THE IMPACT OF FINANCIAL AND NON FINANCIAL BENEFITS ON EMPLOYEE RETENTION:
A STUDY OF
CEYLON ELECTRICITY BOARD AND NATIONAL WATER SUPPLY AND DRAINAGE BOARD
IN SRI LANKA

By
Siriwardena Arachchige Manori Siriwardena
(Reg No: 5266FM2009108)

A research report submitted to the University of Sri Jayewardenepura in partial fulfillment of the requirements For the Degree of Master of Business Administration

on 05th December 2011
Declaration by the Candidate

"The work described in this research was carried out by me under the supervision of Prof. Dr. Henarath H.D.N.P. Opatha and a report on this has not been submitted in whole or part to any University or any other institution for another Degree/Diploma".

S.A.M. Siriwardena

Reg. No: 5266FM2009108

Date: 05.12.2011
Recommendation of the Supervisor

“I certify that the above statement made by the candidate is true and that this research is suitable for submission to the University for the purpose of evaluation”.

Prof. Dr. Henarath H.D.N.P. Opatha

Professor of Human Resources Management on Merit
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ABSTRACT

The prime objective of this research study was to discover the impact of financial and non-financial benefits on employee retention in Ceylon Electricity Board (CEB) and National Water Supply and Drainage Board (NWSDB) in Sri Lanka. Since several factors were identified in the literature review, preliminary investigation was conducted to filter the most crucial factors out of them. Thus, research study was mainly based on five critical factors of financial and non-financial benefits each on employee retention, i.e., basic salary, loan facilities, fixed allowances, medical assistance, pension scheme, job security, opportunities for career development, ability to work independently, minimum level of work-related stress, and best recognition of the education. The dependent variable of the study was the degree of employee retention in CEB and NWSDB and the other variables are independent variables. Since three hypotheses were formulated for testing the relationship between the dependent variable and independent variables, this study was analytical in nature. Further, the study was conducted in a non-contrived setting in a cross-sectional nature to collect data.

The sample was comprised of 167 randomly selected executives in CEB and NWSDB and self-administered questionnaire was used to collect primary data over a period of three months. Research questions comprised of different types of statements either positively or negatively related to the variables and scores were assigned according to the five-point Likert scale. In the data analysis stage, reliability analysis, bivariate analysis, and multivariate analysis were carried out using statistical package for social sciences (SPSS).
The findings of the study revealed that the degree of employee retention in CEB and NWSDB is high. Moderate positive relationship was found between dependent variable and independent variables. Relative contribution given by non financial benefits on employee retention was high compared with financial benefits. Thus conclusion can be made by accepting all three hypotheses developed in the initial stage of the study and the writer’s recommendations will also be useful to design internal systems that can increase employee retention within the organization. It enables to create retention rich organizations, where all the parties would be benefitted.

**A study on the impact of financial and non-financial benefits on employee retention:**

**A study of Ceylon Electricity Board and National Water Supply and Drainage Board in Sri Lanka.**

S. A. M. Siriwardena
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CHAPTER 01
INTRODUCTION TO THE STUDY

1.1 Background of the Study

Human Resources are the most valuable asset in an organization due to its distinct characteristics. Unlike other assets, human resources have the ability to think, feel and react for the internal and external environmental changes and they are the one who make decisions that will change the path of achieving the organizational goal. Most of the organizations use human resources as a strategy to get the competitive advantage in this turbulent and competitive market place. Further organizations use creative and innovative ideas of human resources as a weapon to satisfy as well as delight their customers to invade the competitive market. Under these circumstances, human resources management (HRM) has become the most significant management function. The aim of human resources management is to utilize human resources efficiently and effectively to achieve goals of an organization.

Thus, main responsibility of the Human Resource Management function is to attract, retain and motivate its human resources to get their maximum contribution towards the organizational success. As series of functions need to be carried out in order to accomplish the objectives of Human Resources Management, employee retention is the aggregate result of successful implementation of most of its functions of recruitment, selection,
induction, performance evaluation, training and development, compensation, career management etc.

Thus, all HR managers as responsible persons to human resources should concentrate heavily on the factors affecting employee retention so that it will enable to create loyal, committed, and engaged employees who provide outstanding contribution towards the organizational success.

1.2 Problem Statement

"To what extent have the financial and non-financial benefits impacted on employee retention?". In Sri Lankan context, limited research studies had been carried out in this area of study. Most of research studies were based on the aspects of financial benefits ignoring the non financial benefits.

To find the precise answers to the above problem statement, the researcher intended to conduct a study on the Impact of Financial and Non-Financial Benefits on Employee Retention: A Study of Ceylon Electricity Board and National Water Supply and Drainage Board in Sri Lanka.

1.3 Problem Justification

Retention is the most crucial part in HRM and many organizations use various distinct strategies to retain their human resources. These strategies may be differing from
organization to another as well as to different sectors. In Sri Lankan context, organizations are mainly divided into two sectors as public and private sector. Public sector classify into various categories such as statutory boards, authorities, corporations, departments etc. Further, it is observed that retention of employees employed in the public sector is comparatively higher than in private sector.

