than the past. Therefore the organizations have to adapt their organizational behavior to the realities which would depend on the innovation, creativity, and flexibility. Further, he had asserted that if an organization held a stable workforce it would invest thousands of dollars in employee training, education, development, learning, and supervision and etc which would ultimately lead superior performance. Longevity of workforce gives a company a powerful advantage while the depth of knowledge gives organization strengths. In this scenario loss of a competent employee is increasingly difficult to replace with someone who is comparably competent and effective even with an effective succession planning process. Under today's' job market conditions some organizations tend to hire unskilled employees and provide them training and education in order to adept the organization culture and to bring-up them to the expected level of performance. However, if the firm employs unskilled labor due to skilled labor shortage the company would be facing severe problems that affect the customer satisfaction and which lead poor performance and bad reputation of about the firm.

2.4 Why employees become Disengaged and Leave?

Turnover theory can be explained in two ways according to Dinger et al (2012). There can be two sides of disengage and leave the company. Those are a desire to move or perceived availability of desirable alternative job opportunities which offer greater financial benefits or career opportunities than their current positions. Hom & Kinicki (2001) described how the dissatisfaction leads to the turnover.

According to Hynninen et al (2010), voluntary turnover is voluntarily leaving the organization by the employee and organizational commitment has been found to be an important predictor of voluntary turnover. As Price (2001) described, not only that they have clearly observed that voluntary turnover may also create challenges for developing high-quality software on time.

When discussing the voluntary turn over, Burnes P (2006) mentioned that there are few reasons for the voluntary turn over by taking examples from Generation X employees. As factors it had been found out loyalty and trust, new technologies, Leadership changes, Compensation can be affected by the voluntary turn over. Yu et al (2012) had been mentioned the voluntary turnover as "deliberate, job-dissatisfaction-initiated process that includes job search and subsequent expected utility deliberations". In here they have chosen dissatisfaction as the linkage between influential factors and perceived turnover and have applied the theoretical links to the context of their research which was based on Herzberg's two-factor theory and Mobley's model of Job (dis)satisfaction and turnover.

Compensation at a market rate as well as lack of promotion path also factors to leave the organization according to Branes P (2006). Most of the company management leaves a little room to promote the people who had been working for years with the company because of the cost saving purposes. There is a suggestion which was introduced by Barnes is to establish multiple layers of positions for the career ladder and let the people feel that they are moving up an organization's ladder. According to Kannabiran et al (2014) showed that most of the workforce in the IT industry is young and they need to do something meaningful in a larger context. In the software industry, stringent delivery requirements require team-based efforts. Therefore the employer must encourage as well as recognize service manifestations of individual employees to retain employees.

Kannabiran et el (2014) had been mentioned that in IT industry a new economy business and retention is a critical element of such an organization. Johnson (2000) had been described the

'intention to stay' refers to employees deliberate and conscious willingness to stay with the organization. To achieve that, organizations need to develop an improved process for attracting, developing, retaining and utilizing people who are with the right skill and the aptitude to carry the organization to its sole goal. Further, he had mentioned that employee departs because the current employment position, as well as the internal career, is unsatisfactory.

According to Dibble (1999), there are various messages have been taken by the employees regarding the pay for their services in the organizations as listed in Table 2.1.

Table 2.1 What pay means to the employee

| <i>Perspective</i> | <i>Description</i> |
|--------------------|---|
| Value | Employee perceives that his contribution is worth to the entity |
| Equity | Employee perceives that his contributions worth compared to other employees |
| Finances | This provides the ability to maintain certain degree of standard of living |
| Jealousy | When the employee perceives his contribution is worth if the organization does not assure a satisfactory pay it would create difficulties to the employee by not recognizing his contribution in the mode of financial reward |
| Favoritism | The employee perceives money as a way of treating high or less by the management |
| Anomaly | Pay is for reliability established |
| Appropriateness | Pay is a way of recognizing and entitling employee for extra efforts |
| Precedent | Recognition that would be paid for similar actions in future |

In the viewpoint of the employee, a healthy organization is a place where people can work satisfactorily about their work life and the employees are happily going to work in most often.

2.5 Cost of Employee turnover

Dinger et al (2012) had been mentioned that the cost associated with the turnover of Information Technology professionals is a key topic for the IT managers and researchers. Because of the rapid growth of technologies, most skilled IT professionals can seek better jobs by leaving the current workplace. As Dinger et al, IT executives remain concerned with how its direct and indirect costs influence the management of the IT function. According to the classification, Turnover creates direct recruiting and training costs for organizations as well as indirect costs due to disruptions in organizational processes and lost productivity. This cost is overvalued when compounded by the perceived lack of available IT talent reported by IT managers. The main reason is that turnover is so costly and recruitment so challenging for organizations, research and practice have focused considerable attention on understanding the sources of turnover.

Hynninen et al (2010) had been revealed facts from their research that voluntary turnover can be defined as a serious cost factor in Information Technology Industry. Bao et al (2017) and Jin & Li-ying (2003) had explained the knowledge loss which would be happened after a resignation of a software developer. Since the software development is a team effort, developer turnover could cause knowledge loss in software development group. They have shown that it has to be measured the knowledge loss, such as the evolution of orphan lines of the code lastly edited by a left software developer. It can be a huge effort for another software developer. Not only the software development but also this can be replicated from every other department too.

Lochhead (2004) has indicated that the cost of turnover of an employee can be equivalent to pay from six months to one year for the respective employee and the replacement of highly skilled technicians, professionals, managers and etc would cost as much as twice that replace.

Staffing cost would take 40%-50% of the total budget in an IT organization. Therefore when the turnover is high, it causes both direct and indirect costs according to Owens & Khazanchi (2001) & Longo & Mura (2011). Direct costs are the costs spend for vacant positions and recruitments. Initial recruitment costs include advertising; interviewing and additional costs include training and onboarding. Further Owens & Khazanchi (2001) had described the indirect costs which would incur when an employee leaves. This can be productivity losses and knowledge losses.

2.6 Employee Retention factors

To retain the workforce with the organization, there can be different factors working towards the preservation of employees, whose is the most valuable asset of the organization as Bao et al (2017).

According to the Bao et al's (2017) explanation about the employee turnover, it can be simplified into four classes. The first one is the external economy which will be affected by the availability of alternative job opportunities. The second factor according to Bao's is organizational factors. Such as leadership of the organization, the reward system of the organization and the job design. Nonwork variables are another factor where Bao et al (2017) explained. For this factor, these can be factors which would not impact to the individual but it may be like spouse's career and family considerations. As an example when the spouse got a foreign working opportunity, the employee has to take a decision to disengage from the current working place. As Bao et al (2017) explained individual work-related variables such as expectations, values, satisfaction, commitment and intentions can be impacted by the turnover.

In summary, literature has defined retention as continuing relation between employees and their organizations by mentioning below retention factors. Govaerts et al (2011) mentioned that on the organizational side, factors which can be influenced for retention are the existence of challenging and meaningful work, empowerment, and opportunities for advancement, managerial integrity, responsibility, and quality. Zhang (2009) also identified seven factors which can encourage retention-compensation and appreciation of the work performed; the provision of challenging work; opportunities to learn; positive relationships with colleagues; recognition of capabilities and performance contributions; good work-life balance; and good communication within the organization. Kaye & Jordan-Evans (2000) mentioned the tendency to the retention from training and development. Yazinski (2009) identified that Skill recognition; Learning and Working climate; Job Flexibility; Cost Effectiveness; Training; Benefits; Career Development; Superior-Subordinate relationship; Compensation; Organizational commitment; Communication and Employee Motivation are the factors which influence for the employee retention. Meng (2009) also mentioned about the organizational support for the employee commitment as well as the well-being.

2.7 Employee Retention Strategies

As a reason for the employee turnover, Wu Z et al (2011) had mentioned controllable and uncontrollable reasons. As controllable factors, they have identified demographic factors because it can be controlled while the recruitment. Such as the textile industry, fast food and retail industry to recruit female staff is relatively more. But when it considered the software industry, it is very much competitive when recruiting people because the success of the organization is fully based on employee's ability, performance. Therefore employee competency, level of expertise is the basic factors to decide the wages. Managers should have the ability to find talent is the key. The second controllable factor is the follow up from the organization side to control the demographic factors. It means after organizations recruit staff, managed to do in the course of his work on the exploration of talent, maintain that found talent and improve the talent. From the company side, they can get a list of measures to achieve "cause keep people feelings keep people" effect.

According to Wu Z et al (2011), uncontrollable factors are the factors which cannot be eliminated by the organization. The organization cannot make the job security of the employees due to reasons such as economic globalization, mergers, and acquisitions. In that case, the organization should ensure the employability of the employee by proper training and development.

Employee Retention Strategies refer to the organizational management practices and policies used to meet diverse needs and expectations of the employees and to create a working environment that encourages employees to stay within the organization for a substantive period of time. Employee retention has become a crucial fact that affects the competitiveness of the entity in the industry environment. Higher employee turnover significantly affects the effective organizational performance in a number of ways such as hampering the productivity by breaking the continuity of the operations, reduce sales by lowering the customer service, reduce the reputation and brand strengths, increase the employee management costs and etc. Often the managers pay higher attention to improve the pay and compensation related matters suggesting that money is the main fact that determines the employee retention. However, as taught by the Hierarchy of needs theory the employees are progressing along a hierarchy of needs in which money can be considered as a primary need but it is not sufficient to meet motivation and for the satisfaction of the employees.

Accordingly, Yazinski (2009) has presented reasons that affect the employee retention adversely. The employee feels that job or the workplace is not what they expected. Further when person specification and the job description are not matched properly and when there are insufficient coaching and feedback the employees become unsatisfied with the organization and their job. Yazinski (2009) further suggested that when the organization does not provide appropriate growth and development opportunities and when the employee feels that he is not admired, valued and his contribution is not recognized he becomes unfit to the workplace. Additionally, work overload and loss or poor trust and confidence about the seniors and leaders the employees become unhappy and would search for external opportunities for their career.

Dinger et al (2012) had been mentioned that employee turnover is very much depending on the environment they work. Further, their research suggests that workers may choose to stay in a workplace due to their connections with the coworkers or the community, as well as extrinsic factors such as remuneration and career development opportunities.

2.8 Summary

Employee retention has become a crucial issue that fosters managers to determine and implement most effective strategies and practices to attract and retain talented employees from the outside. Employee selection and hiring are the main two functions of Human resource managers that should be focused in order to create an appropriate workforce who are the best fit for the organization's vision, mission, and leadership. The mismatch between the employees' characteristics, behavior and values and the organization's characteristics and values would largely affect productive work behaviors, satisfaction, and learning of the employees. Hence the firm must always attempt to select right persons for the right positions at right time in order to assure that inducted and developed employees would not leave the organization. Moreover employee turnover generates high costs of employee management. The investments made to upgrade employees' skills and competencies would become wasted if the employee is not provided with satisfactory work conditions both extrinsic and intrinsic.

Individual income plays a major role in employee retention and turnover. Compensation policies and attractive compensation structure will influence the pay satisfaction. And also reward and recognition have a strong link with pay satisfaction. According to studies, when analyzing the pay satisfaction the following areas need more attention such as basic pay, incentives, unbiased approach to make policies, focusing on employee future, etc.

According to above literature review, another important factor is associated with employee career development. In employee's perspective, they are determined to plan their future with acceptable growth and success. Also, if the companies are keen on offering a successful career development to its employees, the most important aspects are training and development, more responsibilities for workers, work-life balance and unbiased promotion policy etc.

Another important aspect of employee retention is a proper working environment. The Majority of workers are compelled to spend more time in the factories than at their residence during the day. Hence, it is utmost important to address their mental relaxation by way of creating a happy and a peaceful work environment. Especially ladies are expecting a certain level of respect and courtesy at working setup than of men which has to be carefully addressed. The managers at times exert harassments on employees without a proper knowledge of the possible damage of such acts. As a whole, the deep analytical information about the employee turnover, individual income, career development, working environment and employee retention can largely help to execute the below research in a proper manner.

3.0 RESEARCH METHODOLOGY

This chapter describes the steps, process, and procedures practiced during the data gathering and analysis of the research. Related work had been researched to gather the factors and identify the research gap.

3.1 Research Method and Approach

The focus of the literature review is to extract what factors can possibly impact on the employee retention in an organization. By evaluating the literature review and a few pilot interviews, the researcher has identified three main factors that have an impact on the employee retention in an organization. The identified main three factors have been adapted to a conceptual framework in order to validate the correlation between the employee retention and the identified factors.

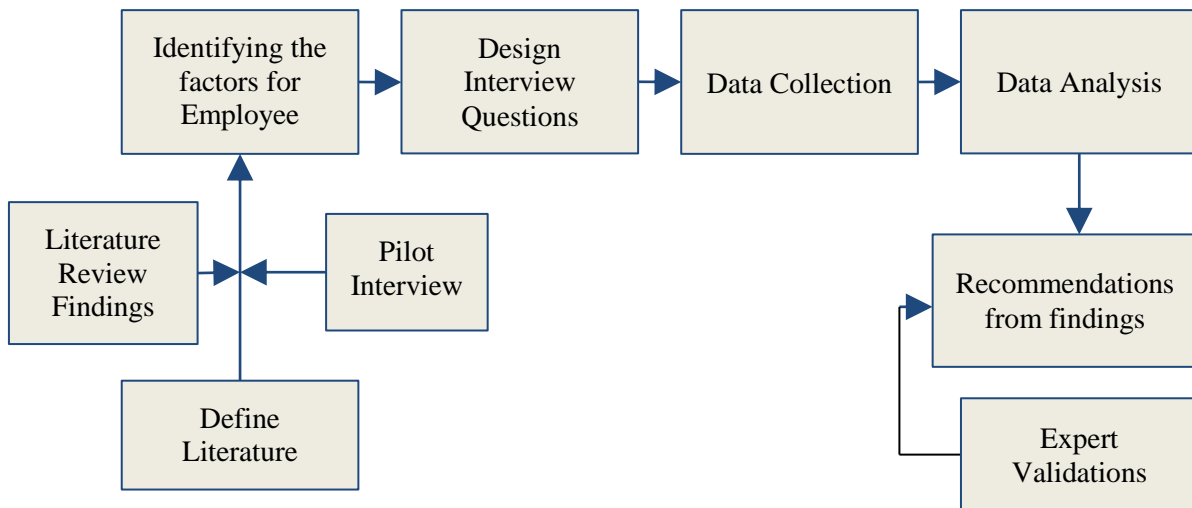


Figure 3.1 Research Methodology

The main factors identified from the literature review and the pilot interviews, which have an impact on the employee retention, are as listed below:-

- Remuneration package
- Career development opportunities
- Working environment

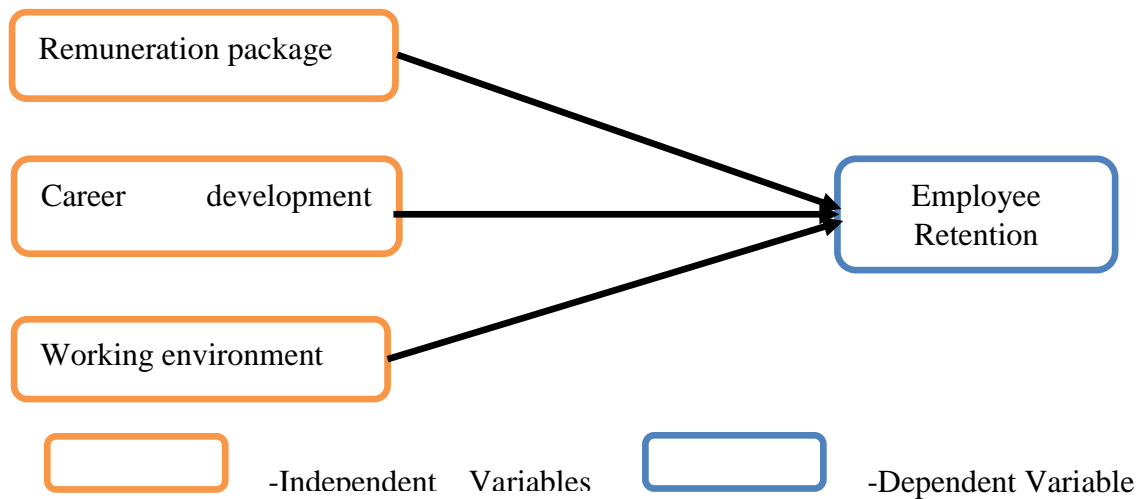


Figure 3.2 Dependent and Independent Variables

Dependent Variable

The dependent variable in this research focuses on the variable which response to the changes in independent variables, Employee Retention is the dependent variable as the ultimate goal to achieve and will not change throughout the research study.

