

Quality of Work and Employee Retention : A Study of Service and Manufacturing Industries of Gwalior Region

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In present era where for organizations the one of the major problem is retention of good employee. For this purpose the organizations are taking measures to retain the employees. The present study is designed to examine the impact of quality of work life on employee retention in service and manufacturing industries of Gwalior region. Quality of work life can be defined as the assumption which makes a job more than just a job, it refers to improved quality of work and work culture. For the purpose of study sample of 100 employees were taken out of which 50 were from manufacturing sector and 50 were from service sector. The sampling was convenience sampling. Self designed questionnaires were used to collect data regarding QWL and employee retention. The questionnaire was designed on likert type scale where 1 stands for minimum agreement and 7 stands for maximum agreement. For data analysis ITC, reliability, factor analysis, correlation and regression analysis was used. The study revealed the positive impact of QWL on employee retention.

Introduction

In this global and fast moving business world the most serious problem that the organizations are facing is of attrition or says low retention. various organizations have developed their own strategy to tackle this problem and one of these strategies is to develop humanitarian aspects related to job other name given to it is quality of work life. Employee Retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. Corporate is facing a lot of problems in employee retention these days. Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring. There is no dearth of opportunities for a talented person. There are many organizations which are looking for such employees. If a person is not satisfied by the job he's doing, he may switch over to some other more suitable job. In today's environment it becomes very important for organizations to retain their employees.

The success of any organization depends on how it attracts recruits, motivates, and retains its workforce. Organizations need to be more flexible so that they develop their talented workforce and gain their commitment. Thus, organizations are required to retain employees by addressing their work life issues.

The elements that are relevant to an individual's quality of work life include the task, the physical work environment, social environment within the organization, administrative system and relationship between life on and off the job. Quality of work life refers to the favorable or unfavorable conditions that the environment of the organization has. It deals with feelings, aspirations and opportunities that an organization provide to its employees. A definition of QWL criteria first proposed by Walton in 1973 still appears relevant today: (a) adequate and fair pay; (b) safe environment; (c) bill of rights, including equity and due process; (d) development of human capacities; (e) advancement opportunities; (f) human relations; (g) total life space, for example, balance of work and family; (h) social relevance of employer; and (i) employees' influence over decisions that affect them. Quality of work life can also be defined by several principles: security, equity, democracy, and individuation.

The Quality of work life can also be defined as the assumption which makes a job more than just a job, it refers to improved quality of work and work culture. It has different meaning for different people. For some people it means industrial democracy and for some it means improved psychological aspects of work. Quality of work life is conceptually similar to well being of employees but differs from job satisfaction which solely

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represents the workplace domain (Lawler, 1982). The term QWL was introduced in the late 1960s as a way of focusing on the effects of employment on health and general well-being and ways to enhance the quality of a person's on the job experience. QWL is much broader and more diverse than organizational development, in ensuring adequate and fair compensation, safe and healthy working conditions, opportunities for personal growth and development, satisfaction of social needs at work, protection of employee rights, compatibility between work and non-work responsibilities, and the social relevance of work-life (Walton, 1975; Davis & Cherns, 1975).

There are three distinctive elements of QWL related interventions: (1) a concern about the effect of work on people as well as organizational effectiveness, (2) the idea of worker participation in organizational problem solving and decision making, and (3) the creation of reward structures in the workplace which consider innovative ways of rewarding employee input into the work process such as gain sharing, etc (Lawler, 1982).

Quality of work life is a philosophy, a set of principles which holds that people are the most important resource in the organization as they are trust worthy, responsible and capable of making valuable contribution and they should be treated with dignity and respect (Straw and Heckscher, 1984). Quality of work life is not a unitary concept, but has been seen as incorporating a hierarchy of perspectives that not only include work based factors but also factors that broadly reflect life satisfaction and general feeling of well being (Danna and Griffin, 1999). Quality of work life affects the quality of work performance (Elizur and Shye, 1990). Taylor (1979) identified the essential components of quality of work life as basic extrinsic job factors of wages, hours and working conditions, and the intrinsic job notions of the nature of work itself.