Further, factors affecting employee retention can be classified into two as financial and non-financial. As researcher, believe that these two categories do not provide equal weight for employee retention, this research focus on finding the corresponding weights or gravity given by these two classifications on employee retention.

So this background is created in such a way that writer is interested to identify to what extent have the financial and non-financial benefits impacted on employee retention based on the study of Ceylon Electricity Board (CEB) and National Water Supply and Drainage Board (NWSDB) in Sri Lanka.

1.4 Objectives of The Study

1.4.1 Primary objective

The primary objective of the study is to identify to what extent financial and non-financial benefits have impacted on employee retention in Ceylon Electricity Board and National Water Supply and Drainage Board in Sri Lanka.
1.4.2 Secondary objectives

- To find out the extent to which employees are retained in CEB and NWSDB.
- To find out the categories of financial and non financial benefits available CEB and NWSDB.
- To find out the relationship between financial benefits and employee retention.
- To find out the relationship between non financial benefits and employee retention.
- To find out the effect of financial and non financial benefits on employee retention.

1.5 Importance of The Study

The generic purpose of HRM is to generate and retain an appropriate and contented human/employee force, which gives the maximum individual contribution to organizational success. Further one of the objectives which have to be accomplished in order to achieve generic goals of HRM is to retrain the most (or at least more) appropriate employees (who produce desired performance) within the organization.

Employee retaining is one of the expected ultimate results of collection of HRM functions, enabling organization to achieve its corporate objectives and to get the competitive advantage using HR as the unique resource, as it cannot be imitated.

Researcher discovered that considerable research studies have been carried out based on western countries on this issue; majority is based on private sector organizations. In Sri Lankan context, it was hardly possible to find research studies based on the impact of
financial benefits and non financial benefits on employee retention in public sector organizations. Thus, this study contributes to the empirical knowledge by giving evidence of the impact of financial benefits and non financial benefits on employee retention in Sri Lankan public sector organizations.

As this study involves two independent variables with the dependent variable, three instruments were developed specifically for this study. These instruments might be useful for future research studies.

Thus, this research will enable to use as a spectrum for all public sector organizations in Sri Lanka in determining the effect of financial and non-financial benefits on employee retention and to make HRM related decision to drive the organization towards its success.

Hence, the outcome of this research will enable of creating retention-rich organization that attracts, engages and builds lasting loyalty among most talented employees, which are the key to success.

1.6 Research Methodology

1.6.1 Population

Population consists of all possible observations of the group, which are to be investigated. Population consists of all executive level employees in field of engineering, finance management and human resources management of CEB and NWSDB.
1.6.2 Sample

Sample is the representative part of its population. In selecting the sample, researcher used simple random sampling, which is one of the probability sampling techniques.

1.7 Data Collection Method

1.7.1 Primary data

Data collected by the investigator herself are original in nature. The primary data were collected from the executive grade employees of selected organizations through a self-administered questionnaire, observation and direct interviews.

1.7.2 Secondary data

Secondary data are those, which are already collected by someone else. So the secondary data were collected from the following means.

i. HRM manuals

ii. Company Research abstracts

iii. Company materials

1.7.3 Data presentation

Tables and graphs were used to present the data analysis.

1.7.4 Data analysis

Statistical Packages for Social Sciences (SPSS 16.0) were used for the data analysis.
1.8 Scope of The Study

Employees in the selected organizations have mainly classified into two: executive category and non-executive category. Thus, researcher investigated the research question on the employees who come under the executive category. Ignoring the employees' who come under the non-executive category, is one of the major limitations of this study.

Further, my study is mainly based on CEB and NWSDB in Sri Lanka that come under the public sector. Therefore, the result of this study can only be applied to the companies in public sector.

1.9 Organization of Chapters

This chapter described the basic introduction to the study and second chapter will elaborate the literature review done on this research area. Basic introduction to CEB and NWSDB, categories of financial and non financial benefits available in CEB and NWSDB, information on the preliminary investigation and theoretical framework and hypotheses of the study will be included in the third chapter. Five critical factors were selected from financial benefits and non financial benefits each for the study and the conceptualization and operationalization of these selected variables including the dependent variable of employee retention will be explained in the fourth chapter. Main questionnaire was then developed and distributed to the selected sample. Fifth chapter will be used to explain research design details and research methods used to collect data scientifically.
Subsequently data analysis will be carried out in detail in the sixth chapter based on the data gathered through the questionnaire. Last chapter comprises of discussion on findings and the writer’s recommendations and suggestions on the findings.

1.10 Summary

This chapter provided a basic introduction to the study including problem context, problem statement, objectives of the study, importance of the study, research methodology, and data collection methods and finally elaborated the limitation of the present study.
CHAPTER 02

LITERATURE REVIEW

The live wire of every organization is the human resource. It makes no sense to speak about an organization without reference to its human resources. The quality of human resources will speak about the quality of the services provided by the organization.

Human Resources have the capability to sharpen a firm’s competitive advantage over the rival firms and they can play the strategic role in this process.

Kandula (2007, p.13) indicates three elements of HRM that provide the competitive advantage as mentioned below.