Independent Variables

Independent variables considered for the research focuses on key factors uncovered through reviewing literature and pilot interviews. Independent variables defined in Figure 3.2, has a direct impact on the dependent variable.

3.2 Development of Hypothesis

Three hypotheses were developed in order to evaluate the relationship between employee retention and factors identified in the literature review.

The first hypothesis is developed to evaluate the relationship between employee retention and the remuneration package they are offered. The dimensions considered in this hypothesis are the basic salary that they get in each level, the bonus that the employees are eligible at the end of financial year, the increment that the employees get at the end of financial year and etc.

The second hypothesis is developed to evaluate the relationship between the employee retention and the opportunities for career development. The dimensions considered in this hypothesis are

the average period that an employee has to stay in a given designation, the overseas travel opportunities get, the training and development and etc.

The third hypothesis is developed to assess the relationship between the employee retention and working environment conditions. The dimensions considered in this hypothesis are the number of average working hours, the performance of the computers/laptops provided, the seating comfort, the freedom and follow-ups, a procedure in taking leaves and etc.

Let;

H_A : Alternative Hypothesis

H_0 : Null Hypothesis

Table 3.1 Hypothesis

| Hypothesis | Description |
|------------|---|
| $H1_a$ | The remuneration package has a positive relationship with employee retention. |
| $H1_0$ | The remuneration package does not have a positive relationship with employee retention. |
| | |
| $H2_a$ | Career development opportunities have a positive relationship with employee retention. |
| $H2_0$ | Career development opportunities do not have a positive relationship with employee retention. |
| | |
| $H3_a$ | The working environment has a positive relationship with employee retention. |
| $H3_0$ | The working environment does not have a positive relationship with employee retention. |

3.3 Operationalization

After detail analysis of literature review, the conceptual framework will be discussed with the dependent variable and three independent variables identified in Figure 3:2. The given questionnaire was developed based on remuneration package, career development opportunities and working environment conditions and employee retention.

Table 3:2 Operationalization of Variables

| Variables | Factors |
|----------------------|--|
| Employee Retention | <ul style="list-style-type: none">• Relationship with the Management• Willingness to work• Future stability of the organization |
| Remuneration package | <ul style="list-style-type: none">• Average increment per year• Incentives and bonuses• Payment against the industry standards |
| Career Development | <ul style="list-style-type: none">• Possibility of promotions Flexibility• Training and development provided• Possibility of grabbing overseas Opportunities |
| Working Environment | <ul style="list-style-type: none">• Respect from the management towards knowledge workers• Pressure due to weaknesses in the management• Harassment while on duty by superiors |

3.4 Research Design

According to Treece & Treece, (1982) there are many ways of data collection methods on researches such as face to face dialogues, findings, reports, trials and questionnaire, etc. According to the literature review, the popular and the constructive system for collecting of primary data is the questionnaire. On the other hand, other methods are not possible to use due to

time limitations and possible conditions of the selected organization. Primary data collection is the outcome of the self-administrated questionnaire.

3.4.1 Sampling Design

The total number of employees in the target organization is 180 as at 1st of May 2017. This population has distributed between seven departments. Conducting a 100% survey is impractical due to accessibility issues and limited timeline available. Thus a 68.3% of the total population has been selected as the target audience to which the questioner will be provided. When selecting employees for the sample, employees representing each department will be included. The number of employees from each department will be calculated proportionately to the number of employees in each department.

3.4.2 Population

The employees in Trading Market Solutions are distributed among seven main departments as the breakdown given in table 3:3.

Table 3:3 Employee Distribution among Departments

| Departments | No. of Employees |
|----------------------|-------------------------|
| Software Engineering | 120 |
| Business Consultant | 8 |
| Project Management | 10 |
| Quality Controlling | 18 |
| System Support | 12 |
| Technical Sales | 4 |
| Admin Operations | 8 |
| Total | 180 |

In each department, there are employees working under several designations. The designation wise breakdown in each department is as follows.

Table 3:4 Departments and number of employees

| Department | Description | Employee Breakdown |
|----------------------|--|--|
| Software Engineering | The Engineering division primary responsible for Software Development which is the core activity in the organization. | Associate Software Engineer 28 Software Engineer 30 Senior Software Engineer 24 Associate Technical lead 14 Technical Lead 13 Senior Technical Lead 8 Architect 2 Chief Technical Officer 1 Total 120 |
| Business consulting | The Business consultant division primarily responsible for handling business queries, managing the clients, analyze client requirements and etc. | Business Analyst 32 Senior Business Analyst 21 Consultant 14 Total 8 |
| Project Management | The project management division primarily responsible for managing the projects, resource allocations, setting timelines, effort estimations, budgeting and etc. | Associate Project Manager 2 Project Manager 4 Senior Project manager 2 Delivery Manager 2 Total 10 |

| | | |
|----------------------------------|---|--|
| System supports | The system and application support division primarily responsible for providing support for system deployments, attend production issues, supply guidance for product hardware upgrades and etc. | System support Engineer 5 Senior System support engineer 5 System Support lead 2 Total 12 |
| Quality controlling | The quality assurance/ controlling division primarily responsible for making sure the software is up to the initially set standards and it contains all the required components/ functionalities. | Associate Quality Assurance Engineer 6 Quality Assurance Engineer 6 Senior Quality Assurance Engineer 4 Quality Assurance Lead 2 Total 18 |
| Technical Sales | The sales team, primarily responsible for bringing in new businesses to the organization and approaching new areas of the business. | Pre-Sales Engineer 2 Senior Pre-sales engineer 2 Total 4 |
| Operations | The operation division primarily responsible for maintaining human resource, the company premises, accounting and etc. | Finance 2 HR 3 Admin 3 Total 8 |
| Total number of Employees | | 180 |

Accordingly, the population size is 180 employees.

3.4.3 Sample selection Procedure

Stratified sampling technique and the random sampling techniques were used to extract the sample. Stratification is an efficient research sampling design, that provides more information with a given sample size. Once the population has been stratified in some meaningful way, a sample of members from each stratum can be drawn using either a simple random sampling or a systematic sampling procedure. The subjects drawn from each stratum can be either proportionate or disproportionate to the number of elements in the stratum (Sekaran, 2006). Therefore, disproportionate stratified random sampling has been adopted for the present study. According to the expert judgment and also the distribution of the population, disproportionate sampling decisions are made either when some stratum or strata are too small or too large, or when there is more variability suspected within a particular stratum.

In order to determine the sample size required for the present study, the formula used by Krejcie and Morgan (1970) was adopted.

$$s = \frac{X^2NP(1-P)}{[(d^2(N-1)) + (X^2P(1-P))]}$$

s: Required sample size.

X² : The table value of chi-square for 1 degree of freedom at the desired confidence level (For .05 - 3.841)

N : The population size.

P : The population proportion (assumed to be .50 since this would provide the maximum sample size)

d : The degree of accuracy expressed as a proportion (.05)

When the parameters of the present study applied to the above formula at the confidence interval of .05 and confidence level of 95%:

$$s = \frac{3.841 * 180 * (0.50) * (1 - 0.50)}{[(0.05^2 * (180 - 1)) + (3.841 * (0.50) * (1 - 0.50))]}$$

$$= 122.78$$

$$\approx 123$$

According to Krejcie & Morgan (1970), as the population size increases, the sample size increases at a diminishing rate and remains relatively constant at slightly more than 123. The relationship between sample size and the total population is illustrated in Figure 3.2.

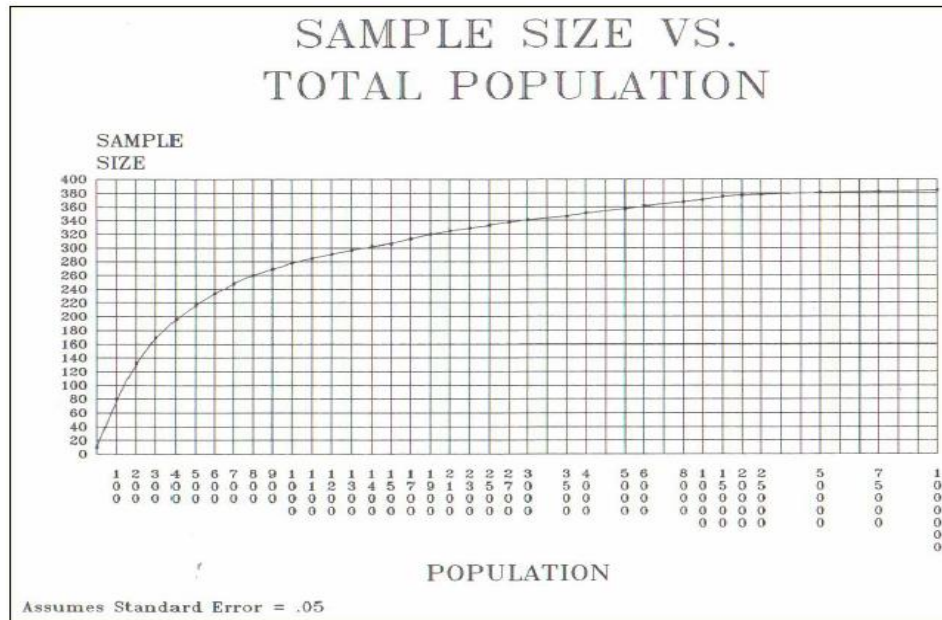


Figure 3.3 The relationship between sample size and total population

Source: Krejcie and Morgan (1970, p. 609)

Therefore, even though only the number of software professionals working at Trading Market Solution was considered for the population, a sample size of 123 can be considered accurate for the present study.

3.5 Data Collection Methods and Techniques used by Research Analysis

The questionnaire instrument was distributed among the software professionals working at TSP. Once the questionnaire is designed, a pilot study was carried out by collecting data from a selected few employees to find out deficiencies with the questionnaire and identified some of the questions to be added in the questionnaire other than questions created based on the literature review.

The questionnaire was made available for the target respondents online. In order to collect data, a questionnaire survey was carried out among the employees of the company. The questionnaire was designed to indicate that all possible reasons for employee turnover can be disclosed through

the survey of employees. Employee retention can be achieved through minimizing the impact of factors which drive employee turnover. Accordingly, the survey among the employees in the departments in which the employee turnover is high mostly reflects the factors that would affect the employee retention.

When analyzing data, the quantitative methods were adopted. SPSS version 20 statistics and MS excel office application have been used to analyze data. The unit of analysis is the employee of each department and department wise analysis has been conducted since there is an abnormal distribution of employee turnover among the departments reflecting some specific reasons of such departments in which turnover is high.

4.0 DATA ANALYSIS

This chapter presents the analysis of the collected data through 123 employee responses. A quantitative approach is used to present quantitative descriptions of the sample considered in a manageable form.

4.1 Data preparation for analysis

The data was collected through a questioner as discussed in the above chapter. Data collection was completed within a period of 2 months. Figure 4.1 illustrates the number of responses over time.

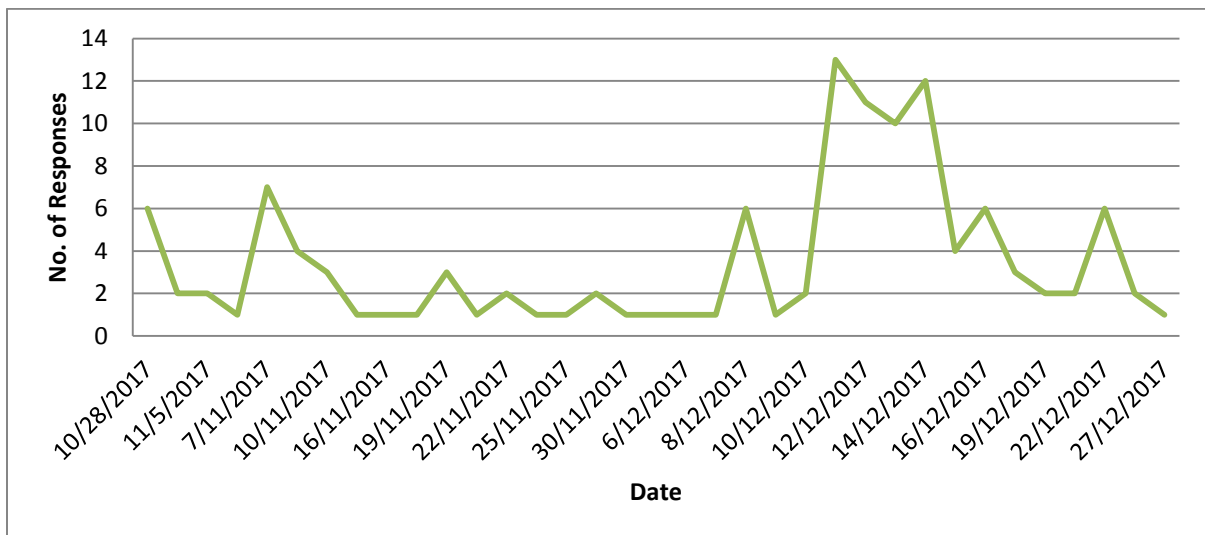


Figure 4.1 Number of responses per day from 28/10/2017 to 27/12/2017

The collated data were analyzed with the use of several matrixes. The gathered questions determined the contribution of independent variables to the dependent variable as per above set-hypothesis. The research objective is to identify is there any positive/negative relationships between the set hypotheses by analyzing the raw data.

4.2 Rule of Coding

The online survey (see Appendix B) responses were evaluated in the form of a Likert scale, where Strongly Disagree, Disagree, Slightly Disagree, Slightly Agree, Agree & Strongly Agree. According to the Table 4.1, weights were designed to each response.

Table 4.1 Assignment of Weights

| Selection | Weight |
|-------------------|--------|
| Strongly Disagree | 1 |
| Disagree | 2 |
| Slightly Disagree | 3 |
| Slightly Agree | 4 |
| Agree | 5 |
| Strongly Agree | 6 |

4.3 Reliability Analysis

It is important that a research project has high quality, which cannot be achieved merely by collecting data. Before carrying out any analysis of the data, the reliability analysis was conducted to check the goodness of the instruments.

A reliability analysis was done to measure the extent to which the indicators are without bias. Reliability testing carried out in this study was confined to check the internal consistency of the measures by applying Cronbach's Alpha for all identified variables (Sekaran, 2006). It was checked to see whether the questions asked under each area supported each other when adding questions to operationalize each variable. This reliability analysis is based on 123 valid responses received from employees of TPS during the data collection phase of the research.

