# An Analysis of Factors that Have an Impact on Employee Turnover Rate

**Noshin Sharmili**

**Abstract:** _Purpose: To define the features that stimulate employees' turnover rate. Design / methodology / approach: Descriptive research model and Secondary research were used to build the model of employee turnover factors. An organized survey form was employed to collect information and examine the model. Respondents were also selected randomly for the sampling purposes. The model was also assessed by factor analysis and multiple regressions. Findings: The regression model demonstrated that employees' turnover rate was affected by work environment, work - life balance and peers and colleagues substantially. Research limitations / implications: one of the major limitations of this research paper is that sample size was low since there was a time constraint for conducting our research. Furthermore, all the respondents were from Bangladesh only. Even, using real data were forbidden in certain areas due to confidentiality._

**Keywords:** Employee, Turnover, Work - Life Balance, Peers, Salary, Work Culture and Work Environment

## 1. Introduction

Employees are the pillar of an organization. Without employees, an organization will only have its title but not the identity. It is the "employees" who provide the fundamental structure of an organization with their skills and knowledge. Be it the culture, the norms, the values, the environment and etc. - employees play a vital role in modelling each of these factors. In today's competitive world, employees are not only considered as the treasured resources but are also the key to success for every organization. From start - ups to MNCs', the insights shared by employees can let a firm stand rigid against its rivals. Unlike 10 years ago, employees are now involved in decision - making process.

However, as per the 2021 Bureau of Labor Statistics report, the annual turnover rate in 2020 was 57.3%, which is 13% more than that in 2019. With the emerging concept of globalization and denationalization, the tendency of employees sticking in a company is dropping. Even, it is becoming difficult on employers' part to keep their employees motivated and satisfied. Many employees are also migrating due to better opportunities. In order to ensure employee commitment, companies are constantly changing their strategies. Employee retention and turnover holds equal importance as financial aspects and process development. Furthermore, many companies are also embracing flexibility and are constantly coming up with striking benefits and initiatives in order to appeal and retain competitive employees.

For this study, several research questions have been articulated. The first research question is "how often employees think about switching their job?" The second question is "which age group mostly has a tendency to quit their job?" However, the main research question managing this study is "why employee turnover is increasing?" I believe, this study will show a minute advance in development of required investigation to understand the broad picture of the analysis.

## 2. Literature Review

The era of globalization has marked a transformation in employees' lives, especially when it comes to Job Satisfaction. As per Saeed (2014), employee turnover is a very serious problem in today's modernized world. Even, Des and Shaw (2001) stated that high turnover rate is directly associated with loss of social capital and low morale. Raikes and Vernier (2004) specified that retaining employees have a visible impact on improving an organization's monetary performance. However, employees' job satisfaction relies on a number of factors, starting from pay to peer, work culture, work environment and etc. Salary is a vital feature for retaining employees. According to Alam and Muhammad (2010), employees' prime focus is on the pay as it enables them to overcome their monetary crunch. Moreover, Nguyen (2003) depicted in his study that there is a positive correlation between salary and job satisfaction. Another essential factor that shapes employees' motive to stay in an organization is its culture. According to Dwirantwi (2012), organization culture is comprised of attitudes, experience beliefs and values that are assimilated by how individuals or groups in an organization interrelate with one another. Furthermore, Tharp (2009) stresses that organizational culture can be used to proliferate the industry performance and stimulate employees' work approaches. In addition to these, work environment also plays a crucial role in employee turnover rate. Employees will not choose to stay in a company where their lives are threatened. Applebaum (2010) proclaimed that work environment like noise, lighting, space, temperature and etc. can have an impact on employees' job satisfaction level which eventually generates turnover intention. Moreover, work - life balance is the most essential aspect for an increase in turnover rate. Employers are emphasizing on this aspect more than ever. Many organizations now - a - days are also conducting seminars on work - life balance. According to Bird (2006), work - life balance is considered as most significant area even in public sectors. In addition to these, Kehl (2012) stated that is tiered as number one, whereas pay is in number two in Industry Week Magazine. Another crucial factor impacting employee turnover rate is peer and colleagues. As per Islam, Ahmed and Khan (2013) employees' turnover rate tends to decrease when they are

well - aware of the organization culture and when they get support from their seniors within the organization. Supported by the senior members have a tendency to initiate a kind of belongingness among the employees.

## Objectives

The purpose of this report is to recapitulate the factors that shape employees' tendency to quit their job. This will facilitate the employers and the organizations to assess, examine and exhibit the employment condition in order to cut the turnover rate.

Broad Objective:
- To evaluate why employee turnover rate is increasing day - by - day

Specific Objectives:
- To find out the degree to which salary affects employees' decision to leave
- To find out how work - life balance, work culture and work environment influences employees' decision to leave
- To find out if supportive peers and colleagues are responsible for decreasing employees' turnover rate

## 3. Methodology

This is a descriptive and qualitative report. Primary and secondary sources are used for accumulating data.

Primary Data Sources -
- Survey from different employees
- Face to face conversation with the employees
- Direct observations through working

Secondary Data Sources -
- Previous Reports
- Online Journals

### 3.1 Scope

The report comprises of the detailed elaboration of why it is important to keep the employees motivated in order to reduce the turnover rate. Furthermore, it encompasses the reasons that have an impact on employee turnover rate. Beside these, the report integrates my learnings and knowledge that I have accumulated from my working experiences. The respondents of this study consisted of 318employees from different organizations, different positions, and various age assortment, educational background and gender. There were 26 questions in the survey questionnaire that included variables which are related to influence employees' turnover pattern.