- Sustainable competitive advantage stems firm-specific more than general skills.
  All the firms possess general skills and they provide equal value to them. Thus, to speak sustained competitive advantage through general skills would be futile. On the other hand, this does not imply that these skills are not important. In contrast, specific skills provide value only to a particular firm that possesses them.

- Sustainable competitive advantage comes from teams more than from individuals.
  Individuals though quite valuable, it is the team work and teams that provide competitive advantage, because most of the tasks in organizations are interdependent. Further, team working promotes trust, and bonds among employees. This team environment will be firm
specific, rare, valuable, and difficult for the competitors to imitate them unlike single individuals or group of individuals.

- Sustainable competitive advantage stems from HRM systems more than single HRM practices.

The essence of it is no individual HRM practice like training, selection, reward etc., or a few HR practices however best they may be, can become source of competitive advantage. It is rather well-integrated HRM system that produces a synergetic effect among all the HRM practices that would offer the competitive advantage.

Thus, human resources have become the main factor for the development of sustainable competitive advantage. For that company should be able to retain most valuable workforce for longer period of time. Retention management has become a popular concept within the HRM literature. In view of the large cost associated with employee turnover, HR managers need to work out HR polices that enable them to retain their talented employees.

Retention management is defined as “the ability to hold onto those employees you want to keep, for longer than your competitors” (Johnson, 2000). Over the past decades numerous publications have addressed the issue of employee retention. Academic research has proposed turnover models in which the key mechanisms of the turnover process are defined, including affective factors, behavioral intentions and job search mechanisms (Bluedorn, 1982; Steel, 2002). Other studies have addressed the relationship between
specific types of HR practices such as career development or work-family initiatives and employee retention (Horwitz et al., 2003; Hsu et al., 2003). In addition to this academic work, many practitioner-oriented books outline strategies for effective employee retention. Widely discussed retention factors include the provision of an attractive package of financial rewards and employee benefits, job enrichment initiatives, career perspective, training and development opportunities, a supportive work environment, and initiatives to improve work-life balance (Allen et al., 2003; Anderson et al., 2002; Butler and Waldroop, 2001; Cappelli, 2001; Hall and Moss, 1998; Horwitz et al., 2003; Hsu et al., 2003; Kossek and Ozeki, 1998; Mitchell et al., 2001; Pfeffer, 1998; Roehling et al., 2000; Ulrich, 1998; Woodruffe, 1999).

HR managers should take into account these factors when developing retention policies. However, most empirical studies on retention management only address one or a subset of retention factors, which makes it impossible to assess their relative embeddedness in the retention practices put in place by HR managers.

According to Steel et al. (2002), one of the first and necessary steps HR should take when working out a retention policy is to assess what retention factors are important to their workforce. Career development, job content, financial rewards, social atmosphere and work-life balance are perceived by employees as all being important elements of their psychological contract. The evaluation of promises related to job content and social atmosphere also have a consistent and significant impact on employee loyalty. For job
content this confirms the prevailing idea in turnover research that job satisfaction is an important antecedent of voluntary turnover and that job enrichment initiatives might be an effective means for enhancing employee retention. However, these observations contrast with the lack of retention practices addressing job content as reported by HR managers.

As Vos, et al. (2009), the findings relating to financial rewards also reveal a discrepancy between HR managers' and employees' views. The HR managers in the sample consider financial rewards as the most important factor causing voluntary employee turnover and they also spend much effort in developing retention policies relating to financial rewards. Considering the marginal to non-significant relationship between financial rewards and employee outcomes, these efforts might turn out to be ineffective. Their finding contrasts with the observation that financial rewards are one of the most frequently cited reasons for leaving.

Further Vos, et al (2009) reveal that the non-significant impact of the evaluation of work-life balance on outcomes supports HR managers' view that this is not the most important dimension of retention management. Their finding suggests that this type of inducement plays a less important role when considering employees' views on their psychological contract than when considering the experienced level of conflict between work and private life, independent of the promises the employer has made in this regard.
Finally Vos, et al (2009) concluded that career development should be considered as a central factor for employee retention. Offering good opportunities for career development not only prevents employees from leaving the company, but also enhances their loyalty to the firm. Moreover, HR managers should also put efforts in retention policies relating to the social atmosphere and job content. In contrast, retention policies focusing only on extrinsic factors such as work-life balance or financial rewards appear to be little effective. This finding urges HR managers to re-evaluate the efforts they are making towards the composition of attractive remuneration and benefits packages.

The main message they derive from this study is that HR managers should better take into account what their employees value and how they evaluate their organization's efforts towards retention management if they are to contribute in a cost-efficient way to the strategic objectives of the organization. The psychological contract hereby provides a practically useful framework to engage in an open process of communication and negotiation about the employment deal. For HR managers to be effective in their retention management, they need to abandon the commonly accepted views on what employees value. This, in turn, should contribute to their role in the company as a strategic partner given that the attraction and retention of talented employees will stay a factor of competitive advantage for organizations, both in times of economic downturn and upheaval.
According to Devi (2009), both pay and benefits can motivate workers – to an extent. But raising compensation and offering more benefits are not, by themselves, effective drivers of employee engagement. Corporate cultures characterized by teamwork, pleasant working conditions, the considerate treatment of employees, growth opportunities, skill enhancement and abundant training opportunities can all contribute to employee engagement. Employees' belief that they have a future with their employer is a leading driver of employee commitment, which is a recognized precursor to engagement.