4.3.1 Employee Retention

Table 4.2 shows the reliability statistics for the Employee Retention related questions. The Cronbach's Alpha is 0.843 and it is greater than 0.7 which is the threshold for acceptability. Hence, it can be considered the internal consistency and reliability of the questions used to measure the Employee Retention was good and valid.

Table 4.2 Reliability Test for Employee Retention

Scale: Employee Retention

Case Processing Summary

| | | N | % |
|-------|-----------------------|-----|-------|
| Cases | Valid | 123 | 100.0 |
| | Excluded ^a | 0 | .0 |
| | Total | 123 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .843 | .842 | 5 |

4.3.2 Employee Remuneration

Table 4.3 shows the reliability statistics for the Employee Remuneration related questions. The Cronbach's Alpha is 0.830 and it is greater than 0.7. Hence, it can be considered the internal consistency and reliability of the questions used to measure the Employee Remuneration were good and valid.

Table 4.3 Reliability Test for Employee Remuneration

Scale: Remuneration

Case Processing Summary

| | | N | % |
|-------|-----------------------|-----|-------|
| Cases | Valid | 123 | 100.0 |
| | Excluded ^a | 0 | .0 |
| | Total | 123 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .830 | .852 | 8 |

4.3.3 Career Development

Table 4.4 shows the reliability statistics for the Career Development related questions. The Cronbach's Alpha is 0.721 and it is greater than 0.7. Hence, it can be considered the internal consistency and reliability of the questions used to measure the Career Development was good and valid.

Table 4.4 Reliability Test for Career Development

Scale: Career Development

Case Processing Summary

| | | N | % |
|-------|-----------------------|-----|-------|
| Cases | Valid | 123 | 100.0 |
| | Excluded ^a | 0 | .0 |
| | Total | 123 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .721 | .782 | 5 |

4.3.4 Working Environment

Table 4.5 shows the reliability statistics for the Working Environment related questions. The Cronbach's Alpha is 0.763 and it is greater than 0.7. Hence, it can be considered the internal consistency and reliability of the questions used to measure the Working Environment was good and valid.

Table 4.5 Reliability Test for Working Environment

Scale: Working Environment

Case Processing Summary

| | | N | % |
|-------|-----------------------|-----|-------|
| Cases | Valid | 123 | 100.0 |
| | Excluded ^a | 0 | .0 |
| | Total | 123 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .763 | .766 | 7 |

4.4 Descriptive Statistics for Demographic Data

The analysis below present the analysis of demographic data collected.

4.4.1 Distribution of Age

The age of the sample is distributed among the selected age groups are as follows.

Table 4.6 Distribution of Age

| Age Group | Frequency | Percentage | Cumulative % |
|----------------|------------|------------|--------------|
| Below 25 | 15 | 12.2 | 12 |
| Between 26- 35 | 83 | 67.5 | 79.7 |
| Between 36 -45 | 21 | 17.1 | 96.8 |
| Above 45 | 4 | 3.2 | 100 |
| Total | 123 | 100 | |

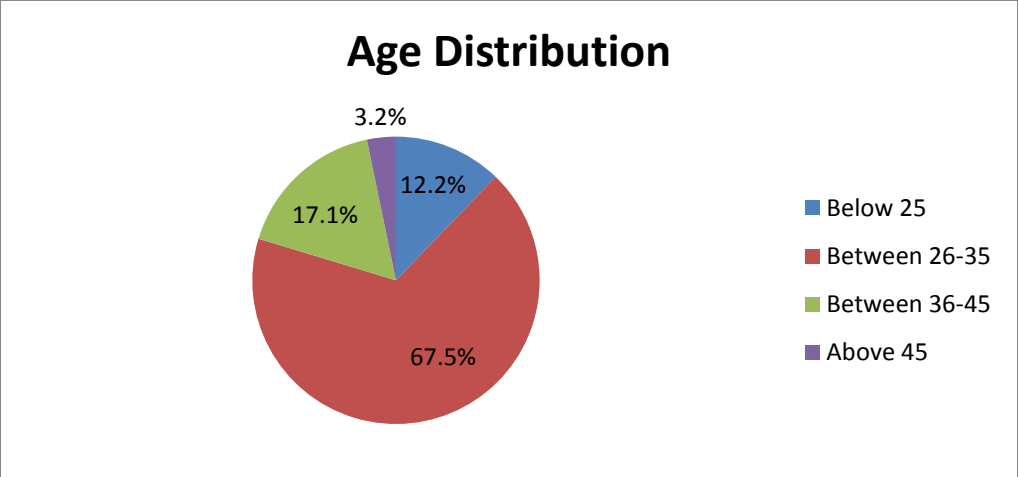


Figure 4.2 Age Distribution

According to the Table 4.6, most people are from 26-35 age group (67.5%). It is graphically represented in Figure 4.2. This shows that the company comprises a good combination of people in terms of their ages. Especially with the domain, the selected organization operates, it is essential to have experience people who have expertise knowledge of the capital market domain. The organization has well enough mature people who will be fallen under 36-45 age category and above 45 (20.3%) in order to foresee the trends in the industry with their years of experience in the software domain. That will be a competitive advantage that the company has which helps them to reach more complex markets Middle East stock markets.

4.4.2 Distribution of Gender

According to the Table 4.7, gender distribution is not equally distributed and male distribution counts for 69.1% & female distribution counts for 30.9%. The proportional representation can be clearly mentioned in Figure 4.3.

Table 4.7 Distribution of Gender

| Gender | Frequency | Percent | Cumulative % |
|--------------|-----------|---------|--------------|
| Male | 85 | 69.1 | 69.1 |
| Female | 38 | 30.9 | 100 |
| Total | 123 | 100 | |

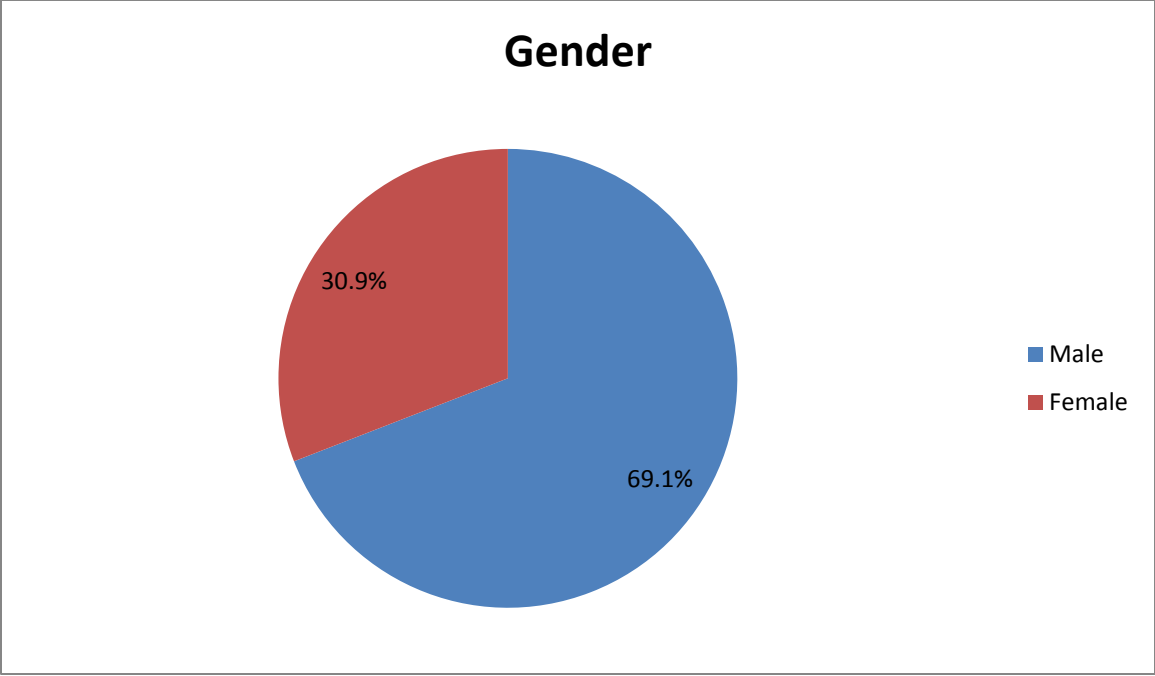


Figure 4.3 Gender Distribution

. As per the national ICT force survey in 2013, the male-female ratio is 71% to 29% (National ICT workforce Survey 2013). Due to the nature of late hours working pattern as well as cultural aspects, in most of the IT companies, it can be seen a bias female-male ratio. Therefore the ratio in the target organization is justifiable.

4.4.3 Distribution of Service Period

As represented in Table 4.8, the majority of the employees working in the organization count for 57.7% which has less than 5 years of service in the organization.

Table 4.8 Distribution of Service Period

| Service Period | Frequency | Percent | Cumulative % |
|----------------|-----------|---------|--------------|
| 0-5 years | 71 | 57.7 | 57.7 |
| 6-10 years | 30 | 24.4 | 82.1 |
| Above 10 years | 22 | 17.9 | 100 |
| Total | 123 | 100 | |

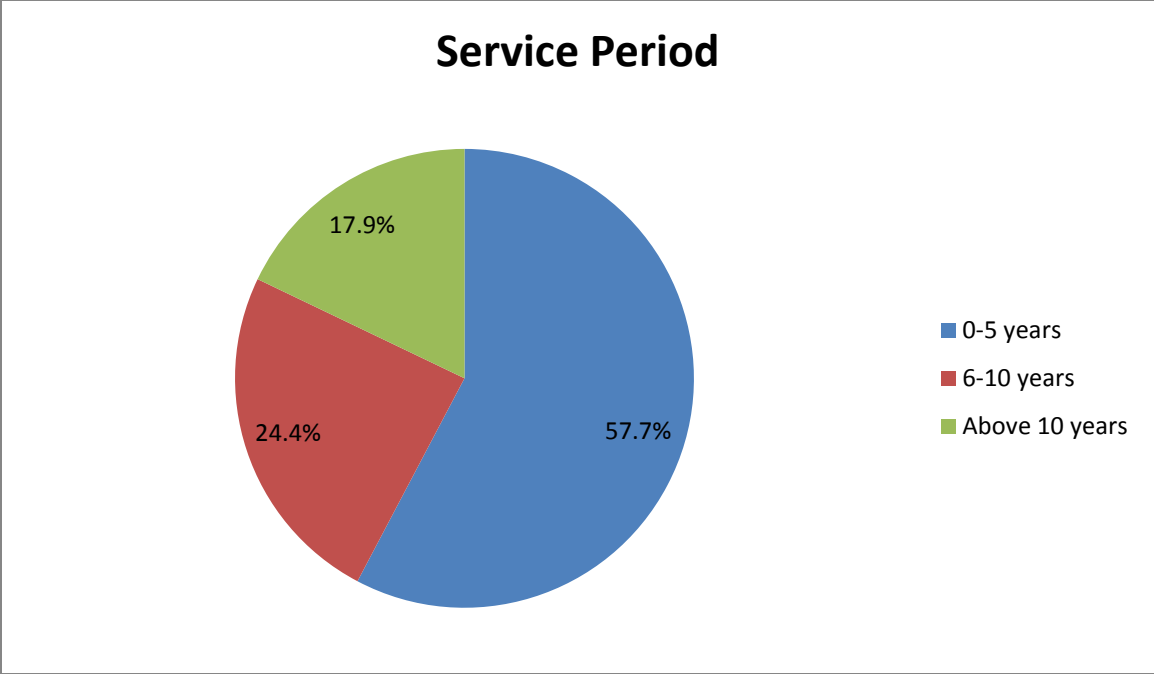


Figure 4.4 Service Period Distribution

As represented in Figure 4.4, the majority of the employees working in the organization count for 57.7% which has less than 5 years of service in the organization. According to the frequency for each segment, which displays in Table 4.7, 0-5 years of experienced people’s count is 71 out of 123. The positive factor is employees who have 6-10 and above 10 years of the service, also counts for 42.3% of the sample which is considerably high value.

4.4.4 Distribution of Educational Qualifications

In Table 4.9, it has been described how the age is distributed among the sample.

Table 4.9 Distribution of Educational Qualifications

| Education Group | Frequency | Percent | Cumulative % |
|----------------------------------|-----------|---------|--------------|
| Undergraduate | 6 | 4.9 | 4.9 |
| Higher Diploma | 10 | 8.1 | 13 |
| Bachelor’s Holder(BSc- Graduate) | 84 | 68.3 | 81.3 |
| Master’s Degree or above | 23 | 18.7 | 100 |
| Total | 123 | 100 | |

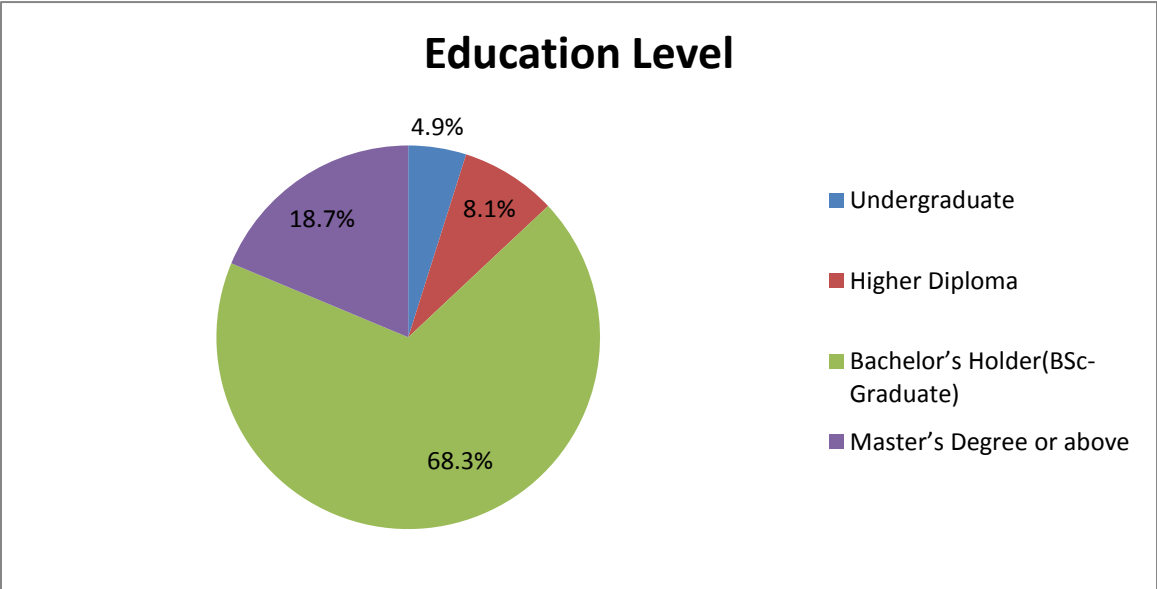


Figure 4.5 Education Level Distribution

As Figure 4.5 displays, the majority of the people are degree holders. Bachelor's counts for 68.3% of the sample and postgraduate degree holders counts for 18.7% of the sample. The undergraduates and the diploma holders are 13% as per the statistics. Since the target organization carries out engineering tasks, the majority to be degree holders is natural and mandatory. The majority of the tasks are carried out by the bachelor's whereas senior people (postgraduate degree holder's) contributes more towards decision making, risks mitigation, trend forecasting, market analysis and etc. As shown in the statistics undergraduates/ diploma holders are also obtain an equal position as the postgraduate degree holders. The reason is the organization has recently adapted to a strategy of recruiting undergraduates as trainee software Engineers where they are only paid 10,000 – 15,000 around salary for an individual. The company benefited from this approach as they get done some considerable amount of work from these people for a very low wage compare to the permanent carder software Engineers. In summary, it is a perfect combination of the employee sample.

