

## **The Relationship Between Organizational Culture and Employee Retention Strategies**

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### **ABSTRACT**

Every firm creates and upholds a distinct culture, which has an impact on how people act, feel, and think at work. The business world has changed due to the increased level of competition, and this has also affected the employees' perspectives. When unhappy with any aspect of their jobs, employees are prepared to change. The main purpose of study is to investigate the nature of the relationship between organization culture and employee retention was studied in this paper. With particular reference to three selected garment companies in Tirupur, Tamil Nadu State. Descriptive survey research design was adopted and the research hypotheses were tested using the Pearson Correlation Coefficient. The study worked with a population of 380 employees. The finding revealed that there is a significant positive relationship between Organization culture and the employee retention in Garment companies. The Correlation analysis test was applied through SPSS to find out the results of research. Some organizations retain the employees due to its Company brand, Salary and Management according to the managing with respect to guiding principles, Training and development programs, career development, work life balance, Employee Engagement, Training and development, job performance and work environment so on. Results indicated that nature of organization significantly effects on Job Satisfaction and turnover intentions. So the findings of research proved that organizational culture is important element which high positive correlation of the employee commitment and job satisfaction.

**Keywords:** *Organization Culture, Employee retention, job satisfaction, Employee commitment*

### **I. INTRODUCTION**

People develop within a culture that is ingrained in them deeply and with which they can identify as they go about their daily lives. It basically refers to the setting in which workers perform to the best of their abilities and has an impact on every area of a business. It can be seen in how people carry out tasks, create goals, and

manage the resources required to reach those goals. If an organization's culture is not in line with its mission, core values, and operational strategy, it may be a serious liability. Culture affects how personnel behave, how they work, and how much risk-taking they are willing to do. The attitudes, conventions, and beliefs that led to these

behaviors have impacted the culture of the organization.

Workers are an organization's most valuable resource, and whether an organization succeeds or fails depends on how brilliant or excellent its culture is their ability to attract, and retain talented and competent employees. Employing competent and talented personnel will help firms acquire a competitive market advantage. Talented personnel must be retained if the company is to expand and succeed over the long run. An organization makes an effort to keep a work climate that encourages present employees to stick around. The challenges of integrating work and family life is a part of everyday reality for majority of workforce. Employees work hard to strike a balance to fulfil the demands of the working life and meeting the commitments of family life. Those who fail to do so they either quit the organization thereby increasing the rate of attrition or become less productive. In the personal front also they feel unhappy. At this cross road organizational culture plays a crucial role to support the employees; high culture has a mediating effect to link the Work Life Policies and practices with talent retention. (Subhasree Kar & K. C. Misra 2013) Employee retention (ER) is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Even though ER has now become a tough task, it is beneficial for the organization as well as the employee. (K. Sandhya and D. Pradeep Kumar 2011). It is very necessary for an organization to establish an organizational culture to maintain its position in market. The organizational culture must be developed which may provide support to an organization and bring continuous improvement. The culture of an organization is very important for the progress of an organization because it impacts on employee commitment and their retention as well (Salman Habib & Saira Aslam 2014).

## **II. OBJECTIVES OF THE STUDY**

- To find out the relationship between organizational culture and employee retention strategies.