Further, it makes good business sense to provide flexible-working opportunities and appropriate policies for employees. It helps companies to retain skilled employees, raise employee morale and minimize absenteeism. Organizations that help their employees to work in a way which best supports them in balancing their work and home environments are more likely to have engaged employees.

Many employers may not be benefiting fully from their focus on reward, because the message is not reaching employees. Employers are also increasingly promoting non-financial benefits in the reward packages, such as family-friendly work policies (Mike, 2005).

As Personnel Today; 9/23/2003, p8-8, 1/5p, when it comes to attracting and retaining talented staff, competitive financial benefits are not key according to Great Britain's HR
directors. In their opinion, flexible working options, flexible benefits and holiday entitlement are far more important.

Hong et al. (1995) describe the perspective of business management, there were three objectives for providing benefit programmes: to meet the lowest-level physical and psychological demands of employees so that they could fully engage themselves in work; to compete with other corporations at an equal level; when similar employee benefits had been adopted by competitors, it was necessary to offer the same level of benefit programme in order to maintain competitiveness; and to provide social and traditional welfare to observe cultural and social tradition and values.

As per Maslow’s hierarchy theory, employee benefit programmes could be classified into four types of welfare demands: physical demands; security demands; social demands; self-actualization demands.

First, physical-demand benefit includes loans, dividends, year-end bonuses, savings subsidies, emergency subsidies, individual annual vacations, national holidays, paid leaves, dormitories and housing benefits, food/drink equipment and meal subsidies, barbering/hairdressing and laundry service. Security-demand benefit includes day-care service, group dependant insurance (life and medical), pension, occupational disease compensations, child-education benefits, discounted goods supply, medical equipment and subsidies, free commuting vehicles, commuter subsidies. Third, social-demand benefit
includes entertainment equipment and activities (such as clubs and foreign travel), educational equipment and activities, (lectures, drawing, calligraphy), foreign travel subsidies, counseling measures, maternity and paternity leave. Finally, self-actualization-demand (including self-esteem) benefit includes opportunity and subsidies for further education/training and flexible working time.

Hong et. al. (1995) reveal that different types of benefit programme had different degrees of impact on the performance of employees. The result of their research showed that of the four types of employee benefits, the physical-demand type had the greatest influence on performance with the average impact point of 3.136; the second, security-demand with 3.085; the third, self-actualization-demand with 3.039; the last, social-demand with 2.607. Such order matched Maslow's proposed hierarchy except that employees tended to put more stress on self-actualization demands than social needs. Organizations should refer to this result of employee-perceived relations between benefit type and impact on performance in designing employee benefit programmes. It should be noted that entertainment equipment and activities, with the third highest implementation rate of 89 per cent among corporations, did not show corresponding importance in employees' responses. On the other hand, management should put more emphasis on self-actualization employee benefit programmes, such as opportunity for further education/training and job-design in which workers could participate to a high degree.
Hong et al. (1995) summarized the results of research as follows:

- Implementation of employee benefit programmes affects employees' performance.
- Employee benefit programmes have greater impact on work-motivation than on productivity.
- Monetary benefit programmes are most highly valued by both executives and workers.
- There is a cognitive gap between management and worker on the importance of employee benefit programmes.
- Private-corporation employees have greater employee benefit demands than their public-corporation counterparts.
- Female and male employees have different benefit demands.
- Single employees perceive more employee benefit impact on job performance than married ones.
- Employees with different education levels perceive different employee benefit impact.
- Employees with different positions perceive different employee benefit impacts.
- Employee benefit programmes have greater influence on job performance of younger employees.

Pritchard (2008) describes that, with change and restructuring inevitable in many organizations, one of the biggest challenges currently facing companies is employee engagement. As well as the ongoing focus on recruiting new talent, a further challenge lies in ensuring existing staff are focused, engaged and thus retained. Smart organizations understand that an engaged workforce results in better business performance, so many are
placing greater emphasis on measuring employee engagement and implementing strategies to keep staff happy.

Further, Pritchard, (2008) highlights that the organizational pride is a key aspect of employee engagement. The poor performance of the public sector can be attributed to a variety of factors: relative to the private sector there are poor perceptions of training, management and employee benefits. It could also be linked to the large amount of change the sector is currently facing; change management has often been flagged as a key aspect impacting employee engagement.

According to the survey done by Urichuck, (1999) of thousands of workers compared rankings by supervisors and employees on factors that motivate employees. The typical supervisor group ranked the factors in following order:

1. High wages
2. Job security
3. Promotion in the organization
4. Good working conditions
5. Interesting work
6. Personal loyalty of supervisor
7. Tactful discipline
8. Full appreciation of work done
9. Help on personal problems
10. Feeling of being in on things

However, when employees are given the same exercise, their answers followed this pattern:
1. Full appreciation of work done
2. Feeling of being in on things
3. Help on personal problems
4. Job security
5. High wages

6. Interesting work
7. Promotion in the organization
8. Personal loyalty of supervisor
9. Good working conditions
10. Tactful discipline

Urichuck, (1999) concluded that the recognition is the number one factor in maintaining a motivated staff. Thus, it is fair to say that money, over and above wages, is not a motivating factor, but full appreciation of work done is. Urichuck, (1999) further clarifies that the recognition is a positive reinforcement, which helps to build employee's self esteem.

