AN EMPIRICAL RELATIONSHIP BETWEEN EMPLOYEE MORALE AND EMPLOYEE RETENTION

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INTRODUCTION

Employees stay or leave organizations for many reasons, including the personal and professional issues. Employees who are happy with their jobs are more dedicated and work for an organization's growth. If employees satisfy at their jobs, then they will stick and work for the organization. Job satisfaction is a critical component of employee retention, which can only achieve by making employees physically and psychologically comfortable. Employees' Job satisfaction plays a vital role in organization success.

EMPLOYEE RETENTION

People-Management Magazine (2006) retention also saves several costs such as hiring, replacement, training, efficiency, and productivity. There are several benefits in terms of employee retention but many disadvantages regarding employees' turnovers. So, it is worthy to note that a silent but significant profit killer is turnover. So, a mental pathway must be clearly established through high performance, achievements and rewards obtainable.

In most cases, companies want to hold onto their employees to prevent these five detrimental factors from occurring:

- High employee turnover costs
- Low engagement
- Poor customer service
- Low efficiency
- Negative cultural changes

The importance of employees in a company is beyond doubt. This is because they play an important role in helping the company to generate revenue, maintain product innovation, and ensure the company's viability and sustainable operations. Therefore, the contribution of employees cannot be neglected. However, in today's work environment, retaining good, experienced, and qualified employees poses a real challenge for the company. Failure to retain such employees affects the company's long-term health and success.

REVIEW OF LITERATURE

Kavitha M, (Sep/2017**)** Factors Influencing Employee's Job Satisfaction - An Empirical Study Among Employees of IT Sectors in Chennai City..International Journal of Applied Business and Economic Research, Vol.15 (2017).ISSN : 0972-7302. The main aim of this study is to identify the perceptual difference of Employees with respect to the job satisfaction of the firm and to find out the factors determining Job Satisfaction of employees in the firm. Finally, To measure the impact of job satisfaction of employees. The researcher used Simple random

sampling technique has been used for analysis. Sample size of the study consists of 100 respondents. The results shows that monetary factors of salary and Non-monetary factor training and development influenced employees to get job satisfaction. Finally it concludes that job satisfaction is the main factor to increased wealth of the firm and to feel happiness to the employees.

Siqi Pan (2021) Employee Retention, Job Performance and HR Practices: A Study Of E-Commerce Industry. Graduate Business School, UCSI University, Malaysia.Vol (2) Issue (8) Employee retention has always been one of the main issues for organizations as it affects their long-term planning, productivity and efficiency. The main aim of this research is to investigate the issues with regards to employee retention, job performance and human resources practices in the internet industry in Jiangsu, China. Specifically, this study examines the following research objectives: (i) the relationship between training and development and employee retention, (ii) the relationship between salary and employee retention (iii) the relationship between performance appraisal and employee retention (iv) the relationship between competitive pay and employee retention, and (v) job performance mediates the human resources practices and employee retention. A questionnaire survey was conducted in Jiangsu, China where 222 respondents participated in this survey. Data collected were subsequently analysed using SPSS and SmartPLS.

CuongNyugen(2021) Employee Retention: Do Training and Development, Job Satisfaction and Job Performance Matter?The 4th International Conference on Business Ho Chi Minh City Open University, HCMC, Vietnam. Employee retention is one of the key aspects of human resource management in corporations. The authors' purpose in developing this paper is to assess the relationship between training and development, employee performance, job satisfaction, and employee retention. The researcher employed a quantitative design with a sample size of 300 employees in Vietnam. The research method includes correction analysis and exploratory factor analysis (EFA). The findings confirm that there was a positive correlation between training and development and employee retention ($r = 0.647^{**}$, $p < 0.01$), job satisfaction positively affects employee retention ($r = .589^{**}$, $p < 0.01$) and job performance positively affect employee retention ($r = .546^{**}$, $p < 0.01$). This study provides additional empirical evidence for employee retention research and could help Vietnamese organisations retain their employees.

WinotoHadi(2021). Foreman's Job Satisfaction with The Company Loading And Unloading Containers In Dki Jakarta. International Journal of Advanced Research (IJAR).(Volume 9, Number 8. The market share of sea transportation of goods in the world is eighty percent using containers. Indonesia is also one of the countries that use containers as a means of exporting, and importing goods. The high flow of containers must be supported by competitive human resources, and one of them is Foreman. The results of observations, and preliminary studies show that foremen feel dissatisfied at work. This encourages the need for an in-depth study on job satisfaction. This study aims to develop a model of job satisfaction for foremen in container loading and unloading companies through analysis of the influence of work stress, occupational health and safety (OHS), work competence on work motivation, and the impact of foreman job satisfaction on container loading and unloading companies in DKI Jakarta. This study uses a quantitative method with a descriptive approach The total population is 82 foremen. The data was processed using the Partial Least Square-Structural Equation Model (PLS-SEM).

AlkhalielAdeeb Abdullah(2021) Factors Influencing Employee's Turnover Intention : A Study On Five Star Hotel Employees In The Riyadh City Of Saudi Arabia. Journal of Contemporary Issues in Business and Government (Vol. 27, No. 2,). The Employee's turnover is mostly arise in the hotel industries due to the lack of training, poor remuneration, job stress, and the incapability of the management. It is the decision of the employees to continue with their service by taking into consideration of the factors such as job satisfaction, working atmosphere, training and development, promotional prospects offered by the management. The population of the study includes 266 working staff in five star hotels in Riyadh city.