## **III. REVIEW OF LITERATURE**

Retaining qualified and skilled employees is always a challenge for organizations in facing competition. Based on the results of this research, it can be concluded that Compensation has a positive impact on Job Satisfaction and Employee Retention (Retno Sari Murtiningsih 2019) Organizational culture and climate capture the meaning employees derive from cues in their work environment. The interaction between individuals and their work environment has important implications for employees' attitudes and behaviours, which in turn have direct effects on employee turnover (Mark G. Ehrhart, Maribeth Kuenzi 2017) Organizational culture influences employee's job satisfaction, and in prior studies, high job satisfaction has been associated with better job performance. High performing cultures have also been shown to produce excellent results, attract, motivate, and retain talented employees, and adapt readily to change. (Medina, Elizabeth 2012) Employee turnover is a common phenomenon which many organizations are facing today. Organizations invest immensely in recruiting and developing their employees. Hence employee turnover is a potential loss for any firm. HR managers try to prevent the employee turnover by implementing effective retention strategies (Leena James and Lissy Mathew 2012) organizational culture given its influence on employees' job satisfaction, organizational commitment and turnover intention. With the impact of globalisation, there is increased competition and pressure to improve productivity and efficiency of all sectors in particular banking and finance (A Aldhuwaihi & H Shee 2017) Organisation plays vital role in retaining the employees' in the company, for long period of time. culture is the assumptions of the behaviour within the organisation; further he categories organisational culture in three categories such as visible artefact, values, and organisational workforce. These three assumptions are helpful to understand organisational culture (HS Chahal, M Poonam 2017). For employees at the operational level, perceived organizational culture is a more important factor than job satisfaction. On the

other hand, for employees at management level, job satisfaction is more important than perceived organizational culture. Stress has no effect on the employee retention of both levels. The results of this study shed light on using tools to support the retention of skilled hotel employees Puangpen Churintr(2010).Moderating role of organizational structure in the relationship between SHRM and academic staff retention. Without qualified and committed academic staff, no academic institution can ensure sustainability and quality over the long term. Therefore, it is critically important to retain this cadre of staff and prevent constant mobility. This study focuses on strategic recruitment, strategic training and career development, strategic compensation practices, work-life balance and strategic performance management (Vu, Hieu Minh & Chijioke Nwachukwu 2020) Correlation analysis shows that all the dimensions of organizational culture correlate positively with work engagement dimensions. As work engagement is shown to relate to several positive work outcomes, it makes sense for organizations to increase their employees' levels of work engagement by addressing and improving organizational culture. The scientific understanding of the potential relationship between these constructs extends organizational culture and work engagement (Naidoo, P., & Martins, N. 2014)

#### **IV. METHODOLOGY**

This study is based on the results of a questionnaire by the Organizational culture and employee retention strategies of the Study Group of three garment companies. The research data used are primary data collected through questionnaires distributed to 380 employees that meet the minimum sample size requirement. Using a simple random method, a sample of size  $n$  is taken from a population of size  $N$  with an equal chance of being chosen for each possible sample of size  $n$ . This method actually based the selection of the sample on randomness. Although random sampling is more simpler, it is frequently employed for data collection. It is chosen so that arbitrary representatives of high, medium, and lower level employees can freely answer the surveys. Because they were not coerced into providing information, they may deliver impartial results that are fair. In Reliability analysis the calculated Cronpach's Alpha value for relationship between organizational culture and employee retention' is 0.703

#### **V. DATA ANALYSIS AND INTERPRETATION**

A correlation is a single number that describes the direction and the degree of relationship between two variables. The most common correlation coefficient is the Pearson correlation coefficient.