The majority of studies support the idea that the need for recognition is felt by a substantial portion of the workforce, regardless of the status or profession of workers (Saunderson, 2004). Employee recognition is the key to preserving and building the identity of individuals, giving their work meaning, promoting their development and contributing to their health and well-being (Grawitch, et al, 2006).

Thus, Brun, & Dugas, (2008) defined recognition as the first and foremost a constructive response: it is also a judgment made about a person’s contribution, reflecting not just work performance but also personal dedication and engagement. Lastly, recognition is engaged
in on a regular or ad-hoc basis, and expressed formally or informally, individually or collectively, privately or publicly, and monetarily or non-monetarily.

Chew, et. al. (2008) states that two salient ongoing organizational issues faced by managers include eliciting the commitment of employees and staff retention. For organizations, the high cost of recruitment and selection (Pfeffer, 1998), the lag and productivity loss during the assimilation period (Davies, 2001), the likely loss of business opportunity (McCallum, 1988; Walker, 2001), poor customer relationship (Clarke, 2001; Messmer, 2000), and hidden cost of loss productivity (Das, 2002) have subsequently highlighted the importance of retaining committed employees as an aspect of survival for organizations. In response to these potential problems, many forward-thinking organizations are striving to create a positive organizational climate in an attempt to retain valuable employees through various human resource management (HRM) initiatives.

Some of these practices include ensuring that there is a good fit between the individual employees' values and the organization's values in the recruitment and selection phase (Van Vianen, 2000), providing equitable remuneration that reflects performance (Boyd and Salamin, 2001; Parker and Wright, 2000), recognizing efforts and contributions made by individuals (Davies, 2001), providing employees with sufficiently challenging and interesting work (Kraut and Korman, 1999), and providing opportunities for training and career development (Wetland, 2003). These efforts are aimed at improving human resource
practices and workplace relations and, consequently, organizational performance via the shaping of employees' attitudes and behaviors (Whitener, 2001).

Effective selection, reward and recognition of employee, provision of effective training, challenging employment structures and opportunities, and equity of compensation and benefits were considered to be the top five HR practices that were considered to be relevant for retention. Information obtained was provided to all participants in another round of ranking, which was done to provide the respondents with an opportunity to refine their opinions and achieve some consensus. Overall, this initial investigation revealed four crucial areas in HR practices (i.e. person-organization fit (P-O fit), remuneration and recognition, training and career development, and challenging assignment) that were relevant to the retention of employees (Chew et. al,. 2008).

The results of this study revealed that organizational commitment and intention to stay were significantly related to Person–Organization fit. Similarly, remuneration and recognition positively predicted organizational commitment and intention to stay. This study also examined the role of providing a challenging assignment on organizational commitment and intention to stay. While the positive relationship between challenging assignment and organizational commitment is consistent with past studies (e.g. Ferguson, 1990; Furnham, 2002; Walker, 2001), an employee's intention to stay is not significantly affected by the degree of challenge provided by the assignment.
Finally, the effects of training and career development on organizational commitment and intention to stay were examined. Surprisingly, employees may not necessarily increase commitment to their organizations as the provision of training and development increases.

Talent management was initially designed to improve the process for recruiting and developing people with the required skills and aptitude to meet current organizational needs. The various aspects of talent management are recruitment, selection, on-boarding, mentoring, performance management, career development, leadership development, replacement planning, career planning, recognition and reward (Romans and Lardner, 2006; Heinen and O'Neill, 2004; Scheweyer, 2004). Competition and the lack of availability of highly talented and skilled employees make finding and retaining talented employees’ major priorities for organizations (Fegley, 2006). In order to attract and retain the best talent anywhere in the world, an organization must have a strong and positive employer brand (Brewster et al., 2005).

Employee engagement as a key to the retention of talent is an area in which the lead has been taken by practitioners. Effective talent management policies and practices demonstrate commitment to human capital, resulting in more engaged employees and lower turnover. Consequently, employee engagement has a substantial impact on employee productivity and talent retention. Employee engagement, in fact, can make or break the bottom line (Lockwood, 2006). Martel (2003, pp. 30, 42) is of the opinion that, “in order to obtain high performance in postindustrial, intangible work that demands innovation,
flexibility, and speed, employers need to engage their employees. Engaging employees—especially by giving them participation, freedom, and trust—is the most comprehensive response to the ascendant postindustrial values of self-realization and self-actualization”.

Bhatnagar (2007) found top ten retention factors, which reported global trends in employee engagement, job satisfaction and stress as,

- Exciting work/challenge (48.4 percent);
- Career growth/learning (42.6 percent);
- Relationships/working with great people (41.8 percent);
- Fair pay (31.8 percent); and
- Supportive management/great boss (25.1 percent).