4.4.5 Distribution of Department

According to the Table 4.10, there is a good distribution among the departments. As explained in Table 3.3, it can be seen a clear mirror image of the total population by considering the sample's responses.

Table 4.10 Distribution of Department

| Department | Frequency | Percent | Cumulative % |
|----------------------|-----------|---------|--------------|
| Software Engineering | 79 | 64.2 | 64.2 |
| Quality Engineering | 13 | 10.6 | 74.8 |
| Project Management | 7 | 5.7 | 80.5 |
| Business Consultant | 6 | 4.9 | 85.4 |
| System Support | 10 | 8.1 | 93.5 |
| Technical Sales | 3 | 2.4 | 95.9 |
| Admin Operation | 5 | 4.1 | 100 |
| Total | 123 | 100 | |

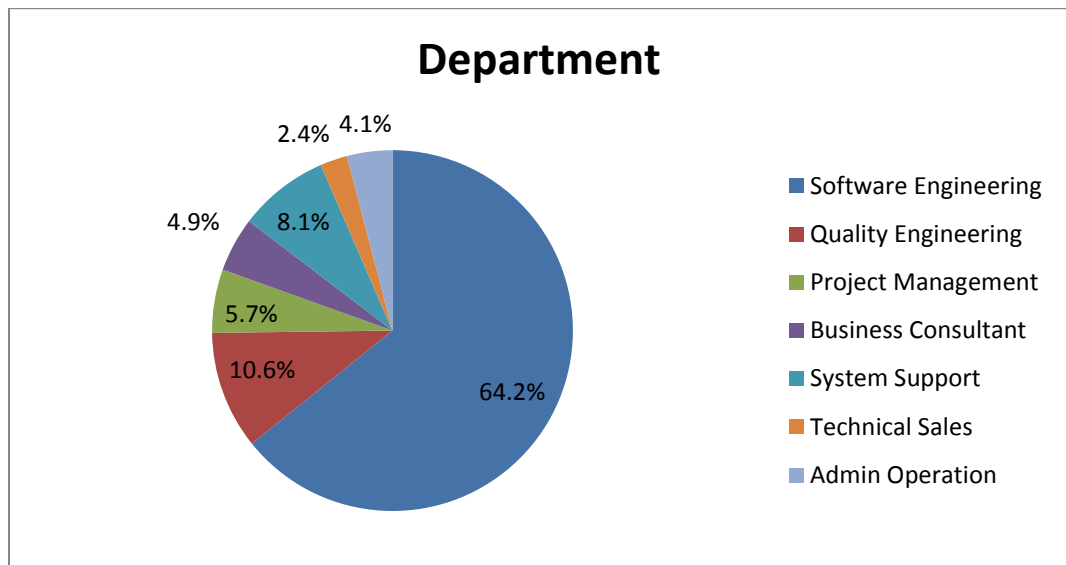


Figure 4.6 Employee Distribution among Departments

As displayed in Figure 4.6, the largest population is in Software Engineering department.

4.4.6 Distribution of Current Job Level

According to the statistics in Table 4.11, senior level employees count for 44.7 of percentage. This includes all the senior designations such as senior software engineers, Tech Leads, Architects, senior, QA Engineers, associate QA Leads, QA leads, Senior project managers etc.

Table 4.11 Current Job Level

| Job Position | Frequency | Percent | Cumulative % |
|--------------------|-----------|---------|--------------|
| Junior Level | 30 | 24.4 | 24.4 |
| Intermediary Level | 38 | 30.9 | 55.3 |
| Senior Level | 55 | 44.7 | 100 |
| Total | 123 | 100 | |

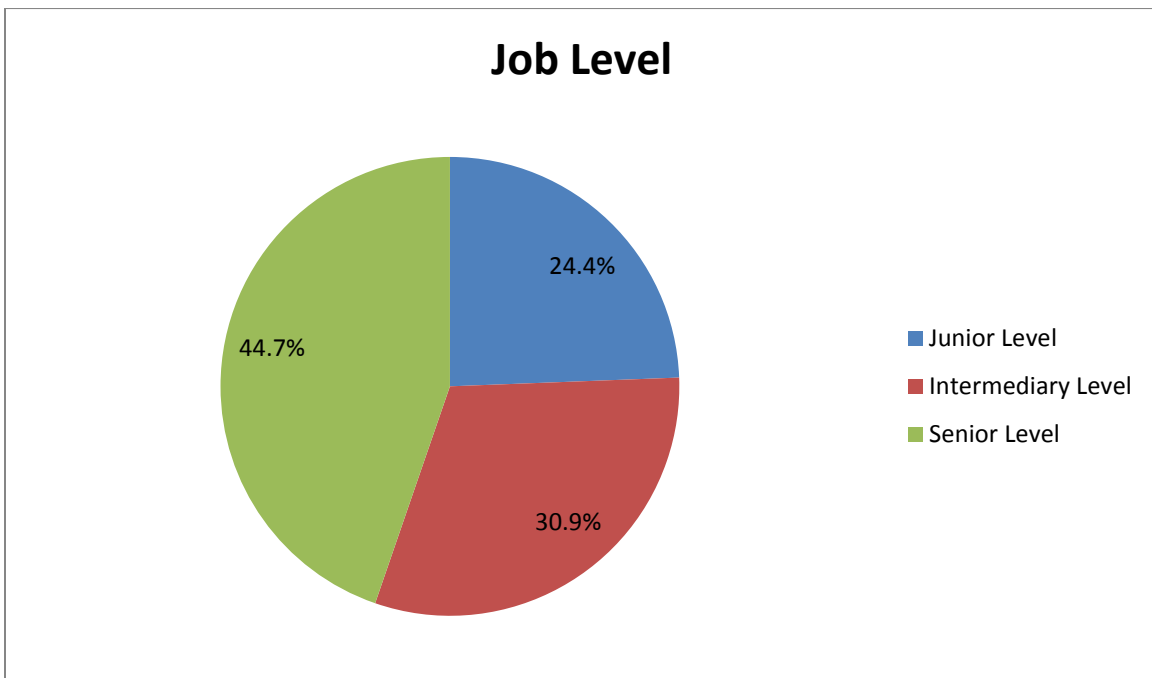


Figure 4.7 Employee Distribution among Job Level

The entire junior category represents undergraduates, associate engineers who started the career recently. Intermediary level represents the people who have the industry experience more than 1 year and less than 3 – 4 years.

4.4.7 Distribution of working experience

According to the statistics in Table 4.12 and Figure 4.8, 49.6% of employees are responded for first working experience and 50.4% of people had been worked for other companies before joining with Trading Market Solution Provider. Inside this 61 of people whose first job experience is with Trading Market Solution Provider, there are junior, intermediate and senior employees.

Table 4.12 Work Experience

| Is this first Working Experience | Frequency | Percent | Cumulative % |
|----------------------------------|-----------|---------|--------------|
| Yes | 61 | 49.6 | 49.6 |
| No | 62 | 50.4 | 100 |
| Total | 123 | 100 | |

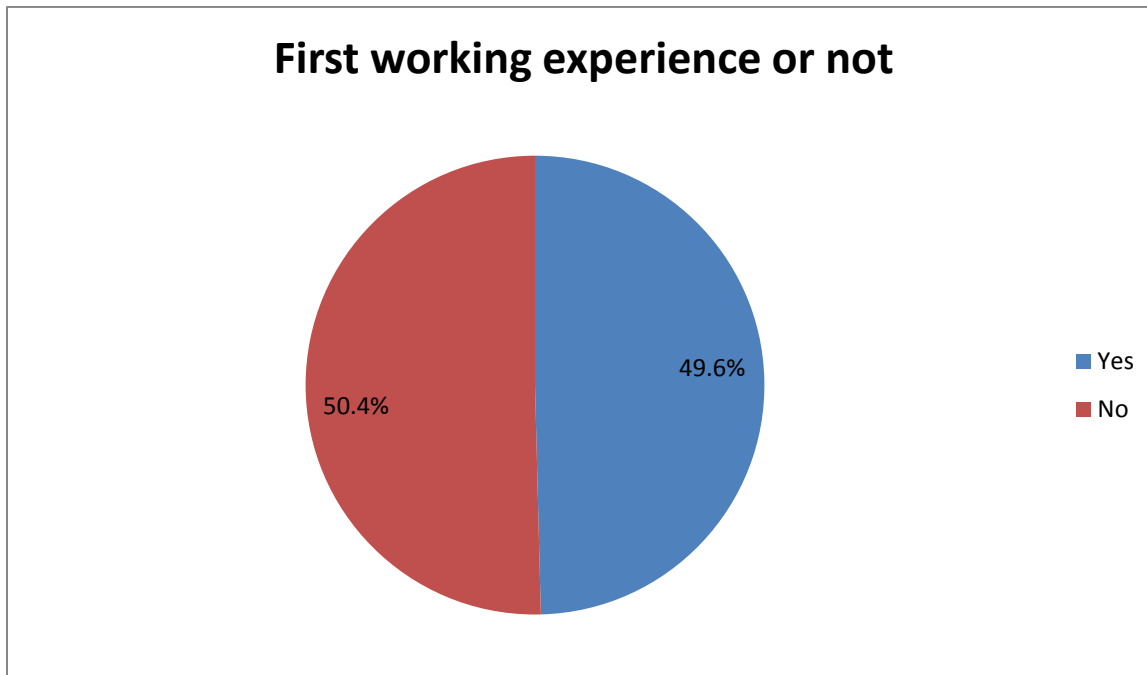


Figure 4.8 Employee Distribution among Work Experience

22- Junior, 16 – Intermediary, 23 senior levels

If Not, Table 4.13 and Figure 4.9 show why the employee left the previous company.

Table 4.13 Reason for join with TSP

| Reason | Frequency | Percent | Cumulative % |
|----------------------------------|-----------|------------|--------------|
| Company Image at the Industry | 5 | 8.1 | 8.1 |
| Higher Remuneration Package | 21 | 33.9 | 42 |
| Career Development | 20 | 32.2 | 74.2 |
| Foreign employment opportunities | 7 | 11.3 | 85.5 |
| Working Environment | 9 | 14.5 | 100 |
| Total | 62 | 100 | |

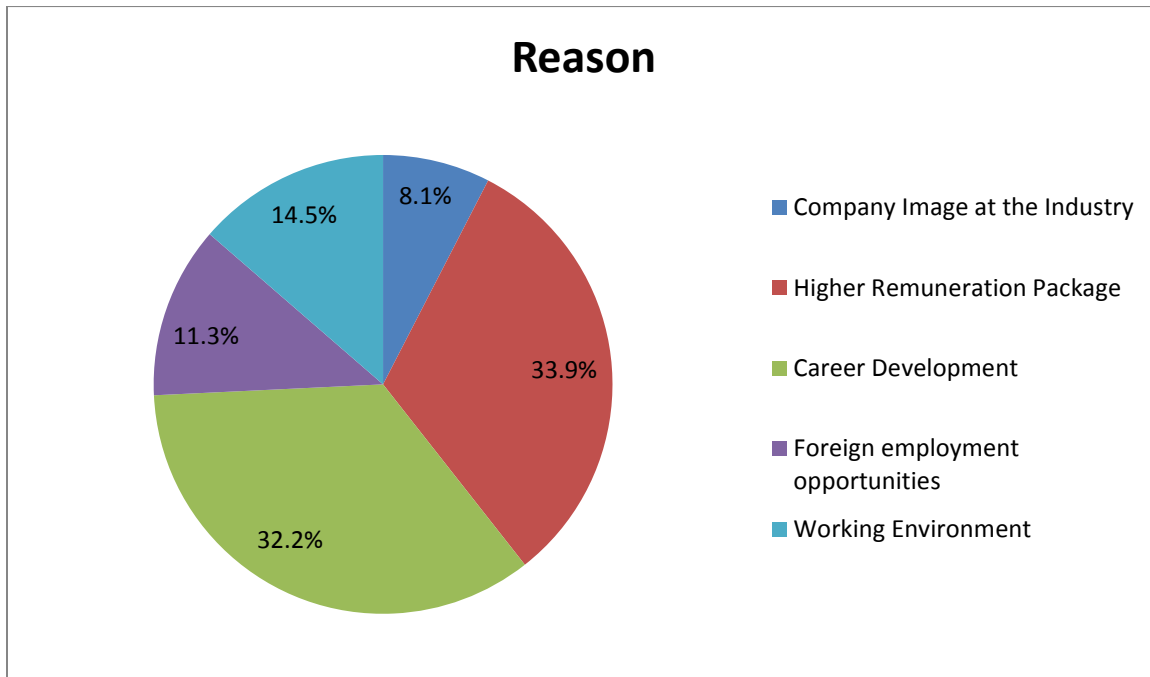


Figure 4.9 Employee Distribution among Work Experience

From this aspect, it has been searched for the reasons to join with TSP by resigning from another working place. Most of the people had the thought of paying a high salary at TSP than the current company. Not only that, people had the belief that there would be a career development

at TSP. As TSP provides the trading solution to Middle East region and people have the chance to have the onsite opportunities. Therefore some people joined for the purpose of having the onsite working opportunities.

4.5 Analysis of the hypothesis based on Questionnaire Feedback

The below section describes the employee data on hypothesis dependent and independent variables.

4.5.1 Employee Retention

The below section analyzes the employee feedback on the provided questionnaire related to Employee Retention. In Table 4.14, all the data is available for employee retention related questions.