#### **Table 5.1 Correlation between organizational culture and Employee retention**

		SER	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10	S11
<b>SER</b>	Pearson correlation	1											
	Sig.(2tailed)												
	N	380											
<b>S1</b>	Pearson correlation	.277**	1										
	Sig.(2tailed)	.000											
	N	380	380										
<b>S2</b>	Pearson correlation	.086	.213**	1									
	Sig.(2tailed)	.094	.000										
	N		380	380									
<b>S3</b>	Pearson correlation	.226**	.481**	.186**	1								
	Sig.(2tailed)	.000	.000	.000									
	N	380	380	380	380								
<b>S4</b>	Pearson cor	.105	.201**	.195**	.426**	1							
	Sig.(2tailed)	.040	.000	.000	.000								
	N	380	380	380	380	380							
<b>S5</b>	Pearson cor	.182**	.009	.078	.013	-.033	1						
	Sig.(2tailed)	.000	.862	.130	.806	.525							
	N	380	380	380	380	380	380						
<b>S6</b>	Pearson cor	.082	.181**	.048	.156**	.028	.188**	1					
	Sig.(2tailed)	.089	.000	.354	.002	.586	.000						
	N	380	380	380	380	380	380	380					
<b>S7</b>	Pearson cor	.141	.054	.120*	.028	.078	.106	.295**	1				
	Sig.(2tailed)	.006	.292	.019	.589	.128	.052	.000					
	N	380	380	380	380	380	380	380	380				
<b>S8</b>	Pearson cor	.217**	.273**	.104*	.351**	.155**	.094	.299	.224**	1			
	Sig.(2tailed)	.000	.000	.044	.000	.002	.067	.000	.000				
	N	380	380	380	380	380	380	380	380	380			
<b>S9</b>	Pearson cor	.079	.039	.193**	.298**	.089	.021	.081	.166**	.243**	1		
	Sig.(2tailed)	.127	.445	.000	.000	.082	.679	.113	.001	.000			
	N	380	380	380	380	380	380	380	380	380	380		
<b>S10</b>	Pearson cor	.188**	.204**	.267**	.177**	.163**	-.027	.075	.189**	.471**	.271**	1	
	Sig.(2tailed)	.000	.000	.000	.001	.001	.599	.145	.000	.000	.000		
	N	380	380	380	380	380	380	380	380	380	380	380	
<b>S11</b>	Pearson cor	.283**	.092	.193**	.093	.096	.050	.086	.220**	.123**	.444**	.352**	1
	Sig	.000	.000	.000	.071	.062	.329	.092	.000	.017	.000	.000	
	N	380	380	380	380	380	380	380	380	380	380	380	380

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

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

- OC & ER –Salary
- S1 – Work life balance
- S2 – Working Environment
- S3 – job satisfaction
- S4 – Team orientation
- S5 – Employee Engagement
- S6 – Job Performance
- S7 – Employee communication
- S8 – Training and Development
- S9 – Career Development
- S10 – Exit Interview
- S11- Employee Commitment

### **Correlation Interpretation**

Strategies followed to retain the Employees in garment industry, Variables related to Employee retention, Salary, Work Life balance, Work Environment, Job satisfaction, team Orientation, Employee Engagement, Job Performance, Employee communication, Training and development, career development, Organizational values and Employee commitment.

### **Work life balance having Positive correlation with other variables at 1% level of Significance**

The above table 5.1 reveals that, Work life balance having high Positive correlation at 1% level of Significance among the variables exist between Work life balance and Salary with a Pearson value of 0.277. Further next level Positive relationship between Work life balance and job satisfaction, Employee Engagement, Training and Development, Exit interview and Employee commitment with a Pearson value of 0.226, 0.182, 0.217, 0.188 and 0.283 respectively.

### **Working environment having Positive Correlation with other variables at 1% level of significance**

The above table 5.1 reveals that, Working Environment having high Positive correlation at 1% level of Significance among the variables exist

between working Environment and work life balance with a Pearson value of 0.213. Further next level Positive Relationship with job satisfaction, team orientation, job performance Training and development and Exit interview with a Pearson value of 0.481, 0.181, 0.201, 0.181, 0.273, 0.204 respectively.

### **Job satisfaction having positive correlation with other variables at 5% and 1% level of significance**

The above table 5.1 reveals that, comparatively high Positive correlation at 1% level of Significance among the variables exist between, Job Satisfaction and Salary, Work life balance, Work Environment with a Pearson value of 0.266, 0.488 & 0.186. Further next level positive relationship between team orientation, Exit Interview and Employee commitment with a Pearson value of 0.195 and 0.267 respectively.

Employee communication, Training and development have high positive correlation at 5% level of significance with Pearson value of 0.120 & 0.104.

### **Team orientation having positive correlation with other variables at 1% level of significance.**

The above table 5.1 reveals that, comparatively high Positive correlation at 1% level of Significance among the variables exist between work life balance, Work Environment, job Satisfaction with a Pearson value of 0.201, 0.195 & 0.426. Further next level positive relationship between job performance, Training and development and Exit Interview with a Pearson value of 0.156, 0.351 and 0.177 respectively.