Bhatnagar (2007) explains that employee engagement and a better talent management and retention strategy may imply the following HR interventions for the BPO/ITES sector in India:

- Identification of an engaged workforce at all levels which is passionate about continuous learning and challenges, triggered through a continuous positive employee relationship;
- Further designing HR interventions to keep them engaged;
- A need to establish a stronger psychological contract based on relational need rather than a transactional one;
- Create peer partners and mentors who care and nurture relationships in terms of quality rather than quantity of time together and who take care of the emotional needs and need for involvement of employees;
- Create employees as wealth co-creators, and see employees as partners in the business and help them achieve the satisfaction of creating and fulfilling new areas of business acumen.

Bright (2009) claims that the existing research has demonstrated that public employees highly desire intrinsic non-monetary opportunities. His study sought to understand why this is the case by exploring the relationships that Public Service Motivation (PSM) has to public employees' intrinsic non-monetary preferences while taking into account a range of confounding variables.

The findings reveal that PSM is a significant predictor of public employees' desire for personal recognition, task meaningfulness, and professional growth, over and above the effects of several confounding variables assessed. This study also demonstrated that management level, salary level, and gender were the best predictors of public employees' desire for leadership responsibility, while public sector tenure and minority status were the best predictors of public employees' desire for career advancement. However, the magnitude of this finding must be accepted cautiously, as the effect is very small. Overall, the study makes significant contributions to both the theory and practice of public administration. In terms of theory, this study's findings highlight and confirm the important
relationship that exists between PSM and the intrinsic non-monetary work preferences of public employees.

Gelinas (2005) indicates that it is important to ask what can employers offer that is valuable enough to increase their odds of attracting and retaining the best and brightest. The answer: an option. Not one more stock option, but the option to remain employed with the company in the future, better known as job security.

The traditional definition of total compensation includes salary, annual bonus, long term incentives, pension and other benefits, and perquisites. It is less and less adapted to reality as it no longer allows for adequate comparisons between different pay opportunities. This is mainly because the definition of traditional compensation does not capture the fact that many sectors of the employment market have become frighteningly precarious. Nowadays, many workers do, or would, accept a salary cut in return for assurance of employment.

Employers need to recognize and integrate the value of job security as a component of total compensation when they benchmark the competitiveness of what they offer. Two equivalent corporate jobs with similar salaries, incentives, and benefits are simply not equally attractive for an employee if their underlying risk of involuntary termination differs. On the other hand, the offer of job security would make one of the jobs more attractive.
Attention to job security is important because insecurity is associated with several factors that compromise performance, including an intention to quit, reduced commitment, and reduced job satisfaction (S. Ashford et al., "Content, Causes, and Consequences of Job Insecurity: A Theory-Based Measure and Substantive Test", Academy of Management Journal, 1989, Vol. 32, No. 4, pp. 803-829).


The Institute de recherche et d'information sur la rémunération (IRIR, "La sécurité 'emploi: mythes et réalités - Job Security: Myths and Reality", June 1994) proposed an interesting starting point to define job security:

"Job security is the relative assurance, owned by an employee, that he/s is shielded against damages that would result from the loss of his/her job."

(Translation by Gelinas, P, 2005)

This definition encompasses a spectrum of job security arrangements. For most managers and workers, job security rhymes with a government job because the public sector provides
absolute job security, where the chances of being involuntarily terminated without cause are virtually nil.

Research on the historical origins of occupational pension schemes by Hannah (1986) found that the retention of employees was among the primary reasons for the establishment of occupational pensions. More recently, the Goode Committee, which reported in 1993, found that the attraction and retention of staff was one of two key functions of an occupational pension scheme – the other being the provision of adequate retirement income. The Committee found that there were two additional subsidiary functions: assistance with employee relations generally, and use as a tool to reduce the workforce through early retirement (Goode, 1993). However, the Committee noted a lack of knowledge of and interest in pension matters and that employee rarely take pension matters into consideration when changing employers.

More recently, the Employer Task Force on Pensions (2004) cited a CBI/Mercer report, which found that 73 per cent of the employers that they surveyed believed that occupational pensions assisted in the recruitment and retention of staff. In addition, Marshall and Thomas (2006) indicated that the recruitment and retention benefits of generous pension provision would deter employers who provided more than 3 per cent of earnings from leveling down provision with the introduction of personal accounts in 2012.
Further it points out that for employers to fully benefit from any advantage in terms of recruitment and retention, it is important for potential employees to understand the true value of such occupational pension schemes. Gough, O. & Hick, R. (2009) finds the retention function of an occupational pension to be stronger than its recruitment function.

As Terry & White (1997) describe that after employees have been taken on, a pension scheme can play a role in retaining people. An employee would, *ceteris paribus*, be attracted to remain with an employer who contributed, say, 25 per cent of salary to the pension fund, rather than shift to an employer who made no such contribution. From an employer’s perspective, pension schemes may also have the effect of inducing employees not simply to stay with the employer, but also to work diligently, to the satisfaction of the employer.