Table 4.14 Employee Retention

| Employee Retention | Strongly Disagree | Disagree | Slightly Disagree | Slightly Agree | Agree | Strongly Agree | Rated Average |
|--|-------------------|----------|-------------------|----------------|-------|----------------|---------------|
| You perform your duties with pleasure | 1 | 2 | 4 | 26 | 78 | 12 | 4.3 |
| You will be able to secure a stable future by working for this company | 3 | 5 | 20 | 34 | 60 | 1 | 4.24 |
| You are proud of your company | 1 | 2 | 8 | 36 | 64 | 12 | 4.11 |
| There exists a favorable atmosphere between you and the management | 2 | 8 | 10 | 37 | 50 | 16 | 5.19 |
| The managers are always treating you with respectable | 3 | 5 | 9 | 32 | 59 | 15 | 5.72 |

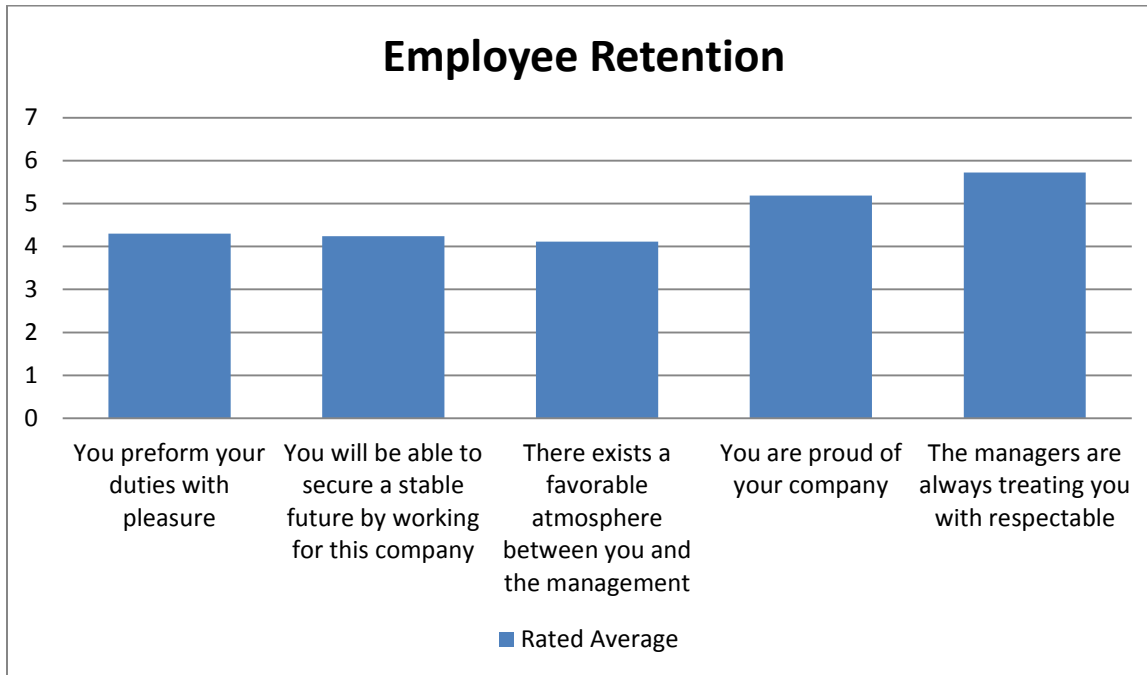


Figure 4.10 Rated Average for the questions for Retention

In general, the distribution shows no major deviations. In specific, management attitude towards the other levels are fairly acceptable. Further employees agree that they are provided with a good working atmosphere which is very important for a job of this nature. The main complaint coming from the employees is that they are not happy with the duty allocations. There can be many reasons for this such as the duties may not be given sufficient time to finish, the dependencies of the duties may not be clearly analyzed, assigned duties may be over the capacity and etc. those could be closely monitored when analyzing the employee feedback on the working environment (hypothesis 3).

4.5.2 Employee Remuneration

The below section analyzes the employee feedback on the provided questionnaire related to Employee Remuneration.

Table 4.15 Employee Remuneration

| Employee Remuneration | Strongly Disagree | Disagree | Slightly Disagree | Slightly Agree | Agree | Strongly Agree | Rated Average |
|--|--------------------------|-----------------|--------------------------|-----------------------|--------------|-----------------------|----------------------|
| You are satisfied with your monthly salary | 4 | 11 | 16 | 37 | 53 | 2 | 4.06 |
| Additional incentives are paid generously | 10 | 23 | 30 | 39 | 19 | 2 | 3.33 |
| You are satisfied with bonuses | 21 | 35 | 27 | 25 | 13 | 2 | 2.84 |
| You are compensated accordingly for your skill | 6 | 13 | 19 | 47 | 37 | 1 | 3.80 |
| You are rewarded above or equal to the industry standard | 10 | 15 | 30 | 42 | 25 | 1 | 3.49 |
| Promotions are offered Adequately | 11 | 11 | 34 | 41 | 23 | 3 | 3.51 |
| You have the opportunity to earn extra because of onsite working opportunities | 29 | 20 | 4 | 12 | 38 | 20 | 3.57 |

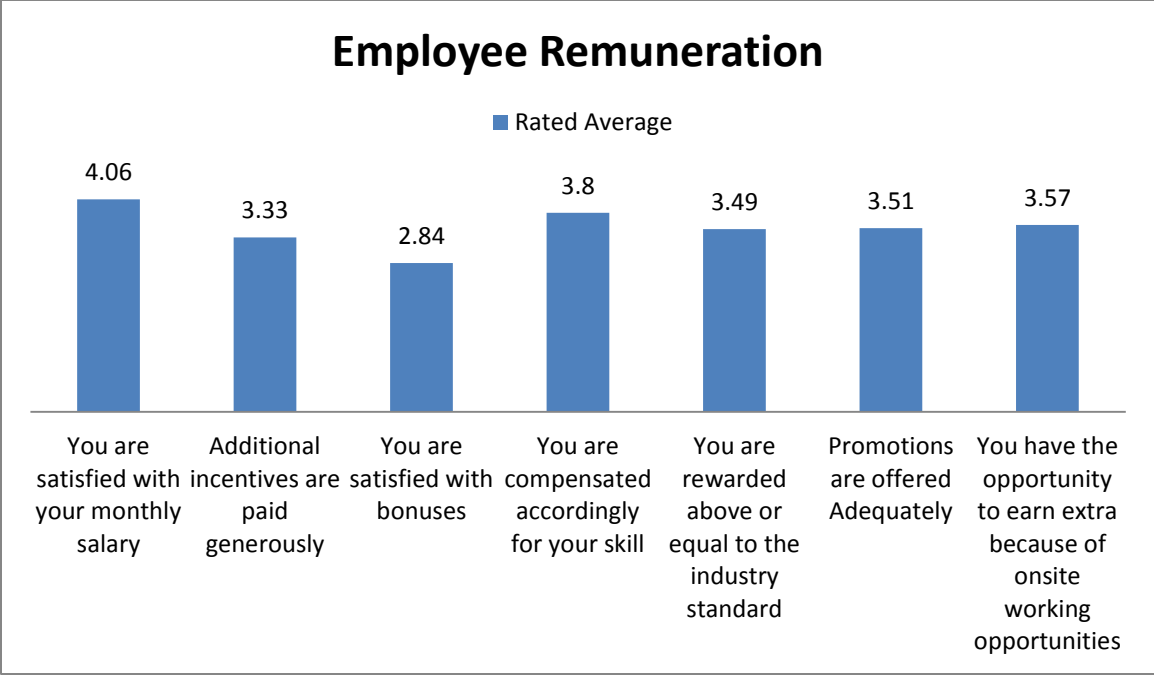


Figure 4.11 Rated Average for the questions for Remuneration

When focus on the positive side of the employee feedback, majority of the employee is satisfied with the salaries paid. Generally employees hardly speak out that they are satisfied with their current salary. But in this case, it is highlighted that organization is paying the employees fairly attractive salaries. The very similar question rose to check whether they think that they pitch above average position when compared to the industry in terms of the salary. But it indicates that the sample is not satisfied with the paid salaries when compared with other companies. Further the sample is not satisfied with the pay increment due to the promotion.

4.5.3 Career Development Opportunities

Based on the feedback received on career development opportunities, the organization is doing well in general. Especially in the phenomenon the company gives the privilege to the existing employees to grab the new openings created in the organization. That is one good thing that existing employees will appreciate because no outlandish managers will appear in the picture. The employees who are appointed to the higher positions as promotions are known to everyone and it will make the life easier of both the parties.

Table 4.16 Career Development Opportunities

| Career Development Opportunities | Strongly Disagree | Disagree | Slightly Disagree | Slightly Agree | Agree | Strongly Agree | Rated Average |
|--|--------------------------|-----------------|--------------------------|-----------------------|--------------|-----------------------|----------------------|
| Promotions are offered within a reasonable period | 10 | 15 | 17 | 52 | 27 | 2 | 3.63 |
| | | | | | | | |
| You trust that the on the job training is successful | 3 | 16 | 15 | 37 | 51 | 1 | 3.98 |
| | | | | | | | |
| Higher rank has been offered only for those who are suitable | 6 | 9 | 27 | 33 | 46 | 2 | 3.89 |
| | | | | | | | |
| Promotions are offered considering the experience and qualifications | 8 | 9 | 24 | 30 | 49 | 3 | 3.91 |
| | | | | | | | |
| You have been offered by onsite working opportunities | 37 | 19 | 1 | 6 | 48 | 12 | 3.37 |
| | | | | | | | |

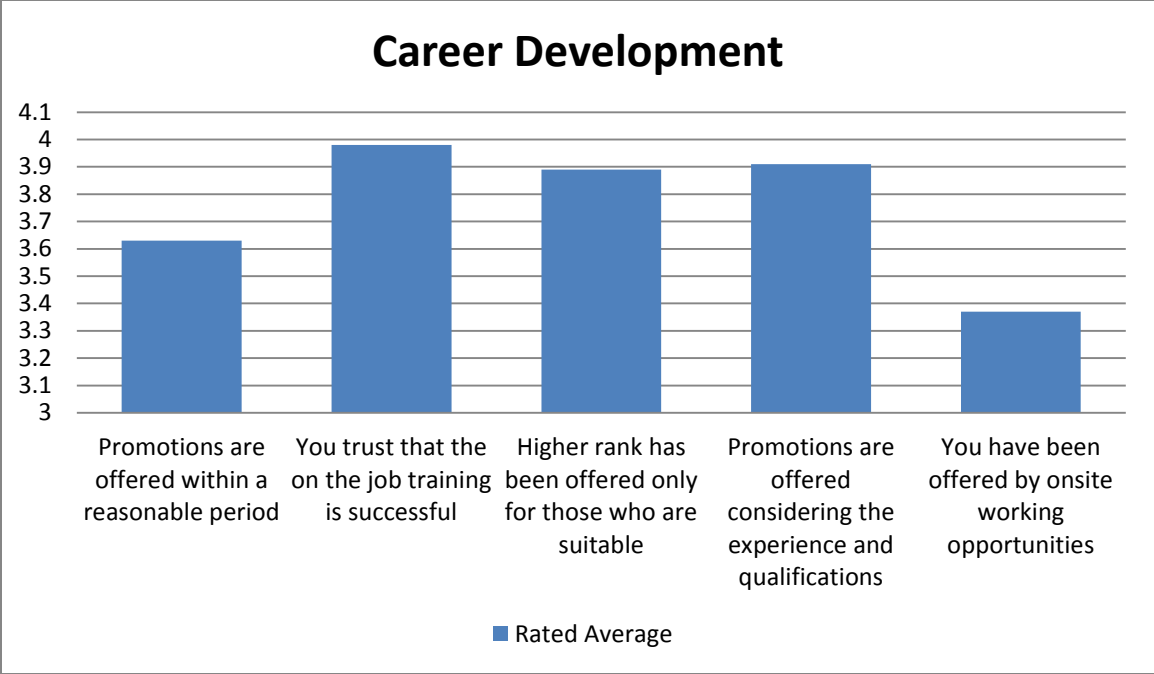


Figure 4.12 Rated Average for the questions for Career Development

In the other hand regarding the way that the organization offer promotions, is at a neutral level where not much complaints or any special appreciations. But this activity is critical for any organization as it will impact on the overall performance of the organization and on the moral of the existing workforce. Because that the activity which normally comes once a year where the potential candidates are selected to be promoted to the next level. If it is not happening to the satisfactory, it is something the company should immediately focus on. The statistics does not show any negative attitude of the sample, but it does not either very positive. But According to Section 4.5.2, there is an issue with the monetary increment for promotions though they get the promotion for designation change. Half of the sample got the onsite working opportunity. But for female workers, only 3 had been agreed for onsite opportunities.

4.5.4 Working Environment

Based on the below figures in the Table 4.17 and Figure 4.13, the company provides quality equipment to the workforce mainly computers, laptops, monitor screens, mobile phone with email facility and etc. allowing the employees to obtain pre-informed leaves also at the satisfactory level.

Table 4.17 Working Environment

| Working Environment | Strongly Disagree | Disagree | Slightly Disagree | Slightly Agree | Agree | Strongly Agree | Rated Average |
|---|--------------------------|-----------------|--------------------------|-----------------------|--------------|-----------------------|----------------------|
| You have no restrictions on obtaining pre-apply leave | 2 | 6 | 10 | 26 | 69 | 10 | 4.50 |
| Mutual respect is in existence within the company | 3 | 2 | 4 | 25 | 77 | 12 | 4.68 |
| You are not subject to harassment while on duty from your superiors | 3 | 4 | 7 | 7 | 56 | 46 | 5.01 |
| The management is helpful to resolve your day to day problems | 4 | 9 | 8 | 40 | 51 | 11 | 4.28 |
| You are not pressurized due to management weaknesses | 12 | 15 | 39 | 36 | 19 | 2 | 3.33 |
| Computers and machine related equipment are in good condition | 2 | 7 | 22 | 39 | 43 | 10 | 4.17 |
| Do you take part in | 3 | 3 | 8 | 18 | 43 | 29 | 4.02 |

| | | | | | | | |
|---|--|--|--|--|--|--|--|
| career expansion activities (i.e. organizational events) with pleasure? | | | | | | | |
|---|--|--|--|--|--|--|--|

Further the order which receives from the management and the immediate reporting leads seems appropriate and legal as the statistics says the harassment is less than the average. But it still not completely eliminated. Therefore the company should draw their attention to this matter as it may lead to big issues in the future. In the other hand, the pressure getting down from the management may be due to weak management decisions is at a neutral level which does not show the red flag yet. But the company should have to focus on that because it impacts on the overall company performance.

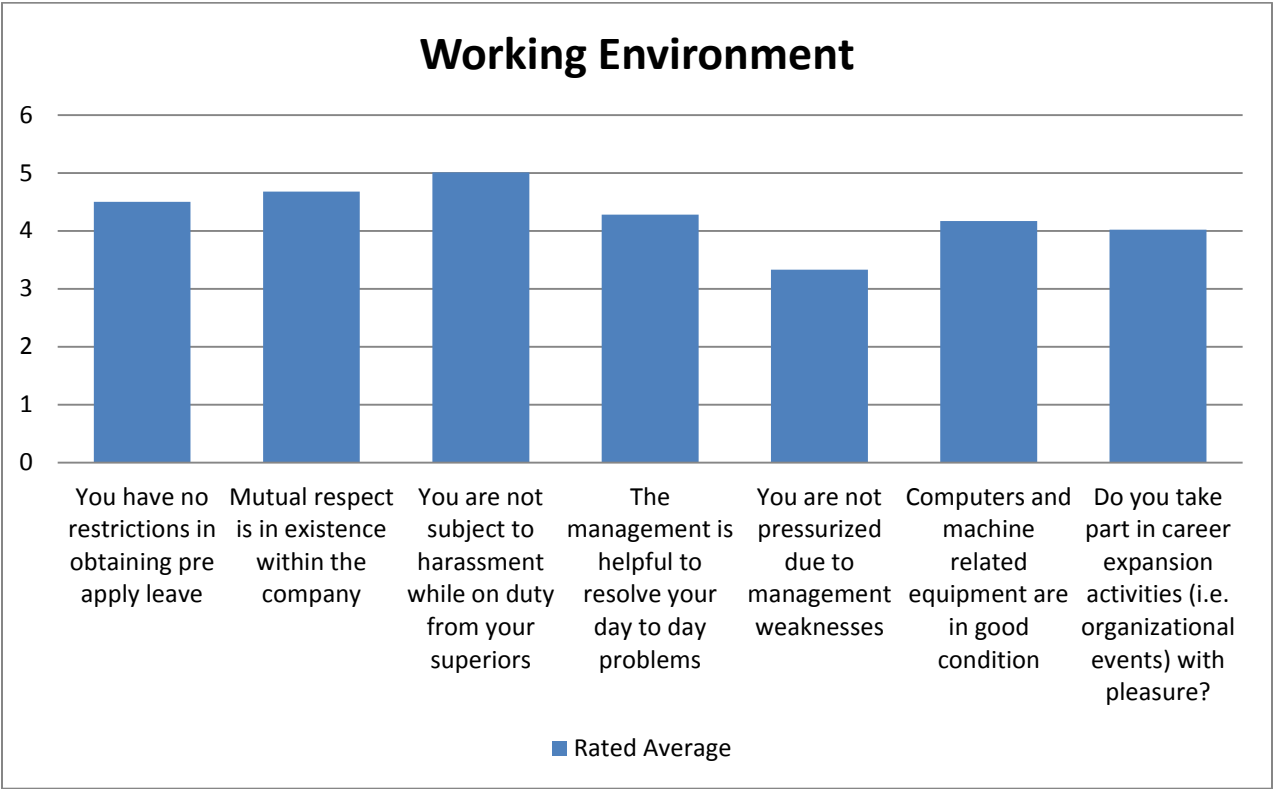


Figure 4.13 Rated Average for the questions for Working Environment

4.6 Pearson Correlation Analysis

Inferential statistics generated with Pearson *Correlation Matrix* is used to test the Hypothesis from 1 to 3 for the relationship between dependent variable and independent variables. Standard averaging had been used for each variable in order to analyze the significance, by using Pearson *Correlation Matrix*. The correlation value “r” was defined as follows;

- .70 or higher – Very strong relationship
- 0.4 to 0.69 - strong relationship
- 0.30 to 0.39 – Moderate relationship
- 0.2 to 0.29 Weak relationship

Significant value denotes the probability of correlation occurrence and the significant value less than 0.01 (1%) was considered as highly significant and significant value less than 0.05 (5%) were considered as significant. The moderate relationship value of 0.03 with the significant value of 0.05 was considered as the base level for testing hypothesis.