Quality of work life is associated with satisfaction with wages, hours and working conditions, describing the "basic elements of a good quality of work life" Mirvis and Lawler (1984). Sirgy et al. suggested that the key factors in quality work life are need satisfaction based on job requirements, need satisfaction based on work environment, need satisfaction based on supervisory behavior, need satisfaction based on ancillary programmes, organizational commitment. K Mallikarjunan (2005) stated that to retain employees each employer should keep his workforce fully satisfied with no room for disgruntlement. There should be a bunch of other competitive facilities, including better pay and benefits like bonuses, etc. Employers should also create a warm atmosphere and friendly culture at the workplace so that each employee feels recognized for his performance, appreciated for his quality of work and rewarded for his share of responsibility. Quality of Working Life is not a unitary concept, but has been seen as incorporating a hierarchy of perspectives that not only include work-based factors such as job satisfaction, satisfaction with pay and relationships with work colleagues, but also factors that broadly reflect life satisfaction and general feelings of well-being (Danna & Griffin, (1999)

Staff retention has become an increasingly elusive matter as globalization has impacted economies all over the world. Advances in technology allow for employees to pursue jobs offering more competitive employment compensation and benefits packages than the jobs employees currently have. This capability is changing the way companies look at their approach to hiring new employees and retaining those employees. Tight competition for key talent. For many firms, "surprise" employee departures can have a significant effect on the execution of business plans and may eventually cause a parallel decline in productivity. This phenomenon is especially true in light of current economic uncertainty and following corporate downsizings when the impact of losing critical employees increases exponentially (Caplan and Teese, 1997; Ambrose, 1996; Noer, 1993). Research shows that the working population can be divided into several categories like people who are engaged (loyal and productive), those who are not engaged (just putting in time), and those who are actively disengaged (unhappy and spreading their discontent). Thus, as noted by Marcus Buckingham, SVP Gallup and author of "First Break All the Rules", even in the "best of times", (i.e. the late 1990's), only 26 per cent of the working population is fully engaged in their work. The rest of the population is either "not engaged" (55 per cent) or "actively disengaged" (26 per cent. (Buckingham and Coffman, 1999).

In today's turbulent workplace, a stable workforce becomes a significant competitive advantage. If an organization has unstable workforce conditions, it's forced to invest thousands of dollars in recruiting, orienting, training, overtime and supervision. Those dollars come right off the 'bottom line' (Reichheld,

2001; Dibble, 1999; Herman, 1999.

Objectives of study:

- To standardized and measure the Factor affecting Quality of Work Life.
- To standardized and measure the Factor affecting Employee Retention.
- To analyse the impact of Quality of Work Life on Employee Retention in the organization.
- To open new vistas for future research

Research Methodology

The study was exploratory in nature . in this convenient sampling method was used to carry out the research. Individual respondents from Crompton greaves, J.B.Mangharam, J.K.tyre, Idea,HDFC,Airtel were taken as sampling elements. Total 100 respondents were selected out of which 50 were from service sector and 50 were from manufacturing sector. Self designed questionnaires were used for evaluating quality of work life and employee retention. The data was collected on 7 point likert scale was used where 1 stands for minimum satisfaction and 7 stands for maximum satisfaction

For data analysis item to correlation was used to check internal consistency of the questionnaire.factor analysis was applied to find out underlying factors in the questionnaire . Regression was applied to find out the impact of quality of work life on employee retention.

Results:

Consistency measure of quality of work life and employee retention of all the questionnaires was checked through item to total correlation.the items which were consistent were used for further analysis

FACTORANALYSIS

Factor analysis of employee retention and quality of work life is given as under

Employee Retention :

S.No	Factor Name	Eigen Total	Value % Variance	Statement	Loading				
1	Involvement	5.970	39.803	5.Sharing With Management	.823				
				2. Satisfaction	.787				
				4. Decision Making	.762				
				6. Job Requirement	.739				
				3. Working Efficiency	.724				
				1. Motivation	.719				
				8. Enthusiasm	.553				
				10. Employee Example	.498				
				2	Motivation	2.117	14.116	13. Know Work	.864
								12.Problem Solution	.859
14. Reward	.841								
15. Behavior	.668								
11. Acknowledgement	.217								
3	Authority and Responsibility	1.285	8.568	9. Responsibility	.627				
				7. Initiatives	.553				

Quality of work life

S.No	Factor Name	Eigen Total	Value % Variance	Statement	Loading
1	Cooperation with learning	4.602	30.677	11.co-workers	.895
				12.interest	.758
				10.training	.694
2	Security and benefit	1.686	11.242	15.non monetary	.694
				13. job security	.865
				14.role and responsibility	.789
				5.medical visit	.457
3	Job facilities	1.686	11.242	8.interaction	.757
				6.insurance	.735
				7.decesion	.616
				9.looking for job	.613
4	Perception for life	1.233	8.220	2. Peace	.782
				3.future looking	.694
				4. upset mood	.602
				1. decision	.574

Regression Analysis

the regression is calculated by taking the total of quality of work life and employee retention by using SPSS software. In this analysis quality of work life was taken as independent variable and employee retention was taken as dependent variable

Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	36.026	6.606		5.453	0.000
	QWL	0.566	0.085	0.559	6.674	0.000

a. Dependent Variable: EMPRET

$Y = a + bx$

$Y = 36.026 + 6.674X$

X= Quality of Work Life (Independent Variables)

Y=Employee Retention (Dependent Variables)

The Linear regression was applied between Quality of Work Life (Independent Variable) And Employee

Retention (Dependent Variables). The Result of regression indicates that Independent variable Quality of Work Life has impact on the dependent variable. Hence we can say that there is impact of Quality Of Work Life on Employee Retention. this fact was also observed in various research that the various factors which affect working conditions, salary, work timings, job facilities, benefits etc affect in one or the other way the staying of employee or employee loyalty. Our research is also suggesting the same idea that quality of work life has impact on employee retention in organization.

Discussion of the factors which evolved

1. **Involvement** : This factor emerged as the most important determinant of Employee Retention. Unhappy people can seriously affect employee morale. Whether they leave or not, disaffected workers can damage the attitudes of other workers (Caplan and Teese, 1997). Negative feelings impact the quantity and quality of work, absenteeism and tardiness, cooperation with supervisors, and a company's ability to attract desired applicants. Reasons for employee departures cited in major research studies, are, in descending order (Buckingham and Coffman, 1999; Kaye and Jordan-Evans 1999; Kreisman, 2002) are Not able to impact the organization's goals, mission, Frequent reorganizations; lack of control over career, Employee/organization values misalignment, Unclear expectations, Lack of flexibility; no 'whole life balance, Salary/benefits. Research indicates that turnover is actually an evolutionary process by which employees gradually discover (some more quickly than others) what the organization is like and what kind of relationship they are in—with their manager, peers, etc.—and they make a choice accordingly to stay or leave (Dibble, 1999; Kreisman, 2002). however, that the primary influencer of a person's decision to stay or depart from an organization, is the direct relationship between the manager and employee. (Buckingham and Coffman, 1999; Kaye and Jordan-Evans, 1999; Kreisman, 2002; Herman, 1999).
2. **Motivation** : This is one of the important factors which affect the Employee Retention Why employees said they left the Organization are Poor management/leadership, Inability to use core skills (type of work not stimulating/challenging), Feeling unappreciated; not valued Lack of development; no career opportunities, frequent reorganizations, Kreisman(2002)
3. **Authority and accountability** : This is one of the important factors which affect the Employee Retention however, that the primary influencer of a person's decision to stay or depart from an organization, is the direct relationship between the manager and employee. (Buckingham and Coffman, 1999; Kaye and Jordan-Evans, 1999; Kreisman, 2002; Herman, 1999).
4. **Cooperation with learning** : This is one of the important factors which affect the Quality of work life. Hackman and Oldham (1976) drew attention to what they described as psychological growth needs as relevant to the consideration of Quality of working life. Several such needs were identified; Skill variety, Task Identity, Task significance, Autonomy and Feedback. They suggested that such needs have to be addressed if employees are to experience high quality of working life. Baba and Jamal (1991) listed what they described as typical indicators of quality of working life, including: job satisfaction, job involvement, work role ambiguity, work role conflict, work role overload, job stress, organisational commitment and turn-over intentions. Baba and Jamal also explored routinisation of job content, suggesting that this facet should be investigated as part of the concept of quality of working life.
5. **Security and benefit** : This is one of the important factors which affect the Quality of work life Mirvis and Lawler (1984) suggested that Quality of working life was associated with satisfaction with wages, hours and working conditions, describing the “basic elements of a good quality of work life” as; safe work environment, equitable wages, equal employment opportunities and opportunities for advancement.
6. **Job facilities** : This is one of the important factors which affect the Quality of work life . Taylor (1979) identified the essential components of Quality of working life as; basic extrinsic job factors of wages, hours and working conditions, and the intrinsic job notions of the nature of the work itself
7. **Perception of life** : This is one of the important factors which affect the Quality of work life Warr and

colleagues (1979), in an investigation of Quality of working life, considered a range of apparently relevant factors, including work involvement, intrinsic job motivation, higher order need strength, perceived intrinsic job characteristics, job satisfaction, life satisfaction, happiness, and self-rated anxiety.

Limitations and Future Research:

Limitations of this study suggests improvements and avenues for future research. as the first limitation of this study was all the variables pertaining to QWL and employee retention could have been examined and results would have been different in that case. Demographic variables and other variables that are not studied in this research can be examined by the future researchers.

Time and money are the two big constraints, convenience sampling method was taken as a method of sampling which can be a problem. I want to suggest to future researchers can take other sampling method such as random sampling or stratified random sampling method to control the non sampling errors

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