### 2.1 Summary

This chapter elaborated the literature done on the financial and non financial benefits determining employee retention.
CHAPTER 03
INTRODUCTION TO ORGANIZATIONS, CATEGORIES OF FINANCIAL AND NON FINANCIAL BENEFITS AVAILABLE, PRELIMINARY INVESTIGATION, AND THEORETICAL FRAMEWORK OF THE STUDY

This chapter provides a basic introduction to organizations which have been taken as two case studies. As one of the research objectives is to describe the financial and non financial benefits available in these two organizations, it is supposed to be explained in this chapter. Preliminary investigation was conducted to filter the most crucial financial and non financial factors. Thus, based on data analysis, theoretical framework and hypothesis were developed in this chapter.

Introduction to CEB

The Ceylon Electricity Board (CEB) is the national electricity utility in Sri Lanka responsible for generation, transmission and distribution of electricity in the country, and was setup by Act No 17 of 1969. Strength of human resources in CEB is around 15,000 including 1300 odd executives.

Vision - Enrich Life through Power

Mission - To develop and maintain an efficient, coordinated and economical system of electricity supply to the whole of Sri Lanka, while adhering to our core values: Quality, Serve the nation, Efficient and effective, Commitment, Safety, Professionalism, and Sustainability
Introduction to NWSDB

The National Water Supply & Drainage Board (NWSDB), is the principal authority providing safe drinking water and facilitating the provision of sanitation in Sri Lanka and was established by Act No. 02 of 1974. Strength of human resources in NWSDB is around 9,000 including 900 odd executives.

Vision - To be the most prestigious utility organization in Sri Lanka through industry and service excellence.

Mission - Serve the nation by providing sustainable water and sanitation solutions ensuring total user satisfaction.

3.1 Categories of Financial Benefits

3.1.1 Basic salary

Salary can be treated as the basic expectation of any category of work or job. It is observed and experienced that the very first factor where an employee is interested to look at when applying for a vacancy.

CEB

In CEB, employees in the executive grade will enjoy a salary scale called “K” salary scale. This is the highest salary scale in the organization. ”K” salary scales are further divided into five categories as K4, K3, K2, K1, and K special, based on competencies and experience as follows.
Table 3.1
Salary Scales of CEB

<table>
<thead>
<tr>
<th>Salary Scale</th>
<th>Engineering Executives</th>
<th>Accounts and Audit Executives</th>
<th>Human Resources Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>K4,K3</td>
<td>Class II Gr.II</td>
<td>Class II Gr.II</td>
<td>Class II Gr.II</td>
</tr>
<tr>
<td>K2</td>
<td>Class II Gr.II Spl.</td>
<td>Class II Gr.II Spl.</td>
<td>Class II Gr.II Spl.</td>
</tr>
<tr>
<td></td>
<td>Class II Gr.I</td>
<td>Class II Gr.I</td>
<td>Class II Gr.I</td>
</tr>
<tr>
<td>K1</td>
<td>Class I</td>
<td>Class I</td>
<td>Class I</td>
</tr>
<tr>
<td>K special</td>
<td>Special class</td>
<td>Special class</td>
<td>-</td>
</tr>
</tbody>
</table>

The above salary scale has 15 salary points except K special which has 10 salary points.

Every employee is entitled to a salary increment for a year provided his/her performances are satisfactory. If the performances are not satisfactory, three types of decisions could be made with regard to his/her annual increment as,

1. Annual Increment can be suspended
2. Annual Increment can be stopped
3. Annual Increment can be differed

In addition to this annual salary increment, all employees receive a salary revision to their respective salary scale once in three years. Even though it is said to be three years, salary revision may not come into effect due to different macro environment factors.
NWSDB

NWSDB has classified all employees in Board Grade wise which consists of, from 1 to 15. Executive category of employees in NWSDB enjoy Board Grade 8 and above and has a direct link with the post as follows.

<table>
<thead>
<tr>
<th>Board Grade</th>
<th>Engineering</th>
<th>HR</th>
<th>Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GM</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1A</td>
<td>Additional GM</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>DGM</td>
<td>DGM (P/A)</td>
<td>DGM (Finance)</td>
</tr>
<tr>
<td>3</td>
<td>AGM</td>
<td>AGM (P/A)</td>
<td>AGM (Finance)</td>
</tr>
<tr>
<td>4</td>
<td>Chief Engineer</td>
<td>Manager (P/A)</td>
<td>Chief Accountant</td>
</tr>
<tr>
<td>5</td>
<td>Snr. Engineer</td>
<td>Snr. Personnel Officer</td>
<td>Accountant</td>
</tr>
<tr>
<td>6</td>
<td>Eng-C1 I</td>
<td>Po-C1 I</td>
<td>Acc.C1 II</td>
</tr>
<tr>
<td>7</td>
<td>Eng-C1 II</td>
<td>Po-C1 II</td>
<td>Acc.C1 II</td>
</tr>
<tr>
<td>8</td>
<td>Eng-C1 III</td>
<td>Po-C II</td>
<td>Acc.C1 III</td>
</tr>
</tbody>
</table>

As CEB, NWSDB are also revised existing basic salary once in 3 years.

3.1.2 Fixed allowances

CEB

Post Graduate Degree Allowance

Post graduate degree allowance to employees of CEB, is paid for those who have obtained post graduate qualification in the rank of Masters Degree or Doctoral Degree, acceptable to
CEB in the relevant discipline from a recognized University in Sri Lanka or abroad. The post graduate degree allowance is paid as a fixed allowance on the initial salary point.