4.6.1 Pearson correlation between independent & Dependent Variables

Employee Retention Vs Employee Remuneration

Hypothesis 1

Table 4.18 Hypothesis 1

| | |
|-----------------------|---|
| H1_a | The remuneration package has a positive relationship with employee retention. |
| H1_b | The remuneration package does not have a positive relationship with employee retention. |

Table 4.19 Pearson Correlation – Employee Remuneration and Employee Retention.

| | | Employee Retention | Employee Remuneration |
|--|---------------------|--------------------|-----------------------|
| Employee Retention | Pearson Correlation | 1 | 0.559** |
| | Sig. (2 tailed) | | .000 |
| | N | 123 | 123 |
| ** . Correlation is significant at the 0.01 level (2-tailed) | | | |

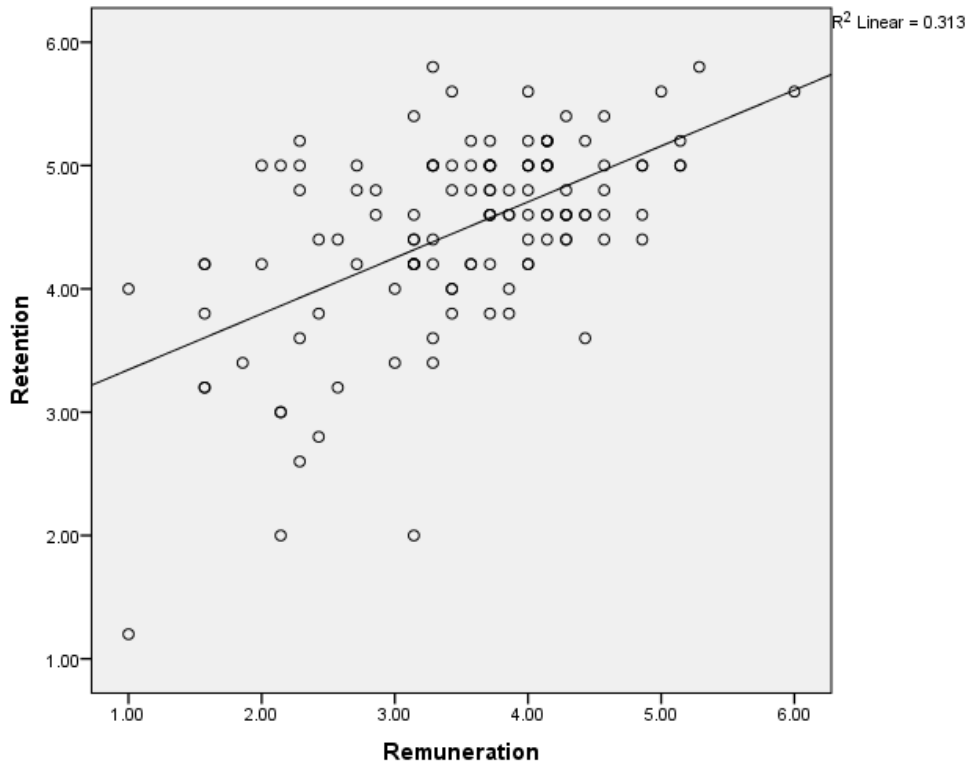


Figure 4.14 Correlation between Employee Retention and Remuneration

As illustrated in Table 4.18, Employee Remuneration and the Employee Retention are significantly positively correlated. As per the SPSS real data, the significant value is less than 0.01 which is 0.000. Further the Pearson Correlation = 0.559 which is nearly equivalent 0.6. It means remuneration package has a positive relationship with employee retention. Hence, Employee Retention is influenced by the Remuneration they received.

Therefore the null hypothesis (H_{1_0}) is rejected and the alternative hypothesis (H_{1_a}) is accepted. Employee Retention is influenced by the Remuneration they received.

In summary, The remuneration package has a positive relationship with employee retention.

Employee Retention Vs Career Development

Hypothesis 2

Table 4.20 Hypothesis 2

| | |
|-----------------------|---|
| H2_a | Career development opportunities have a positive relationship with employee retention. |
| H2₀ | Career development opportunities do not have a positive relationship with employee retention. |

Table 4.21 Pearson Correlation – Career Development and Employee Retention.

| | | Employee Retention | Career Development |
|--------------------|---------------------|--------------------|---------------------|
| Employee Retention | Pearson Correlation | 1 | 0.508 ^{**} |
| | Sig. (2 tailed) | | .000 |
| | N | 123 | 123 |

^{**}. Correlation is significant at the 0.01 level (2-tailed)

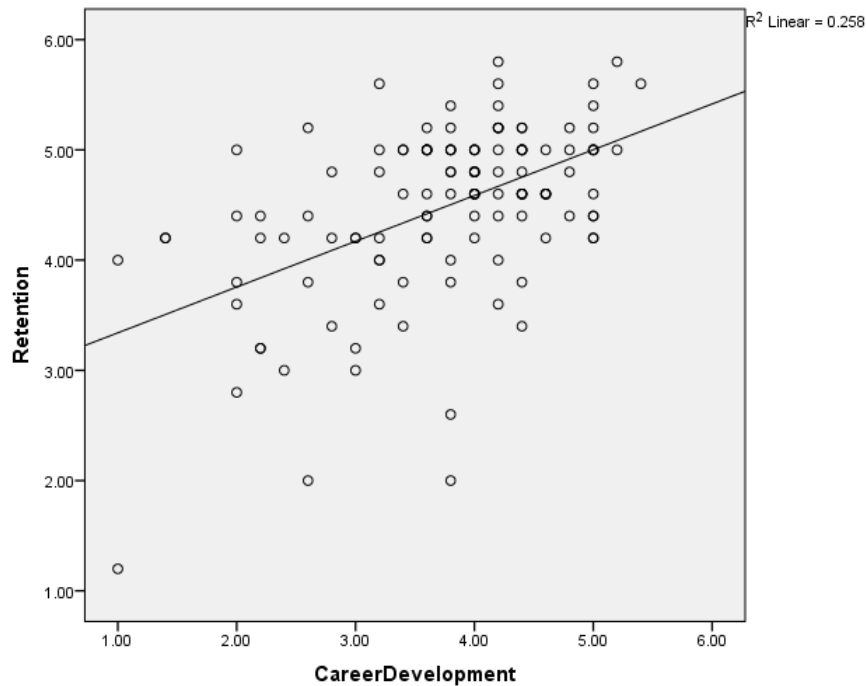


Figure 4.15 Correlation between Employee Retention and Career Development

As illustrated in Table 4.21, Career Development and the Employee Retention are significantly positively correlated. As per the SPSS real data, the significant value is less than 0.01 which is 0.000. Further the Pearson Correlation = 0.508 which is nearly equivalent 0.51. It means Career Development has a positive relationship with employee retention. Hence, Employee Retention is influenced by the Remuneration they received.

Therefore the null hypothesis (H_{2_0}) is rejected and the alternative hypothesis (H_{2_a}) is accepted. Employee Retention is influenced by the Career Development opportunities they have.

In summary, The Career Development has a positive relationship with employee retention.

Employee Retention Vs Working Environment

Hypothesis 3

Table 4.22 Hypothesis 3

| | |
|-----------------------|--|
| H3_a | The working environment has a positive relationship with employee retention. |
| H3₀ | The working environment does not have a positive relationship with employee retention. |

Table 4.23 Pearson Correlation – Career Development and Employee Retention.

| | | Employee Retention | Working Environment |
|---|---------------------|--------------------|---------------------|
| Employee Retention | Pearson Correlation | 1 | 0.644 ^{**} |
| | Sig. (2 tailed) | | .000 |
| | N | 123 | 123 |
| ^{**} . Correlation is significant at the 0.01 level (2-tailed) | | | |

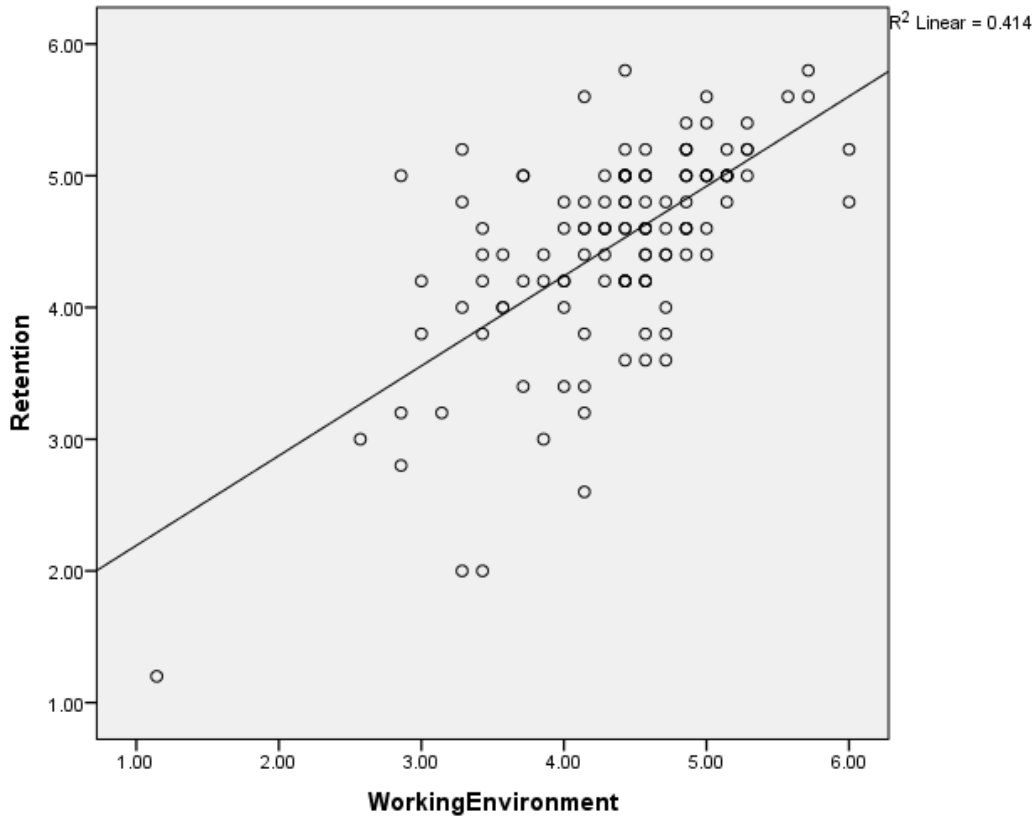


Figure 4.16 Correlation between Employee Retention and Working Environment

As illustrated in Table 4.23, Working Environment and the Employee Retention are significantly positively correlated. As per the SPSS real data, the significant value is less than 0.01 which is 0.000. Further the Pearson Correlation = 0.644 which is nearly equivalent 0.64. It means the working environment has a positive relationship with employee retention. Hence, Employee Retention is influenced by the nature of the working environment.

Therefore, the null hypothesis (H_{3_0}) is rejected and the alternative hypothesis (H_{3_a}) is accepted. Employee Retention is influenced by the Working Environment where they work.

In summary, The Working Environment has a positive relationship with employee retention.

4.6.2 Pearson Correlation analysis for variables upon Demographic data

By this section, it has been found the correlation between the dependent variable and the demographic data of the sample.

Correlation between Retention and Independent variables upon Age

By using SPSS, it has been found whether there is a correlation between retention and the age group at the company. To elaborate that, all the age categories are listed by mentioning the correlation between independent and dependent variables.

Table 4.24 Correlation between Retention and Age

| Please state your age | | | Remuneration | Career Development | Working Environment |
|-----------------------|---------------------|---------------------|--------------|--------------------|---------------------|
| Retention | Above 45 | Pearson Correlation | .867 | .794 | .973* |
| | | Sig. (2-tailed) | .133 | .206 | .027 |
| | | N | 4 | 4 | 4 |
| | Below 25 | Pearson Correlation | .216 | .550* | .704** |
| Sig. (2-tailed) | | .440 | .034 | .003 | |
| N | | 15 | 15 | 15 | |
| Between 26 - 35 | Pearson Correlation | .610** | .506** | .626** | |
| | Sig. (2-tailed) | .000 | .000 | .000 | |
| | N | 83 | 83 | 83 | |
| Between 36 - 45 | Pearson Correlation | .385 | .331 | .522* | |
| | Sig. (2-tailed) | .085 | .143 | .015 | |
| | N | 21 | 21 | 21 | |

(** = correlation is significant at 0.01 level, * = correlation is significant at 0.05 level)

According to Table 4.24, for the age category below 25, all the undergraduates and the career starters would fall under this category. Interns are getting a fixed salary during the internship period and the associate level people get a starting salary along with the industry standards. But when it considers the age category 26-35, there is a strong relationship between retention and the

remuneration with 0.01 significant values. Not only that this age group is much concern about the career development as well as the working environment too. When it considers the age category 36-45, this category represents a matured category in the IT industry. Therefore they are much considered in the working environment according to the research.

Correlation between Retention and Independent variables upon Gender

As it illustrated in Table 4.25, it represents the correlation among variables along with the gender. When it considers about the females, there is a positive relationship between the retention and career development as well as working environment. When it considers the male, there are positive correlations between each independent variable to the dependent variable.

Table 4.25 Correlation between Retention and Gender

| Please specify your gender | | | Retention | Remuneration | Career Development | Working Environment |
|----------------------------|--------|---------------------|-----------|--------------|--------------------|---------------------|
| Retention | Female | Pearson Correlation | 1 | .399* | .618** | .664** |
| | | Sig. (2-tailed) | | .013 | .000 | .000 |
| | | N | 38 | 38 | 38 | 38 |
| Retention | Male | Pearson Correlation | 1 | .702** | .552** | .637** |
| | | Sig. (2-tailed) | | .000 | .000 | .000 |
| | | N | 85 | 85 | 85 | 85 |

(** = correlation is significant at 0.01 level, * = correlation is significant at 0.05 level)

Correlation between Retention and Independent variables upon Educational Qualifications

As explained in Table 4.26, majority represents the bachelor's degree-holding qualification. In this category, it shows a strong positive correlation between the dependent variable and all independent variables. Further, the category of master's degree holders shows a strong positive correlation between the retention and factors than the bachelor holders.