Htun, W.T(2022) Employees Job Satisfaction and Retention at Workplace. Lincoln University College, Malaysia. (Vol. 6, No. 3, 2022) All companies rely on effective management of human resource. Satisfied employees are the backbone of the business. Dissatisfied workers intended to leave the job as early as possible, or change to other workplace or professionals. The increase rate of employees' turnover becomes the thread for all organizations. The employees' satisfaction and retention link directly with each other. When the employees satisfy their jobs, they become motivate, and stay in organization for long-term. The satisfied workers are the great assets and also the retention reduces the extra costs of recruitment, selection, and training. The current study analyzes the employees' satisfaction and retention among the middle-level management employees at Sugar factories in Myanmar.

CicihRatnasih.(2022) The Impact of Job Satisfaction on Employee Performance (The Case of Construction Companies in Indonesia). International Journal of Scientific and Management Research. (Volume 5, Issue 7, 2022) This research discusses what variables can affect employee job satisfaction and have an impact on employee work. The variables are conflicts of roles, authorities, job satisfaction, and performance. The purpose of this study is to find out how much direct and indirect influence on the performance of employees of construction companies. The analysis method used is path analysis, this is considered more suitable for primary data taken with research instruments in the form of questionnaires to respondents who are in these companies. The results of the research obtained are conflicts of roles and authorities that have a direct influence on job satisfaction and have a direct and indirect influence on performance. Meanwhile, job satisfaction has a direct impact on employee performance, therefore construction companies are expected to pay attention to employee job satisfaction, to improve employee performance, which is expected by the company.

Faisal Sheraz (2022). Employee's Retention and Job Satisfaction: Mediating Role of Career Development Programs. Mediating Role of Career Development Program. (Volume XIV, Number 2) The aim of the research study was to analyze the significance of career development program on employees' retention and job satisfaction at telecom sector. A questionnaire consisting of close ended questions rated specifically on 5-point Likert's scale is adopted and conducted on 206 employees working in telecom sector. In the study of concern variables, the input obtained from the evaluation of the survey results was interpreted by using SPSS statistics software and process macro. The study revealed a significant relationship between career development program and employee's retention and job satisfaction. It was found that CDP as a mediating variable helped to explain the relationship among the different variables. The objectives of the study were to find out the relationship and mediating effect among career development program on employees' retention and job satisfaction.

OBJECTIVES OF THE STUDY

1. To study the factors determining employee Morale on IT sector
2. To analyse impact of employee Morale on Employee retention

HYPOTHESES OF THE STUDY

1. There is no significant difference among the factors determining employee Morale on IT sector
2. There is no significant impact of employee Morale on Employee retention

INFLUENCE ON EMPLOYEE MORALE ON EMPLOYEE RETENTION

The Employee Morale insists of eight variables and it subsequent influence over Employee retention is measured through linear multiple regression analysis. The results are shown below

Table 1 Model Summary for Employee Morale

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.992(a)	.983	.983	.13084296

a Predictors: (Constant), F7, F4, F3, F5, F6, F1, F2

Source –Computed data

In view of the above, it can be presumed that the R=.992 R square = .983 and adjusted R square .983. It can be established that the Employee Moralevariable create 96% variance over the Employee retention. The cumulative influence of seven variables of Employee Moraleover Employee retentionis analysed through the following one way analysis of variance.

Table 3 ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	490.594	8	61.324	3582.050	.000(a)
	Residual	8.406	491	.017		
	Total	499.000	499			

a Predictors: (Constant), F7, F4, F3, F5, F6, F1, F2

b Dependent Variable: Employee retention

Source –Computed data

It was indicated in the above table f=3582.050 p=.000 are statistically significant at 5% level. This presumes all the eight variables cumulatively responsible for Employee retention. The individual influence of all this seven variables is clearly presented in the following co-efficient table.

Table 3Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	-2.847	.023		-123.014	.000
	Leadership	.016	.028	.020	.593	.553
	Recognition	.081	.027	.102	3.034	.003
	Monetary benefits	.311	.021	.350	14.499	.000
	Work culture	.024	.024	.029	.988	.324
	Career development	.083	.019	.115	4.382	.000
	Work life balance	.075	.024	.093	3.150	.002
	Work load	.058	.013	.075	4.581	.000

a Dependent Variable: Employee retention

Source –Computed data

It was obtained in the above table Recognition(Beta=.102, t=3.034, p=.003), Monetary benefits(Beta=.350, t=14.499, p=.000), Career development(Beta=.115, t=4.382, p=.000), Work life balance(Beta=..093, t=3.150, p=.002), Work load(Beta=.075, t=4.581, p=.000) are statistically significant at 5% level. This indicates that theMonetary benefits is one of the main factor that influence the employee to be Employee Morale and this leads to Employee retention in the IT sector.

FINDINGS AND CONCLUSIONS

It is no secret that employees with good morale levels have a better perspective regarding their work. They feel more secure in their role, inspiring them to work hard and accomplish more as a team. They have a shared vision and know teamwork is the best way to ensure their company's long-term success. There are various factors determining employee morale in the IT sector. There are work life balance, work load, career development, Monetary benefits, Recognition, work culture and leadership. Monetary benefits are one of the main factors that influence the employee to be Employee Morale and this leads to Employee retention in the IT sector. There is a positive relationship between Employee Morale and Employee retention. Employee retention motivated the employees to be productive and its reflect the impact on organizational profitability.

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