### **Employee Engagement having positive correlation with other variables at 1% level of significance.**

The above table 5.1 reveals that, comparatively high Positive correlation with

Salary at 1% level of significance with a Pearson value of 0.182. Training and development, Career development and Exit interview with a Pearson value of 0.155, 0.298 and 0.163 respectively.

**Job performance having positive correlation with other variables at 1% level of significance.**

The above table 5.1 reveals that, comparatively high Positive correlation at 1% level of Significance among the variables exists between work life balance, job satisfaction and Employee engagement with a Pearson value of 0.188, 0.181 and 0.156 respectively.

**Employee communication having positive correlation with other variables at 5% and 1% level of significance.**

The above table 5.1 reveals that, Employee Communication having high Positive correlation with work Environment at 5% level of Significance with a Pearson value of 0.120. Employee communication having high positive correlation with job Performance at 1% level of significance with a Pearson value of 0.295.

**Training and Development having positive correlation with other variables at 1% level of significance.**

The above table 5.1 reveals that, Training and development having high Positive correlation between salary, work life balance, job satisfaction, team orientation, Employee communication and Employee Commitment at 1% level of significance with a Pearson value of 0.217, 0.273, 0.351, 0.155, 0.224, 0.166 and 0.220.

Work Environment high positive correlation with job Performance at 5% level of significance with a Pearson value of 0.104.

**Career development having positive correlation with other variables at 1% level of significance.**

The above table 5.1 reveals that, Career development having Positive correlation with work environment and Job satisfaction at 1% level of significance with a Pearson value of 0.193 and 0.298 respectively.

**Exit Interview having positive correlation with other variables at 1% level of significance.**

The above table 5.1 reveals that, Exit Interview having Positive correlation with Salary, Work life balance, working Environment, Job satisfaction Team Orientation, Employee communication, Training & Development and Career Development at 1% level of significance with a Pearson value of 0.188, 0.204, 0.267, 0.177, 0.163, 0.189, 0.471 and 0.271 respectively.

**Employee commitment having positive correlation with other variables at 1% level of significance.**

The above table 5.1 reveals that, Employee commitment having Positive correlation with salary, working Environment, Employee Communication, training & development, career development and Exit Interview at 1% level of significance with a Pearson value of 0.283, 0.193, 0.220, 0.123, 0.444 and 0.352 respectively.

**VI. DISCUSSION AND IMPLICATIONS**

The study sought to examine the nature of relationship that exist between organizational culture and the employee retention in garment company (Chidinma Vivian Madueke 2017) This is in line with result of (Delle and Kumasey 2013) who found that organizational culture particularly one involving strong innovative culture are capable of making employees stay with their current organization. The perceptions of Organisation Culture are also the factors measured to know the existing levels of retaining an employee in an organisation. The findings reveal that Organisational Culture has high positive correlation on Employee Retention than Continuance Commitment and Normative Commitment. This implies that the employees of

the organisation have more positive perception regarding organisational culture (Anitha, J &N. Farida Begum 2016)

## VII. LIMITATIONS AND FUTURE RESEARCH

Company culture is the most important aspect of job satisfaction as employees decide whether to stay or leave. Studies show that a toxic culture in the workplace is 10 times more meaningful than compensation when an employee decides to leave their job. Effective employee retention is associated with a healthy work environment and a successful management style.

Moreover, employee retention allows a company to maintain a steady, uninterrupted workflow and a constant productivity rate. It creates a safe work environment where people work efficiently not out of fear of losing their job but out of genuine good cooperation with a well-navigated team. As the factors of employee retention salary, career growth, supervision, interpersonal relationship and satisfaction at the work itself are related with external and internal adaptation; Organization culture seems to have an influence on employee retention. This is even confirmed through study that organizational culture values will have a significant influence on retention rates (Sheridan, 1992). Finally, organizations need to be possessive about the employees; as they are the most important assets for the company. Investigating these factors in more detail would provide a fruitful extension to the present framework.

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