Table 4.26 Correlation between Retention and Educational Qualification

| Educational Qualifications | | | Remuneration | Career Development | Working Environment |
|----------------------------|------------------------------------|---|----------------------|----------------------|----------------------|
| Retention | Bachelor's Holder (BSc - Graduate) | Pearson Correlation Sig. (2-tailed) N | .565** .000 84 | .546** .000 84 | .662** .000 84 |
| | Higher Diploma | Pearson Correlation Sig. (2-tailed) N | .735* .016 10 | .308 .387 10 | .702* .024 10 |
| | Master's Degree or above | Pearson Correlation Sig. (2-tailed) N | .724** .000 23 | .640** .001 23 | .695** .000 23 |
| | Undergraduate | Pearson Correlation Sig. (2-tailed) N | .108 .838 6 | .235 .654 6 | .018 .973 6 |

(** = correlation is significant at 0.01 level, * = correlation is significant at 0.05 level)

Correlation between Retention and Independent variables upon Department

From Table 4.27, it can be concluded the correlation between independent variables and dependent variable along with the department. Software Engineering department shows a positive correlation between retention and retention factors. In the department of Business Consultants, there is a strong positive correlation between retention and career development. Quality engineering department also shows a positive correlation between retention and remuneration and career development.

Table 4.27 Correlation between Retention and Department

| Please state your department | | | Remuneration | Career Development | Working Environment |
|------------------------------|----------------------|---------------------|--------------|--------------------|---------------------|
| Retention | Admin Operations | Pearson Correlation | .144 | -.083 | .656 |
| | | Sig. (2-tailed) | .817 | .895 | .230 |
| | | N | 5 | 5 | 5 |
| | Business Consultant | Pearson Correlation | .503 | .889* | .780 |
| | | Sig. (2-tailed) | .309 | .018 | .067 |
| | | N | 6 | 6 | 6 |
| | Project Management | Pearson Correlation | .440 | .611 | .617 |
| | | Sig. (2-tailed) | .323 | .145 | .140 |
| | | N | 7 | 7 | 7 |
| | Quality Engineering | Pearson Correlation | .603* | .609* | .348 |
| | | Sig. (2-tailed) | .029 | .027 | .244 |
| | | N | 13 | 13 | 13 |
| | Software Engineering | Pearson Correlation | .589** | .541** | .687** |
| | | Sig. (2-tailed) | .000 | .000 | .000 |
| | | N | 79 | 79 | 79 |
| | System Support | Pearson Correlation | .467 | .030 | .460 |
| | | Sig. (2-tailed) | .173 | .934 | .181 |
| | | N | 10 | 10 | 10 |
| | Technical Sales | Pearson Correlation | .930 | .989 | .909 |
| | | Sig. (2-tailed) | .240 | .093 | .273 |
| | | N | 3 | 3 | 3 |

(** = correlation is significant at 0.01 level, * = correlation is significant at 0.05 level)

Correlation between Retention and Independent variables upon Current Job Position

In Table 4.28, it has been illustrated the correlation between independent and dependent variables along with the current job level.

Table 4.28 Correlation between Retention and Job Level

| At the company level, your current job position is at; | | | Remuneration | Career Development | Working Environment |
|--|--------------------|---------------------|--------------|--------------------|---------------------|
| Retention | Intermediary Level | Pearson Correlation | .607** | .532** | .681** |
| | | Sig. (2-tailed) | .000 | .001 | .000 |
| | | N | 38 | 38 | 38 |
| | Junior Level | Pearson Correlation | .370* | .344 | .636** |
| | | Sig. (2-tailed) | .044 | .062 | .000 |
| | | N | 30 | 30 | 30 |
| | Senior level | Pearson Correlation | .603** | .557** | .563** |
| | | Sig. (2-tailed) | .000 | .000 | .000 |
| | | N | 55 | 55 | 55 |

(** = correlation is significant at 0.01 level, * = correlation is significant at 0.05 level)

When it considers the junior level, there is no strong correlation between retention and remuneration, retention and career development. They do not consider much on remuneration and career development in TSP. But there is a strong positive correlation between retention and working environment in the company. But in the intermediary level of the company, it shows a strong positive correlation between retention and all defined retention factors in TSP. Same as the intermediary level, the senior level also shows a strong positive correlation between retention and retention factors.

Correlation between Retention and Independent variables upon Service Period

According to the Table 4.29, it describes how the retention factors correlate with the retention when the service period varies. For the employee category of 0-5 years shows a strong correlation with all the retention factors such as remuneration, career development, and working environment. 5-10 years employee category also shows a positive correlation between all three retention factors and retention. But for the people who serve the company more than 10 years, retention has a strong positive correlation with the working environment.

Table 4.29 Correlation between Retention and Service Period

| Service Period | | | Remuneration | Career Development | Working Environment |
|----------------|----------------|---------------------|--------------------|--------------------|---------------------|
| Retention | 0-5 years | Pearson Correlation | .554 ^{**} | .533 ^{**} | .690 ^{**} |
| | | Sig. (2-tailed) | .000 | .000 | .000 |
| | | N | 71 | 71 | 71 |
| | 6-10 years | Pearson Correlation | .685 ^{**} | .550 ^{**} | .564 ^{**} |
| | | Sig. (2-tailed) | .000 | .002 | .001 |
| | | N | 30 | 30 | 30 |
| | Above 10 years | Pearson Correlation | .546 ^{**} | .453 [*] | .609 ^{**} |
| | | Sig. (2-tailed) | .009 | .034 | .003 |
| | | N | 22 | 22 | 22 |

(** = correlation is significant at 0.01 level, * = correlation is significant at 0.05 level)

Correlation between Retention and Independent variables upon Working Experience

In TSP, there are two sets of people when the employees are divided into two categories, TSP as first ever working place and the people who have been worked for other company. In TSP the ratio of these two sets is 1:1. Out of 123 people, 62 had been working previously and 61 people only worked for TSP. For the category which has been worked before shows a strong positive correlation between retention and remuneration as well as retention and working environment. For the category who has only worked for TSP, shows a strong positive correlation in career development and working environment.

Table 4.30 Correlation between Retention and Working Experience

| Is this your first working experience? | | | Remuneration | Career Development | Working Environment |
|--|-----|---------------------|--------------|--------------------|---------------------|
| Retention | No | Pearson Correlation | .634** | .486** | .609** |
| | | Sig. (2-tailed) | .000 | .000 | .000 |
| | | N | 62 | 62 | 62 |
| | Yes | Pearson Correlation | .484** | .564** | .705** |
| | | Sig. (2-tailed) | .000 | .000 | .000 |
| | | N | 61 | 61 | 61 |

(** = correlation is significant at 0.01 level, * = correlation is significant at 0.05 level)

4.7 Regression Analysis

Simple regression is used to examine the relationship between one dependent and one independent variable. After performing an analysis, the regression statistics can be used to predict the dependent variable when the independent variable is known. Regression goes beyond correlation by adding prediction capabilities.

4.7.1 Remuneration

According to Table 4.32, R Square value is 0.313. Therefore it can be said that the regression of Employee Remuneration to Employee retention is 31.3%.

Table 4.31 Variable Entered/Removed-Remuneration

| Variable Entered/Removed | | | |
|--|---------------------------|-------------------|--------|
| Model | Variables Entered | Variables Removed | Method |
| 1 | Remuneration ^b | | Enter |
| a. Dependent Variable: Retention | | | |
| b. All requested variables are entered | | | |

Table 4.32 Model Summary-Remuneration

| Model Summary | | | | |
|---|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .559 ^a | .313 | .307 | .64615 |
| a. Predictors: (Constant), Remuneration | | | | |

It means 31.3 % of the variability in Employee Retention could be explained by Employee Remuneration.

Table 4.33 Anova-Remuneration

| ANOVA ^a | | | | | | |
|---|----------------|--------|-------------|--------|--------|-------------------|
| Model | Sum of Squares | df | Mean Square | F | Sig. | |
| 1 | Regression | 23.002 | 1 | 23.002 | 55.094 | .000 ^b |
| | Residual | 50.518 | 121 | .418 | | |
| | Total | 73.521 | 122 | | | |
| a. Dependent Variable: Retention | | | | | | |
| b. Predictors: (Constant), Remuneration | | | | | | |

4.7.2 Career Development

According to Table 4.35, R Square value is 0.258. Therefore it can be said that the regression of Employee Remuneration to Employee retention is 25.8%. It means 25.8 % of the variability in Employee Retention could be explained by Career Development.

Table 4.34 Variable Entered/Removed-Career Development

| Variable Entered/Removed | | | |
|--|--------------------------------|-------------------|--------|
| Model | Variables Entered | Variables Removed | Method |
| 1 | CareerDevelopment ^b | | Enter |
| a. Dependent Variable: Retention | | | |
| b. All requested variables are entered | | | |

Table 4.35 Model Summary- Career Development

| Model Summary | | | | |
|--|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .508 ^a | .258 | .252 | .67146 |
| a. Predictors: (Constant), CareerDevelopment | | | | |

Table 4.36 Anova- Career Development

| ANOVA ^a | | | | | | |
|--|----------------|---------------|-------------|---------------|---------------|-------------------------|
| Model | Sum of Squares | df | Mean Square | F | Sig. | |
| 1 | Regression | 18.967 | 1 | 18.967 | 42.068 | .000^b |
| | Residual | 54.554 | 121 | .451 | | |
| | Total | 73.521 | 122 | | | |
| a. Dependent Variable: Retention | | | | | | |
| b. Predictors: (Constant), CareerDevelopment | | | | | | |

4.7.3 Working Environment

As mentioned in Table 4.37, R Square value is 0.414. Therefore it can be said that the regression of Employee Remuneration to Employee retention is 41.4 %. It means 41.4 % of the variability in Employee Retention could be explained by Working Environment.

Table 4.37 Variable Entered/Removed-Working Environment

| Variable Entered/Removed | | | |
|--|---------------------------------|-------------------|--------|
| Model | Variables Entered | Variables Removed | Method |
| 1 | WorkingEnvironment ^b | | Enter |
| a. Dependent Variable: Retention | | | |
| b. All requested variables are entered | | | |

Table 4.38 Model Summary- Working Environment

| Model Summary | | | | |
|---|-------------------------|-------------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .664^a | .414 | .409 | .59661 |
| a. Predictors: (Constant), WorkingEnvironment | | | | |

Table 4.39 Anova- Working Environment

| ANOVA ^a | | | | | | |
|---|----------------|--------|-------------|--------|--------|-------------------|
| Model | Sum of Squares | df | Mean Square | F | Sig. | |
| 1 | Regression | 30.452 | 1 | 30.452 | 85.554 | .000 ^b |
| | Residual | 43.069 | 121 | .356 | | |
| | Total | 73.521 | 122 | | | |
| a. Dependent Variable: Retention | | | | | | |
| b. Predictors: (Constant), WorkingEnvironment | | | | | | |

4.8 Summary

According to the above analysis, there is a strong positive relationship between the employee retention, which is the dependent variable, and the employee remuneration, which is the independent variable. The Co-efficiency is 0.559.

Similarly, there is a strong positive relationship between the Employee Retention, which is the dependent variable, and the Career Development which is the other independent variable. The Co-efficiency is 0.508.

In addition, there is a strong positive relationship between the Employee Retention, which is the dependent variable, and the Working Environment which is the other independent variable. The Co-efficiency is 0.644.

When after analyzing the correlation between independent and dependent variables along with the demographic data, it has been found out how it varies the correlation for each demographic category.

By using regression analysis, it has been found out the relationship between independent variables and dependent variables. As for that analysis, 31.3 % of the variability in Employee Retention could be explained by Employee Remuneration, 25.8 % of the variability in Employee Retention could be explained by Career Development and 41.4 % of the variability in Employee Retention could be explained by Working Environment.

5. CONCLUSION & RECOMMENDATIONS

The chapter discusses the recommendations based on the research findings. Section 5.1 explains about the conclusion of the study. Section 5.2 recommendations and, future work respectively.

5.1 Conclusions from research findings

It has been identified what are the intentions to leave by referring to the literature mentioned in Section 2.4 as well as feedback from past employees in the organization. Therefore it can be mentioned the intentions to leave an organization due to the opportunities all around the job market. It can be company image in the industry, higher remuneration packages, Career development, Opportunities offered by the company (onsite working opportunities) and the working environment.

By analyzing the demographic data the following conclusions can be drawn. According to Section 4.6.2, the target organization possesses a perfect combination of the workforce in terms of their age. The age distribution of the sample adheres to the bell curve which concludes that the organization is currently in a balanced position. Further, it enables the organization to take up challenging projects and step into the next level of expectations.

The workforce in the target organization consists of a set of an educated professional. The people with different capacities are working in the organization doing different roles in their capacity. The company also has several people who have to obtain postgraduate degrees and doctoral levels, which set directions to the organization.

The target organization consists of a well-balanced set of individuals who have diversified experience which helps them to bring the organization to the next level. Especially when considers the domain in which the target organization operates, the company requires set of domain experts who has a good number of years of experience in the domain. The sample clearly implies the composition of the people in terms of service experience is well distributed.

In Section 3.4.2, it has been clearly mentioned about the designations of each and every department. As an example, it can be considered the Software Engineering department. This is a company which needs to be expert in the technical track as well as the managerial track. But when it considered the designations of the department, there are no any designations committed for the management of the department. When the technical specialized workers are doing management work in the department, it is a huge knowledge loss for the company.

As mentioned in section 4.5.2, the majority of the employees are satisfied with the salaries paid. The organization is treating equally to the industry average in terms of salaries paid. But when it considers the feedback of people who had left the company, the reason for the left was the salary for the most of people.

Some did not agree with the salaries they were paid along with the qualifications and the working experience of them. The people who left the company realized that the remuneration package is not equal to the industry standards when it compares with other software companies in Sri Lanka.

According to section 4.5.2, the workforce has a disagree stand in terms of the incentives, bonus and increments offered. When it considers the bonuses of the company, 83 out of 123 (67%) had a negative mindset about the bonuses. It means they are not satisfied with the bonuses the company paid. After the discussion on the past employees of the organization, they also had the same thought on the bonuses and the incentives which paid by the company. They have revealed that the bonuses and the incentives depend on the team's performance. The bonuses are named as KPI bonuses and it can be varied for each quarter along with the team's achievement on the targeted KPIs.

As it mentioned in section 4.5.2, most of the people who stay with the company consider the extra earning due to the onsite working opportunities. When it asked from the past employees, they have had the same thought on that. They expressed that it was a great opportunity and due to that opportunity they could earn much other than the people who work in locally. Out of 38 female respondents, only 3 had agreed for the onsite working opportunities. Others disagreed with the question because most of the female employees do not get onsite working opportunities.

According to section 4.6.1, the remuneration package has a strong positive relationship with employee retention.

The organization believes and depends on the existing employee than people hire from outside when appointing people to the vacant higher positions. This can be justified by the results of Table 4.29 and 4.30. Out of 123 respondents, 22 employees are being worked for TSP more than 10 years.

As it mentioned in section 4.5.3, the method practiced by the organization in evaluating and giving promotions is not appreciated by the workforce. Because of the current performance appraisals and promotion system are highly impacted by the remuneration package of the employee.

After getting the feedback from the past employees about the career development within the organization, most of the people do not agree with the obsolete technologies what TSP uses. It is not only impacted by software engineers but also to quality engineers, business analysts and etc. As an example in TSP only does the software quality testing in manually where the manual testing is very obsolete in the current context. The management is not focusing on that there is no motivation to start automation within the company.