### 3.2 Importance of the Study

Firstly, this study is going to be beneficial for the organizations and the employers, as they will understand the factors that drive employee satisfaction. This will help them to come up with solutions that will enable them to retain their valuable employees. Secondly, this study will also be useful for the stakeholders and the employees themselves. In addition to these, the study will be resourceful for all the students and researchers, who want to work on this topic.
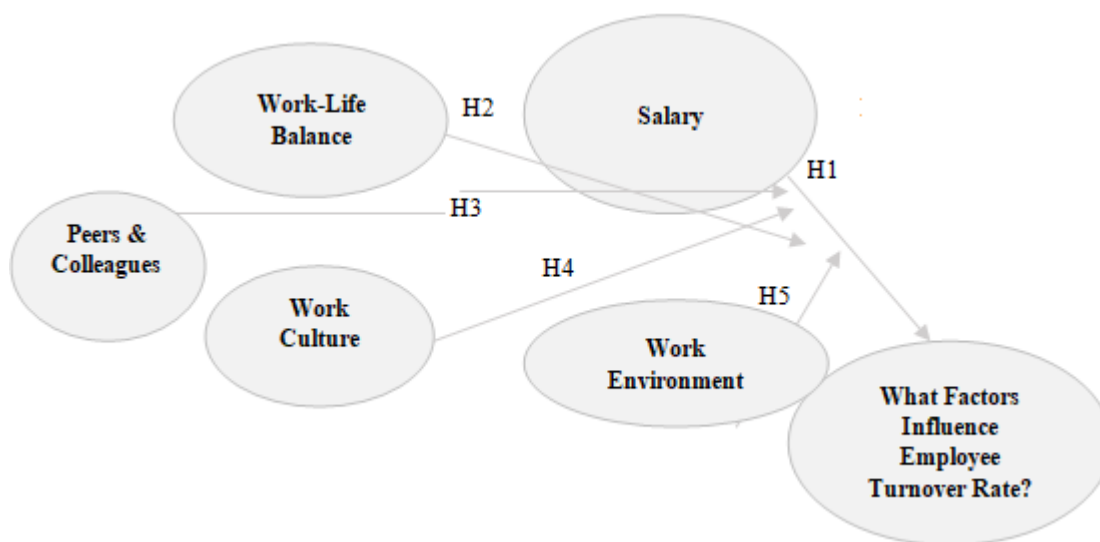
### 3.3 Model Development



**Figure 1:** Model of "An Analysis of Factors that has an Impact on Employee Turnover Rate"

## 4. Conceptual Framework and Hypothesis

### 4.1 Impact of Salary on Employee Turnover

Salary is a form of sporadic reward from the company to the employees. Salary is one of the significant factors as it tends to keep the employees inspired. When employees are remunerated sufficiently, they feel driven to come to work. Adequate pay also increase employee morale and this in turns improve their deliverables and job satisfaction levels. According to Sokoya (2000), employee's job satisfaction is considerably affected by the company's compensation practices. Even, employees tend to work toward the employer's goal when they are satisfied with the pay, stated by Oshagbemi (2000). Salary is considered to be one of the prevailing features while measuring employee's satisfaction level. Low salary usually results in high turnover rate. Salary is a crucial factor that organizations should emphasize on for

attracting workforce and to retain them for a longer time frame, stated by Frye (2004).

In addition to these, employees have a higher turnover rate when they are paid fixed salary, as per Flaherty and Pappas (2002). Trevor (1997) established that escalation in salary intensifies the retention capabilities of the organization. Furthermore, salary is considered as a predictor of employee turnover, stated by Pitts, Marvel and Fernandez (2011). Not only these, but monetary pay is also thought of as the vital aspect for retaining employees, stated by Milkovich and Newman (2004). Moreover, Hytter (2007) also observed an association between salary and turnover rate. Even, according to Beilock and Capelle (1990), job satisfaction grows with well pay and benefits and cuts turnover level.
In the context, the hypothesis is:
*H1: Salary is negatively correlated to Employee Turnover Rate*

## 4.2 Impact of Work - life Balance on Employee Turnover

In today's world, employees make decisions centering work - life balance. They seek flexible working hours that will allow them to nurture both their personal and professional lives. Jobs that enable the employees to spend time with their families increase employee retention, stated by Arnold, Coombs, Hartley and Bosley (2010). Furthermore, work - life balance is defined as the symmetrical point between the time and determination devoted by an employee in their work and private life, said by Clarke, Koch and Hil (2004). However, as per a research conducted by Noe (2013), 75% employees in USA are unable to spend time with their children and 61% employees do not get the time to spend with their spouse.

In addition to these, a balance between work and life has a visible impact on employee performance, stated by Anitha (2014). A healthy balance between work and life tends to augment employee efficiency, productivity and their contribution toward the organization. On the other hand, the opposite is responsible for instigating frustration among the employees, which as a result is responsible for turnover decision. Beside these, Mita, Aarti and Ravneeta (2014) stated that there is a positive correlation between work - life balance and retention. Not only these but an imbalance between work and maintaining personal life also triggers stress and lessen job satisfaction.
*H2: Work - Life Balance is negatively correlated to Employee Turnover Rate*

## 4.3 Impact of Peers &Colleagues on Employee Turnover

Peer relation or social relation at workstation is responsible for making employees feel relaxed and also lessens their diffidence, stated by Hamilton (2007). When employees are comfortable with their peers, they tend to share more facts with each other. This as a result curtails the workplace disputes that usually takes place due to lack of communication. Peer relations have an influence on encouraging employees and eventually leading to lower turnover intention, detailed by Anne E. Cox (2010). Beside these, a good peer relationship is also responsible for development and improvement.

Furthermore, peer relation also helps to diminish work strain and surge assistance and dynamism, indicated by Fine (1986). They can also interchange words of inspiration, assurance, conviction, esteem and acute advice that will boost their zest, as per Jehn and Shah (1997). According to Alexander (1998) sustenance from co - workers act as causal factors for retaining employees. However, many supervisors often do not give authentic criticism on employee's performance because they do not want to mutilate their self - confidence, stated by Beer, Spector, Lawrence, Mills and Walton (1985).
*H3: Peer Relationshipshave a positive correlation with Employee Turnover Rate*

## 4.4 Impact of Work - culture on Employee Turnover

Wallach (1983) defined organizational culture as beliefs, norms and attitudes of how things are performed in an organization. According to Shein (1985), organization's accomplishment or ignominy is largely determined by the organization's culture. Beside these, employee satisfaction is also modified by the organization's culture to a large extent. Employees will feel themselves as a crucial part of the organization if they are counted in the plans, policies, strategies and goals of the company. A positive organizational culture is also responsible for attaining competitive advantage over the competitors. Moreover, in order to diminish the turnover rate, it is vital to have a respectable organizational culture and contented employees.

In order to achieve prolific outcome, it is imperative to recognize the culture of every organization, stated by Bergman (2006). In addition to these, employees fitting themselves certainly to the organizational culture will result in valuable impact, which in turn will also condense the turnover intent, stated by Porter and Steers (1973). Kivimaki (1994) stated that gratified employees would generate distinctive ideas for the betterment of the organization. Even, organizational culture has an impact on employee attitudes, that is, when employees are made to believe by the employer that their contribution is responsible for inducing success of the organization, then any turnover intention that may exist within the employees will be cut down, stated by Goodman (2001).

In the context, the hypothesis is:
*H4: Work Culture is negatively correlated to Employee Turnover Rate*

## 4.5 Impact of Work Environment on Employee Turnover

According to Nitisemito (1992), work environment consists of stuffs around the employees that enables them to carry out their designated task. Physical environment comprises of light, sitting arrangement, noise, temperature, visual delicacy and etc. It has an influence on job contentment level and will eventually prompt turnover intention, stated by Applebaum (2010). Even Spector (2008) stressed work environment as a crucial factor for impacting on employee turnover rate. Moreover, Reiner and Zhao (1999) also considered work environment as a remarkable analyst for determining employee turnover intention.

Work environment also tends to regulate employees' performance, communication pattern, stress and etc. Furthermore, enhancement in work atmosphere is recommended as this will condense work hassle, that is anticipated to shrink employee turnover, stated by Lee (2016). Additionally, employees will perform their tasks quintessentially if the work atmosphere is contented and supportive, indicated by Robbins and Judge (2001). Work environment will be categorized as apt if staffs feel innocuous, unperturbed and efficient, as per Cox and Cheyne (2000). Not only this, but Moncarz (2009) also accentuated on fun workplace for retaining employees.

In the context, the hypothesis is:

*H5: Work Environment is negatively correlated with Employee Turnover Rate*

## 5. Research Method

### 5.1 Research Design

Previous study conducted on the importance of Employee Satisfaction and Turnover has been analyzed as a secondary source. To collect information, survey analysis has also been conducted and questionnaire was given to the employees from different organization in Bangladesh using Descriptive Research Method. Focusing on primary research method, questionnaire was formed in "Google Doc" and transmitted via online social networking sites such as (Facebook, Messenger, and LinkedIn). Furthermore, printed survey form was also used to collect responses from the respondents. This helped to specify the major key factors that are responsible for driving employees' turnover pattern. Questionnaire has been monitored and evaluated and based on that assessing the strengths & weaknesses modification has been made in the questionnaire. Furthermore, some irrelevant questions have been removed and some new questions were added as per the modification.

### 5.2 Measurement

The questionnaire that was given to the respondents to measure the factors affecting employees' turnover rate consists of 5 - point Likert scales. Each scale item includes 5 response categories starting from numeral 1 with verbal presentation "strongly disagree" and at the numeral 5 "strongly agree". Moreover, other items such as numeral 2 verbally presents "disagree" whereas, numeral 4 represents "agree" and numeral 3 shows "neutral" perception of the respondents. Strongly disagree shows a negative judgment towards a statement whereas, strongly agree shows positive judgments towards the statement. Neutral item shows neither disagree nor agree. It defines somewhat in the middle regarding the mentioned statement. These multiple items play an important role to measure each factor and so that measurement can be assessed based on validity and reliability. The dependent variable "employee turnover" is measured using the scale items. Demographic information has also been collected from the respondents. Independent variables are measured to assess which factors mostly influences employees' turnover rate.