According to section 4.6.1, Career development opportunities have a strong positive relationship with employee retention.

The ground level employees who actually do the tasks have a minor concern that their lives get difficult due to weaknesses in the management. As it mentioned in Table 4.17, the majority had been agreed to the pressure because of the management problems. Out of 123 people, 102 are not satisfied because of the pressure due to the management weaknesses. After the discussion with the past employees, they mentioned less process work in the SDLC is the main failure of the management of TSP. Most of the time people are affected due to the unwanted pressure which directly comes from the client due to the unplanned builds and the releases.

The employees are provided with standard high-performance computers/laptops and other required equipment which makes their tasks more efficient.

According to the section 4.5.4, the overall comment on the working environment in TSP is positive. As per the comment on past employees, they have mentioned TSP has the best people all around the industry because they felt like it is a family. But after they have joined with another company, they reveal the human factor is in a good standard in TSP. According to the responses of the current employees, the majority agreed for the mutual respect, management support to resolve their day to day problems. The organization shows a reasonable flexibility in approving pre-informed leaves. As per the responses of both past and present employees, they have a very good perception of career expansion activities such as organizational events which are conducting 'TSP Fun Club'

The working environment has a strong positive relationship with employee retention according to the results of section 4.6.1.

5.2 Recommendations

The following recommendations are suggested based on the study.

The company should maintain the salary standard that they practice at present as an attracting factor for the employees is the remuneration package as it has mentioned in Section 4.6.1. At present, the target organization is paying their employees equal to the industry standard. But the majority of the workforce is not happy with the bonuses. Because most of the software companies pay bonuses along with the revenues they earn. The remuneration package can be increased by giving more allowances, bonuses, and insurance facilities. Rather than increasing the basic salary, the company can add performance base allowance. The benefit that the company gets from given something extra as an allowance, it doesn't count for EPF or ETF and at any given time the company can stop paying it. Further, it does not have any impact on the bonuses as bonuses are given proportionately to the basic salary. The organization also can relate these allowances to the performance of each individual. In that case, the company and the employees both will be benefited. The company will get additional one percent from the employees while the employees will get an extra pay apart from the salary.

The target organization should place a more effective method of evaluating employee performances as the information of Section 4.5.3. The workforce does not appreciate the way much the performance appraisal is happening at present. That becomes vital as it may impact the morale of the employees and degrade the overall company performance. Currently, the appraisal comes once in a year and an appraiser is assigned to each candidate. An appraisal interview will be conducted and the appraiser rates the candidate.

The appraisal should be objective rather than be subjective. The organization should practice 360-degree appraisal system rather than the top-down method to improve the chance to evaluate others. In that case, the superior people have less chance to overrule the juniors as they will also be rated by the juniors.

Further, the company should maintain a track record of each individual throughout the year. That should contain the significant good and bad things done by the employee throughout the year. That has to be brought up to the appraisal interview desk.

A guideline should be defined at the company level to streamline the appraisal process. It will make sure the appraisals happening in the organization has no major deviations. The guidelines should be defined for designation or for the role. Because the guidelines suitable for a software engineer may not be valid for a project manager as the two professionals perform different duties. Therefore, the company should define global guidelines for appraisals for Software Engineers, Business Analysts, Project Managers, Quality Assurance Engineers, and, etc. respectively.

The targets set in the appraisal meeting should be recorded and the same record should be present at the next appraisal. Those set targets should be checked at the next year appraisal meeting. The subsequent appraisal should be in line with the previously set targets.

By practicing this method, more accurate ratings will be received by the employees and the conflicts will mostly be eliminated. In that case, the employees will also get motivated as they are accurately evaluated and get more career development opportunities while the company will also be able to identify the true key people. Accordingly, this approach will help to retain employees at the target organization as the career development opportunities have a strong relationship with the employee retention.

As it has been shown in Section 4.5.4, TSP should develop their work allocation techniques. If the project managers do not have a clear picture of task allocation, some individuals get overloaded while some remain idle. This is waste of money due not utilizing the resources according to a proper plan. The productivity of the overloaded individuals will also go down.

Therefore, the company should maintain a proper project management practices and have up to date work breakdown structure. These way project managers will identify dependent tasks, what tasks can go in parallel and etc. Managers can figure out the optimal path and optimal resource allocations.

Further, it will give a clear picture as to what extent the resources are utilized at any given point in time, whether they are 100% utilized, 80% utilized and likewise. From this, the top management can clearly plan for the remaining utilization and get the maximum out of employees who will in return benefited the organization and its employees.

In section 3.4.2, it has been found out the lack of managerial positions in technical departments such as Software Engineering and Software Quality Engineering. Therefore it is a must to have two tracks for technical side and the management side. Otherwise, when the technical leads are started to do the management of the department, it would be a knowledge waste of the company. Therefore when employees are getting matured in technical departments, the company management should let them choose the technical specialty or the management specialty to maintain a good technical and managerial balance throughout the departments. Then this will be an extension of the career ladder of departments and this might help these individuals feel they are actually moving up an organization's career ladder.

5.3 Suggestion for further Research

In order to provide a suitable working environment, the organizations could do various things. The objective of doing such things is to provide calm and quite atmosphere which is very important for a job of this nature as they required tremendous concentration.

It is worth to follow a further research on what factors mostly admired by the knowledge workers to be placed in their surrounding that increases their productivity.

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APPENDIX A - QUESTIONNAIRE INSTRUMENT

Dear Sir/Madam,

Thank you very much for accepting my invitation to participate in this study.

The objective of this study is to find out the factors which would causes you to stay in your company.

Theoretically, the findings will contribute to better understand IT professionals who demonstrate unique workplace behaviors. In practice, the findings will provide recommendations to relevant stakeholders for necessary future actions.

By ensuring the anonymity and the confidentiality of your responses, the survey will not recognize you as an individual. Instead, it will summarize the responses of IT professionals in your company as a whole.

Approximately it will take 8 -10 minutes to fill the questionnaire.

There is no right or wrong answers for any of these questions and I would like to receive your honest responses to make the analysis meaningful.

Thank you very much for devoting your precious time to fill in this survey questionnaire as a way of extending your support to a researcher who intends to contribute to the development of your company as well as Sri Lankan IT industry.

[htTSP://docs.google.com/forms/d/1fty7nbmiWpMRzaRC9Pn4tjSrd3ervIax7dl-fl0w2yc/viewform?edit_requested=true](https://docs.google.com/forms/d/1fty7nbmiWpMRzaRC9Pn4tjSrd3ervIax7dl-fl0w2yc/viewform?edit_requested=true)

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2017

A Case Study on Improving Employee Retention in a Trading Solution Provider Company

| | | | | | | | | | |
|---------------------|------------------------------|------------------|------------------|-------------|------------------------------|-----------------------------|-----------------------|------------------------|---------------------|
| Getting to know you | | | | | | | | | |
| | Below 25 | Between 26-35 | Between 36-45 | Above 45 | | | Male | Female | |
| Age | | | | | | Gender | | | |
| | 0-5 Years | 6-10 Years | Above 10 Years | | | Master's Degree or Above | Bachelor's Degree | Higher Diploma | Undergraduate |
| Service Period | | | | | Educational Qualification | | | | |
| | | | | | Software Engineering | Quality Engineering | Project Management | Business Consultant | System Support |
| | Please State your Department | | | | | | | Technical Sales | Admin Operations |
| | | | | | Junior Level | Intermediary Level | Senior Level | | |

| | | | | | | | |
|---|--|-------------------------------|-----------------------------|--------------------|---------------------|-------|----------------|
| | At the company level, your current job position is at; | | | | | | |
| | | Yes | | | No* | | |
| | Is this your first working experience? | | | | | | |
| | | | | | | | |
| | | Company image at the industry | Higher Remuneration package | Career development | Working Environment | | |
| | *If "No" please state that what made you to leave the previous company & join with this company? | | | | | | |
| | | | | | | | |
| | What do you feel on your company? | Strongly Disagree | Disagree | Slightly Disagree | Slightly Agree | Agree | Strongly Agree |
| 1 | You perform your duties with pleasure | | | | | | |
| 2 | Your future will be secured by working for this company | | | | | | |
| 3 | You are proud of your company | | | | | | |
| 4 | Have a good relationship with the Management | | | | | | |
| 5 | The managers are always treating you with respect | | | | | | |
| | | | | | | | |
| | Feeling on your Remuneration Package | Strongly Disagree | Disagree | Slightly Disagree | Slightly Agree | Agree | Strongly Agree |
| 1 | You are satisfied with your monthly | | | | | | |

| | | | | | | | |
|---|--|-------------------|----------|-------------------|----------------|-------|----------------|
| | salary | | | | | | |
| 2 | Additional incentives are paid generously | | | | | | |
| 3 | You are satisfied with bonuses | | | | | | |
| 4 | You are compensated accordingly for your skill | | | | | | |
| 5 | You are rewarded above or equal to the industry standard | | | | | | |
| 6 | Promotions are offered Adequately | | | | | | |
| Feeling towards the Career Development | | Strongly Disagree | Disagree | Slightly Disagree | Slightly Agree | Agree | Strongly Agree |
| 1 | Promotions are offered within a reasonable period | | | | | | |
| 2 | You trust that the on the job training is successful | | | | | | |
| 3 | Higher rank has been offered only for those who are suitable | | | | | | |
| 4 | Promotions are offered considering the experience and qualifications | | | | | | |
| 5 | You have been offered by onsite working opportunities | | | | | | |
| What do you feel about the working environment? | | Strongly Disagree | Disagree | Slightly Disagree | Slightly Agree | Agree | Strongly Agree |
| 1 | You have no restrictions in obtaining pre apply leave | | | | | | |
| 2 | Mutual respect is in existence within the company | | | | | | |
| 3 | You are not subject to harassment while on duty from your superiors | | | | | | |

| | | | | | | | |
|---|---|--|--|--|--|--|--|
| 4 | The management is helpful to resolve your day to day problems | | | | | | |
| 5 | You are not pressurized due to day to day work | | | | | | |
| 6 | Computers and machine related equipment are in good condition | | | | | | |
| 7 | You are only supposed to execute your job role and no influence for the extra works | | | | | | |

APPENDIX B - QUESTIONNAIRE INSTRUMENT- REVISED

| Getting to know you | | | | | | | | | | | |
|---------------------|---|------------------|------------------|-------------|-------------------------|------------------------------|-----------------------------|------------------------|----------------|-----------------|---------------------|
| | Below 25 | Between 26-35 | Between 36-45 | Above 45 | | | | Male | Female | | |
| Age | | | | | | Gender | | | | | |
| | | | | | | | | | | | |
| | 0-5 Years | 6-10 Years | Above 10 Years | | | | Master's Degree or Above | Bachelor's Degree | Higher Diploma | Undergraduate | |
| Service Period | | | | | | Educational Qualification | | | | | |
| | | | | | | | | | | | |
| | | | | | Software Engineering | Quality Engineering | Project Management | Business Consultant | System Support | Technical Sales | Admin Operations |
| | Please State your Department | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | Junior Level | Intermediary Level | Senior Level | | | | |
| | At the company level, your current job position is at; | | | | | | | | | | |
| | | | | | Yes | | | No* | | | |

| | | | | | | | |
|---|--|-------------------------------|-----------------------------|--------------------|----------------------------------|---------------------|----------------|
| | Is this your first working experience? | | | | | | |
| | | | | | | | |
| | | Company image at the industry | Higher Remuneration package | Career development | Foreign employment opportunities | Working Environment | |
| | *If "No" please state that what made you to leave the previous company & join with this company? | | | | | | |
| | | | | | | | |
| | What do you feel on your company? | Strongly Disagree | Disagree | Slightly Disagree | Slightly Agree | Agree | Strongly Agree |
| 1 | You perform your duties with pleasure | | | | | | |
| 2 | Your future will be secured by working for this company | | | | | | |
| 3 | You are proud of your company | | | | | | |
| 4 | Have a good relationship with the Management | | | | | | |
| 5 | The managers are always treating you with respect | | | | | | |
| | | | | | | | |
| | Feeling on your Remuneration Package | Strongly Disagree | Disagree | Slightly Disagree | Slightly Agree | Agree | Strongly Agree |
| 1 | You are satisfied with your monthly salary | | | | | | |
| 2 | Additional incentives are paid generously | | | | | | |

| | | | | | | | |
|---|--|-------------------|----------|-------------------|----------------|-------|----------------|
| 3 | You are satisfied with bonuses | | | | | | |
| 4 | You are compensated accordingly for your skill | | | | | | |
| 5 | You are rewarded above or equal to the industry standard | | | | | | |
| 6 | Promotions are offered Adequately | | | | | | |
| 7 | You have the opportunity to earn extra because of onsite working opportunities | | | | | | |
| | | | | | | | |
| Feeling towards the Career Development | | Strongly Disagree | Disagree | Slightly Disagree | Slightly Agree | Agree | Strongly Agree |
| 1 | Promotions are offered within a reasonable period | | | | | | |
| 2 | You trust that the on the job training is successful | | | | | | |
| 3 | Higher rank has been offered only for those who are suitable | | | | | | |
| 4 | Promotions are offered considering the experience and qualifications | | | | | | |
| 5 | You have been offered by onsite working opportunities | | | | | | |
| What do you feel about the working environment? | | Strongly Disagree | Disagree | Slightly Disagree | Slightly Agree | Agree | Strongly Agree |
| 1 | You have no restrictions in obtaining pre apply leave | | | | | | |
| 2 | Mutual respect is in existence within the company | | | | | | |
| 3 | You are not subject to harassment | | | | | | |

| | | | | | | | |
|---|---|--|--|--|--|--|--|
| | while on duty from your superiors | | | | | | |
| 4 | The management is helpful to resolve your day to day problems | | | | | | |
| 5 | You are not pressurized due to management weaknesses | | | | | | |
| 6 | Computers and machine related equipment are in good condition | | | | | | |
| 7 | Do you take part in career expansion activities (i.e. organizational events) with pleasure? | | | | | | |

APPENDIX C - QUESTIONNAIRE INSTRUMENT- FOR PAST EMPLOYEES

Interview Questions for Past Employees of TSP

To know about the person

1. Could you please tell your job role at TSP?
 - To get the idea of the designation and the job position
2. What is your service period?
3. What is your highest educational qualification when you got resigned from TSP?
4. Was TSP your first job?
5. What was the reason for left TSP?

Feeling towards the company

1. Have you performed your duties with pleasure?
2. Did you feel job insecurity when you were at TSP?
3. Were you proud of TSP?
4. Did you have good relationship with the Management

To know the idea of the remuneration

1. Were you satisfied with your monthly salary?
2. Did TSP pay additional incentives generously?
3. Were you satisfied with bonuses?
4. Were you compensated accordingly for your skill?
5. Were you rewarded above or equal to the industry standard?
6. Did they promoted you reasonably and did you receive a sufficient offer for the promotion?
7. Were you able to get onsite working opportunities? What were the advantages of that?

To get the idea of career development

1. Do you trust that the training that they have provided was sufficient?
2. Did they offer promotions for the suitable people?
 - According to the experience and qualification?

To get the idea about the working Environment

1. Were you able to get the pre applied leaves without a problem?
2. How about the mutual respect within the company?
3. Have you ever faced for harassments from your superiors while on duty?
4. Did management help you to solve your day today problem?
5. Have you ever pressurized due to the weakness of management? What you think the major weakness of the management?