### 5.3 Sampling

A survey has been conducted through a questionnaire. The questionnaire was constructed in Google docs form and sent to the respondents for the survey. Moreover, printed questionnaire was also used to gather responses from the respondents. The questionnaire contained 26 questions including all the dependent and independent variables and demographic factors. Our targeted area of interest for the research conducted was consisted of all the employees in Bangladesh. The sample symbolizes the entire population of employees at all the organizations of Bangladesh and is therefore considered to be a closed sample consisting of 318 research contributors. The respondents were ensured that the survey would not be used for any other purposes other than academic purpose. Also their anonymity was ensured because their email IDs were not required or any other personal information that they were not comfortable to share.

For conducting the survey, the method of collecting responses through social media was very convenient. Conducting surveys on printed survey papers proved to be a hassle and required many other formalities. It was time consuming as well. On the other hand, using social media sites for conducting the survey was very advantageous and less time consuming. Since particular target groups were targeted for the study, both social media platform and printed survey form had to be used for overall responses.

## 6. Analysis

### 6.1 Demographic Analysis

Frequency analysis of the demographic aspects of the respondents has been shown in the following Table 1. Among the 318 respondents 65.6% percent are male and 34.4 percent respondents are female. Around 88.9 percentage are aged within 25 - 30 and 3.2 percent are aged from 36 - 40. Only 0.5 percentage of the respondents fall with age 41 - 50. Most of the employees, that is, 30.7 percent earns within 20, 000 - 35, 000 BDT.19.6 percent respondents' income is within 35, 000 - 50, 000 BDT and 70, 000 - 100, 000 BDT. Only 9 percent earns above 100, 000 BDT.29.1 percent of respondents are in entry level position. Most of the respondents, that is, 31.7 percent are senior executive. Only 4.2 percent of the respondents are senior - level manager. Around 34.3 percent of the respondents look for new opportunities "often" and 21.7 percent "rarely" looks for new opportunities. However, 24.9 percent of the respondents are "neutral" in terms of seeking for new opportunities.

**Table 1:** Demographic Analysis

|  | Frequency | Percentage (%) |
|---|---|---|
| **Gender** | | |
| Male | 124 | 65.6 |
| Female | 65 | 34.4 |
| **Age** | | |
| 25 - 30 | 168 | 88.9 |
| 31 - 35 | 14 | 7.4 |
| 36 - 40 | 6 | 3.2 |
| 41 - 50 | 1 | 0.5 |
| **Income** | | |
| 20, 000 - 35, 000 | 58 | 30.7 |
| 35, 000 - 50, 000 | 37 | 19.6 |
| 50, 000 - 70, 000 | 40 | 21.2 |
| 70, 000 - 100, 000 | 37 | 19.6 |
| Above 100, 000 | 17 | 9 |
| **Employment Level** | | |
| Entry Level | 55 | 29.1 |
| Senior Executive | 60 | 31.7 |
| Assistant Manager | 40 | 21.2 |
| Mid - Level Manager | 26 | 13.8 |
| Senior - Level Manager | 8 | 4.2 |
| **How often do you look for New Opportunities?** | | |
| Very Rarely | 12 | 6.3 |
| Rarely | 41 | 21.7 |
| Neutral | 47 | 24.9 |
| Often | 65 | 34.4 |
| Very Often | 24 | 12.7 |

### 6.2 Data Analysis

No *Missing Values* were found as it was mandatory for the respondents to answer all the questions (Figure 1).

| | Result Variable | N of Replaced Missing Values | Case Number of Non - Missing Values | | N of Valid Cases | Creating Function |
|---|---|---|---|---|---|---|
| | | | First | Last | | |
| **Result Variables** | | | | | | |
| 1 | S1_1 | 0 | 1 | 318 | 318 | SMEAN (S1) |
| 2 | S2_1 | 0 | 1 | 318 | 318 | SMEAN (S2) |
| 3 | C1_1 | 0 | 1 | 318 | 318 | SMEAN (C1) |
| 4 | C2_1 | 0 | 1 | 318 | 318 | SMEAN (C2) |
| 5 | C3_1 | 0 | 1 | 318 | 318 | SMEAN (C3) |
| 6 | C4_1 | 0 | 1 | 318 | 318 | SMEAN (C4) |
| 7 | WB1_1 | 0 | 1 | 318 | 318 | SMEAN (WB1) |
| 8 | WB2_1 | 0 | 1 | 318 | 318 | SMEAN (WB2) |
| 9 | WB3_1 | 0 | 1 | 318 | 318 | SMEAN (WB3) |
| 10 | P1_1 | 0 | 1 | 318 | 318 | SMEAN (P1) |
| 11 | P2_1 | 0 | 1 | 318 | 318 | SMEAN (P2) |
| 12 | P3_1 | 0 | 1 | 318 | 318 | SMEAN (P3) |
| 13 | P4_1 | 0 | 1 | 318 | 318 | SMEAN (P4) |
| 14 | E1_1 | 0 | 1 | 318 | 318 | SMEAN (E1) |
| 15 | E2_1 | 0 | 1 | 318 | 318 | SMEAN (E2) |
| 16 | E3_1 | 0 | 1 | 318 | 318 | SMEAN (E3) |
| 17 | E4_1 | 0 | 1 | 318 | 318 | SMEAN (E4) |
| 18 | T1_1 | 0 | 1 | 318 | 318 | SMEAN (T1) |
| 19 | T2_1 | 0 | 1 | 318 | 318 | SMEAN (T2) |
| 20 | T3_1 | 0 | 1 | 318 | 318 | SMEAN (T3) |
| 21 | T4_1 | 0 | 1 | 318 | 318 | SMEAN (T4) |
| 22 | Gender_1 | 0 | 1 | 318 | 318 | SMEAN (Gender) |
| 23 | Age_1 | 0 | 1 | 318 | 318 | SMEAN (Age) |
| 24 | Income_1 | 0 | 1 | 318 | 318 | SMEAN (Income) |

**Figure 1:** Missing Data Analysis

### 6.3 KMO and Bartlett's Test

The Bartlett's test of Sphericity is less than.05 which means it is statistically significant.

| KMO and Bartlett's Test | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .898 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 4163.587 |
| | df | 210 |
| | Sig. | .000 |

### 6.4 Analysis

Varimax rotation technique was applied for the factor analysis since variables were already known. The total cumulative variance is 68.733 percent which is greater than 60 percent (see Table 2). However, the eigenvalue is 0.713 which is less than 1. Nevertheless, six values in the communalities table is less than.5 which has been shown in the following Table 3.

**Table 2:** Total Variance Explained

**Total Variance Explained**

| Factor | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 8.825 | 42.026 | 42.026 | 8.486 | 40.409 | 40.409 | 3.705 | 17.641 | 17.641 |
| 2 | 1.769 | 8.424 | 50.449 | 1.448 | 6.894 | 47.302 | 3.055 | 14.550 | 32.190 |
| 3 | 1.408 | 6.704 | 57.153 | 1.040 | 4.952 | 52.254 | 2.302 | 10.964 | 43.154 |
| 4 | 1.241 | 5.910 | 63.064 | .857 | 4.082 | 56.337 | 1.825 | 8.689 | 51.843 |
| 5 | 1.191 | 5.670 | 68.733 | .713 | 3.398 | 59.734 | 1.657 | 7.891 | 59.734 |
| 6 | .930 | 4.431 | 73.164 | | | | | | |
| 7 | .785 | 3.740 | 76.905 | | | | | | |
| 8 | .678 | 3.226 | 80.131 | | | | | | |
| 9 | .629 | 2.997 | 83.128 | | | | | | |
| 10 | .538 | 2.564 | 85.692 | | | | | | |
| 11 | .476 | 2.265 | 87.957 | | | | | | |
| 12 | .400 | 1.905 | 89.862 | | | | | | |
| 13 | .375 | 1.788 | 91.650 | | | | | | |
| 14 | .344 | 1.638 | 93.287 | | | | | | |
| 15 | .283 | 1.349 | 94.636 | | | | | | |
| 16 | .244 | 1.160 | 95.796 | | | | | | |
| 17 | .231 | 1.098 | 96.895 | | | | | | |
| 18 | .193 | .920 | 97.815 | | | | | | |
| 19 | .185 | .879 | 98.694 | | | | | | |
| 20 | .150 | .716 | 99.410 | | | | | | |
| 21 | .124 | .590 | 100.000 | | | | | | |

Extraction Method: Principal Axis Factoring.

**Table 3:** Communalities

| Communalities | Initial | Extraction |
|---|---|---|
| SMEAN(S1) | .589 | .627 |
| SMEAN(S2) | .618 | .795 |
| SMEAN(C1) | .139 | .064 |
| SMEAN(C2) | .739 | .795 |
| SMEAN(C3) | .685 | .669 |
| SMEAN(C4) | .512 | .473 |
| SMEAN(WB1) | .811 | .878 |
| SMEAN(WB2) | .752 | .836 |
| SMEAN(WB3) | .715 | .717 |
| SMEAN(P1) | .674 | .716 |
| SMEAN(P2) | .734 | .691 |
| SMEAN(P3) | .301 | .246 |
| SMEAN(P4) | .650 | .588 |
| SMEAN(E1) | .505 | .465 |
| SMEAN(E2) | .482 | .551 |
| SMEAN(E3) | .590 | .577 |
| SMEAN(E4) | .421 | .435 |
| SMEAN(T1) | .539 | .550 |
| SMEAN(T2) | .380 | .394 |
| SMEAN(T3) | .719 | .643 |
| SMEAN(T4) | .676 | .833 |

Extraction Method: Principal Axis Factoring.

## 6.5 Reliability

By using Cronbach's Alpha, consistency of each variable was weighed. Reliability analysis depicted that the internal consistency of each of the six variables, both dependent and independent are relatively high and considered to be good as the lowest value of alpha should be 0.7 or higher. The reliability analysis of all the four factors is shown below.

**Table 4 (a):** Reliability analysis for Salary

| Reliability Statistics | |
|---|---|
| Cronbach's Alpha | N of Items |
| .841 | 2 |

**Table 4 (b):** Reliability analysis for Work - Life Balance

| Reliability Statistics | |
|---|---|
| Cronbach's Alpha | N of Items |
| .915 | 3 |

**Table 4 (c):** Reliability analysis for Peers and Colleagues

| Reliability Statistics | |
|---|---|
| Cronbach's Alpha | N of Items |
| .750 | 4 |

**Table 4 (d):** Reliability analysis for Work Culture

| Reliability Statistics | |
|---|---|
| Cronbach's Alpha | N of Items |
| .705 | 4 |

**Table 4 (e):** Reliability analysis for Work Environment

| Reliability Statistics | |
|---|---|
| Cronbach's Alpha | N of Items |
| .738 | 4 |

**Table 4 (f):** Reliability analysis for Employee Satisfaction Pattern

| Reliability Statistics | |
|---|---|
| Cronbach's Alpha | N of Items |
| .788 | 4 |

**Table 4 (g):** Reliability analysis for both dependent and independent variables

| Reliability Statistics | |
|---|---|
| Cronbach's Alpha | N of Items |
| .925 | 21 |

## 6.6 Validity

Bivariate technique was used to direct the convergent validity analysis. It shows the association among items from the identical variables. Correlation of intra item variable will be greater than correlation of another variable of the inter item.

| | S1 | S2 | C1 | C2 | C3 | C4 | WB1 | WB2 | WB3 | P1 | P2 | P3 | P4 | E1 | E2 | E3 | E4 | T1 | T2 | T3 | T4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Salary | 1 | | | | | | | | | | | | | | | | | | | | |
| Salary | .726** | 1 | | | | | | | | | | | | | | | | | | | |
| Work Culture | 0.064 | .179* | 1 | | | | | | | | | | | | | | | | | | |
| Work Culture | .472** | .494** | 0.106 | 1 | | | | | | | | | | | | | | | | | |
| Work Culture | .318** | .343** | 0.013 | .720** | 1 | | | | | | | | | | | | | | | | |
| Work Culture | .328** | .330** | .156* | .559** | .420** | 1 | | | | | | | | | | | | | | | |
| Work-Life Balance | .280** | .320** | .136* | .464** | .460** | .519** | 1 | | | | | | | | | | | | | | |
| Work-Life Balance | .242** | .252** | 0.059 | .312** | .241** | .446** | .814** | 1 | | | | | | | | | | | | | |
| Work-Life Balance | .232** | .249** | 0.061 | .470** | .461** | .417** | .804** | .745** | 1 | | | | | | | | | | | | |
| Peer | .277** | .372** | 0.103 | .706** | .631** | .449** | .439** | .330** | .447** | 1 | | | | | | | | | | | |
| Peer | .389** | .445** | 0.028 | .669** | .577** | .546** | .546** | .559** | .470** | .707** | 1 | | | | | | | | | | |
| Peer | -0.067 | -.127* | -0.026 | 0.059 | 0.068 | .224** | 0.033 | 0.071 | 0.087 | .125* | .126* | 1 | | | | | | | | | |
| Peer | .324** | .317** | 0.032 | .577** | .484** | .560** | .577** | .494** | .523** | .596** | .704** | .213** | 1 | | | | | | | | |
| Work Environment | .401** | .435** | .126* | .483** | .365** | .472** | .461** | .437** | .400** | .346** | .547** | 0.027 | .492** | 1 | | | | | | | |
| Work Environment | .253** | .216** | -0.027 | .325** | .466** | .301** | .313** | .212** | .245** | .348** | .444** | 0.095 | .453** | .361** | 1 | | | | | | |
| Work Environment | .413** | .377** | 0.082 | .541** | .598** | .474** | .484** | .348** | .408** | .425** | .534** | 0.097 | .525** | .474** | .576** | 1 | | | | | |
| Work Environment | 0.066 | .115* | -0.032 | .322** | .456** | .281** | .474** | .391** | .413** | .344** | .413** | 0.099 | .370** | .297** | .400** | .467** | 1 | | | | |
| Satisfaction | .274** | .326** | 0.012 | .395** | .431** | .408** | .464** | .411** | .400** | .379** | .493** | .266** | .395** | .453** | .371** | .414** | .413** | 1 | | | |
| Satisfaction | .133* | 0.087 | -0.107 | .111* | .252** | .276** | .390** | .405** | .333** | 0.087 | .308** | 0.009 | .267** | .212** | .373** | .294** | .325** | .353** | 1 | | |
| Satisfaction | .377** | .451** | 0.030 | .585** | .536** | .476** | .546** | .428** | .472** | .540** | .669** | 0.057 | .511** | .572** | .437** | .455** | .450** | .588** | .354** | 1 | |
| Satisfaction | .330** | .366** | 0.031 | .452** | .378** | .514** | .473** | .406** | .394** | .381** | .493** | .313** | .525** | .501** | .297** | .414** | .306** | .641** | .310** | .698** | 1 |

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

## 6.7 Regression Analysis

The model summary shows the total variability of the dependent variable that is clarified by the independent variable. ANOVA demonstrates if the complete model is significant or not. In this research, the model is significant as the significant value is 0.000 (sig =<.05). In coefficient, we will report Beta value, which shows the relationship between dependent and independent variable.

### Variables Entered/Removed[a]

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | EE, SS, WB, PP, WC[b] | . | Enter |

a. Dependent Variable: TT
b. All requested variables entered.

### Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | F Change | df1 | df2 | Sig. F Change |
|---|---|---|---|---|---|---|---|---|---|
| 1 | .743[a] | .551 | .544 | 2.06599 | .551 | 76.697 | 5 | 312 | .000 |

a. Predictors: (Constant), EE, SS, WB, PP, WC

### ANOVA[a]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 1636.837 | 5 | 327.367 | 76.697 | .000[b] |
| | Residual | 1331.717 | 312 | 4.268 | | |
| | Total | 2968.553 | 317 | | | |

a. Dependent Variable: TT
b. Predictors: (Constant), EE, SS, WB, PP, WC

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Lower Bound | Upper Bound |
| 1 | (Constant) | 3.237 | .541 | | 5.984 | .000 | 2.173 | 4.302 |
| | WC | .021 | .058 | .022 | .357 | .721 | -.093 | .134 |
| | SS | .153 | .066 | .101 | 2.312 | .021 | .023 | .283 |
| | WB | .220 | .045 | .237 | 4.870 | .000 | .131 | .310 |
| | PP | .191 | .053 | .210 | 3.585 | .000 | .086 | .296 |
| | EE | .314 | .050 | .345 | 6.305 | .000 | .216 | .412 |

a. Dependent Variable: TT

## 7. Discussion

Among the six factors, there were five independent variables that were used to conduct multiple regression analysis to determine the factors that influence employees' turnover rate for the model that has been selected. As depicted by the F - statistic, the whole model seems to be significant (Sig.000 ≤.05). The regression model described 55.1% of the variation in the dependent variable as indicated by the adjusted R square value. Three out of five independent elements had a substantial influence on employees' turnover ratio. These comprise simplification in Work - life Balance (b= 0.237; Sig= 0.000), Peers and Colleagues (b= 0.210; Sig= 0.000) and Work Environment (b= 0.345; Sig= 0.000). Not only these, but according to the study, Work Environment is the most important variable as beta value is the highest and the second most important variable is Work - Life balance of an employee. It can also be stated that Work - Culture is the least important variable that has an impact on employee turnover rate among the five factors as it has the lowest beta value (b= 0.022). In addition to these, it can also be stated that all the hypotheses are supported as per the analysis as all the beta values for the five factors are positive. The following results show that the modified model is reasonably effective and significant that explains the reasons for employees to be dissatisfied and leaving their jobs.

Although the report has been prepared carefully, there were certain limitations and shortcomings. Firstly, there were inadequate sources of information and the sample size was also low. Secondly, using real data were prohibited in certain area due to discretion. Lastly, majority of the employees are from MGH Group which tend to form a bias result.

In order to improve the retention rate, organizational leaders should be emphasizing on mutual commitment as this will craft the employees' development and fulfillment and will prepare them for future progress. Secondly, organizations should also focus on other influencing factors like work - life balance and work environment beside salary. They should be understanding that these factors in today's world plays an equal role for regulating employee's turnover rate. Organizations should be more flexible which will enable the employees to balance their personal and professional lives. Even focusing on a detailed work - environment will facilitate productivity and efficiency of the employees.

Lastly, there should be transparency among the peers to expedite a learning culture and beneficial exchange and the employees should be also involved in the decision - making process which will act as a sense of belongingness for them.

The coefficient of determination in the model shows that there are further factors that need to be analyzed to have an overall idea of the reasons for which employees are discontented at their workplace. Further research can be conducted by including other factors such as job security, fringe benefits and etc.

## References

[1] Markey, Raymond & Ravenswood, Katherine & Webber, Don. (2015). Quality of work environment and quitting intention: A dilemma. New Zealand Journal of Employment Relations.40.35 - 52.

[2] Isse, Hussein & Abdirahman, Hassan & iliyasu - shiyanbade, Najeemdeen & Abidemi, Bello & Binti, Roshidah. (2018). The Relationship between Job Satisfaction, Work - Life Balance and Organizational Commitment on Employee Performance.

[3] Bosomtwe, Theresa & Obeng, Bertha. (2018). The Link between Organizational Culture and Turnover Intention among Employees in Ghana. International Journal of Contemporary Research and Review.9.20951 - 20958.10.15520/ijcrr/2018/9/08/566.

[4] Kurniawaty, Kurniawaty & Ramly, Mansyur & Ramlawati, Ramlawati. (2019). The effect of work environment, stress, and job satisfaction on employee turnover intention. Management Science Letters.9.877 - 886.10.5267/j. msl.2019.3.001.

[5] Tews, Michael & Michel, John & Ellingson, Jill. (2013). The Impact of Coworker Support on Employee Turnover in the Hospitality Industry. Group & Organization Management.38.630 - 653.10.1177/1059601113503039.

[6] Card, David & Mas, Alexandre & Moretti, Enrico & Saez, Emmanuel. (2010). Inequality at Work: The Effect of Peer Salaries on Job Satisfaction. American Economic Review.102.10.1257/aer.102.6.2981.

[7] Shantha, A. Aruna. (2019). The Impact of Work - Life Balance on Job Satisfaction: With Special Reference to ABC Private Limited in Sri Lanka. Journal of Humanities and Social Sciences.3.97 - 108.

[8] Muhammad, Shahzad & Chaudhry, Muhammad & Sabir, Hazoor & Rafi, Nosheen & Masood, ☐ &

Kalyar, Nawaz. (2011). EXPLORING THE RELATIONSHIP BETWEEN SALARY SATISFACTION AND JOB SATISFACTION: A COMPARISON OF PUBLIC AND PRIVATE SECTOR ORGANIZATIONS. The Journal of Commerce.3.2218 - 8118.

[9] Lee, Byoung & Seo, dong - kwon & Lee, Jangtae & Lee, A - Ram & Jeon, Ha - Neul & Han, Dong - Uk. (2016). Impact of work environment and work - related stress on turnover intention in physical therapists. Journal of Physical Therapy Science.28.2358 - 2361.10.1589/jpts.28.2358.

[10] Khan, Alamdar & Nawaz, Muhammad & Aleem, Muhammad & Hamed, Wasim. (2014). Impact of job satisfaction on employee performance: An empirical study of autonomous Medical Institutions of Pakistan. JOURNAL OF INTERNATIONAL STUDIES.7.10.14254/2071 - 8330.2014/7 - 1/11.

[11] Bhatti, Ghulam & Nawaz, Muhammad & Ramzan, Beenish & Ullah, Sami. (2017). Impact of Peer Relationship and Organizational Culture on Organizational Commitment through Job Satisfaction: Moderating Role of Psychological Capital. Management and Administrative Sciences Review.6.145 - 160.

[12] Kossivi, Bodjrenou & Xu, Ming & Kalgora, Bomboma. (2016). Study on Determining Factors of Employee Retention. Open Journal of Social Sciences.04.261 - 268.10.4236/jss.2016.45029.

[13] Iqbal, Dr. Adnan. (2010). Employee Turnover: Causes, Consequences and Retention Strategies in Saudi Organizations. The Business Review, Cambridge.16.275 - 282.

[14] Chandani, Arti & Mehta, Dr Mita & Mall, Akanksha & Khokhar, Vashwee. (2016). Employee Engagement: A Review Paper on Factors Affecting Employee Engagement. Indian Journal of Science and Technology.9.10.17485/ijst/2016/v9i15/92145.

[15] Cottini, Elena & Kato, Takao & Westergaard - Nielsen, Niels. (2009). Adverse Workplace Conditions, High - Involvement Work Practices and Labor Turnover: Evidence from Danish Linked Employer - Employee Data. Institute for the Study of Labor (IZA), IZA Discussion Papers.18.10.1016/j.labeco.2011.07.003.

[16] Balaban, Özlem & Özsoy, Emrah. (2016). Effects of Workplace friendship on individual outcomes. Bartın Üniversitesi İktisadi ve İdari Bilimler Fakültesi.7.326 - 338.

[17] Girma, Niguse. (2019). The effects of organizational culture on turnover intention: The mediating role of job satisfaction, a case of Oromia Forest and Wild Life Enterprise. African Journal of Business Management.13.82 - 89.10.5897/AJBM2018.8612.

[18] Ongori, Henry. (2007). A review of the literature on employee turnover. African Journal of Business Man.1.49 - 54.

[19] Haggalla, Y., & Jayatilake, L. (2016, January 1). Study on Organizational Culture and Turnover Intention in International IT Firms in Sri Lanka. Study on Organizational Culture and Turnover Intention in International IT Firms in Sri Lanka.

[20] Alam, Aliya & Asim, Dr. Muhammad. (2019). Relationship Between Job Satisfaction And Turnover Intention. International Journal of Human Resource Studies.9.163.10.5296/ijhrs. v9i2.14618.

[21] Chair, Ira & Suyuthie, Hijriyantomi & Ferdian, Feri & Pasaribu, Pasaribu. (2019). THE INFLUENCE OF WORK ENVIRONMENT TOWARDS TURNOVER INTENTION OF EMPLOYEE OF 4 STAR HOTELS IN PADANG CITY. Journal of Business on Hospitality and Tourism.4.10.22334/jbhost. v4i2.120.

[22] Malik, Muhammad & Danish, Rizwan & Munir, Yasin. (2012). The Impact of Pay and Promotion on Job Satisfaction: Evidence from Higher Education Institutes of Pakistan. American Journal of Economics.2.6 - 9.10.5923/j. economics.20120001.02.

## Appendix:

Information related to Salary:
1) I receive the right amount of salary
2) I am being paid fairly in comparison to others

Information related to Work - Life Balance:
3) I am satisfied with the working hours and it fits my personal life
4) I can spend enough time on domestic activities
5) I am able to balance my work - life

Information related to Peers and Colleagues:
6) I feel encouraged by my supervisor to offer suggestions and improvements
7) There is a good team work and cooperation in my organization
8) I can communicate with members from all levels
9) My co - workers motivate me to perform better
10) Information related to Work - Culture
11) Recognition wins me respect
12) My work provides me with sufficient opportunities to learn and grow
13) I am encouraged to learn from my mistakes
14) I am satisfied with the work culture

Information related to Work - Environment:
15) My company has proper areas for taking a break from hectic workload
16) Lighting and visibility conditions are better
17) Proper equipment/software is available for making work easier
18) I have separate desk assigned that gives me proper privacy

Information related to Overall Job Satisfaction:
19) The management of the organization is supportive of me
20) The amount of work I am expected to finish each week is reasonable
21) My work is evaluated based on a fair system of performance standard
22) I am appropriately recognized when I perform well at my regular work

Personal Information:
23) Gender

24) Age
25) Income
26) Employment level
27) How often do you look for better opportunities