**Professional Allowance**

The executive grade employees of CEB, who have obtained full professional qualifications relevant to their discipline from an accredited institution and accepted by the CEB is paid as a fixed allowance on the initial salary point of the employee.

**Disturbance Allowance**

Selected executive grade officers and electrical superintendents attached to consumer service centres are entitled for this special allowance for being on call outside their normal working hours.

**Semi –Professional Allowance**

Semi Professional Allowance is paid to officers such as Accountants, Internal Auditors as a fixed allowance for the professional qualification acquired by them.

**Exodus Allowance**

Exodus Allowance is paid to all engineers as a retention allowance within the organization.
**NWSDB**

**Compensatory Allowance**

In addition to the basic salary, all employees who have joined to NWSDB before 31\(^{th}\) December 2007, are received a fixed allowance which is termed as compensatory allowance. The rate of compensatory allowance is in between 24\% - 37\% of the basic salary depending on board grades.

The payment of Professional Allowance, Post Graduate Allowance and Disturbance Allowance to staff grade officers is suggested and subsequently approved by the Board. However, implementation of the decision has been suspended till the treasury approval is received.

**3.1.3 Medical assistance**

**CEB**

CEB has introduced a comprehensive medical assistance scheme (MAS) for all level of employees in the permanent cadre. Main distinguishing feature of this MAS is, that first, employees in probation period are also covered and second, medical facilities has not segregated as per the category of employment i.e executive or non-executive wise.

Medical facilities provided by the MAS are mainly described under three kinds of situation.
1. **Situation A** - For Outdoor Treatment

- For treatment obtained from Registered Medical Practitioners, Dental treatment obtained from Dental Surgeons, Consultation fees Specialist Doctors, Expenses incurred for normal investigations, Expenses incurred for special medical investigations and Cost of Drugs.

Under Situation “A” family unit comprises of,

- The Employee.
- The Spouse of Employee
- Un-married dependent children below 18 years of age.
- Parents of the employee and the parents of the spouse.

- For the purchasing of corrective Appliances,

  (a) **Spectacles (Lenses, Lenses & Frame)** once in three years for employee and children under 18 years of age.

  (b) **Hearing Aids** for life time for employee and children under 18 years of age.

  (c) **Dentures/Plates** for life time for employee and children under 18 years of age.

- **Special Outdoor Treatments**
2. Situation B – Indoor Medical Treatment

For hospitalization in Government hospitals and/or in registered private hospitals Nursing Homes, Indoor treatment under Government hospitals, family unit comprise of:

- The employee
- The spouse of the employee
- Un-married dependent children below the age of 21 years
- Parents of the employee and the parents of the spouse

Indoor treatment under private hospitals, family unit will comprise of:

- The employee
- The spouse of the employee
- Un-married dependent children below the age of 21 years

3. Situation C - Indoor Special Surgical /Medical Services

An aliment which is Life threatening and needs for urgent treatments – for once in lifetime employee only

However, if a family member is needed to undergo a special surgery, employee can make a declaration of transferring this medical facility to his/her family member. This is a massive advantage of this scheme in cases where the employee is helpless. Under the new revised medical scheme in 2009, unutilized indoor treatment balance can be carried forward for the next proceeding year. However, the facility available in the prevailing year should first be claimed and only shortfall could be covered through the balance carried forward from the previous year.
NWSDB

All confirmed employees and their spouse, unmarried children under 21 years, parents of the employee and the parents of the spouse are covered under this MAS. MAS comprises of four section such as,

Section I - For obtaining indoor treatment
Section II - For obtaining outdoor treatment

For treatment obtained from registered medical practitioners, cost of drugs and expenses incurred for medical investigations, for scanning, dental treatment obtained from dental surgeons.

Section III - For obtaining treatment for prolong diseases
Section IV - An aliment which is Life threatening and needs for urgent treatment - once in lifetime employee only

In addition to the above, for employees who are confirmed and having 5 years of experience are also entitled following benefits subjected to specified conditions.

For purchasing of spectacles - once in five years for employee
For replacing lenses - once in three years for employee

For purchasing appliances for deficiencies in nose, thought, and ears' - once in life time for employee
For angiogram investigations - once in life time for employee
3.1.4 Loan facilities

CEB

Vehicle Loan

CEB executive grade employees in the permanent cadre are entitled to obtain loan for the purchase of motor cars, three wheelers and dual purpose vehicles. Employees who have already obtained a loan from the board for the purchase of a vehicle will be eligible to obtain a loan for the purchase of another vehicle if the vehicle loan already taken has been paid in full. In other words, this facility is not restricted to avail once in the lifetime with CEB.

1. Maximum limit of the loan should be 60 times of monthly salary of the employee.
2. Loan interest rate is 4.2% per annum.
3. Recovery should be affected in 72 monthly installments.
4. Total monthly deductions together with other deductions on an officers pay sheet should not exceed 60% of the officer's salary.

CEB Provident Fund loan

CEB has an approved provident fund. CEB contributes 15% of total earnings of the employee and employee contributes 10% of his/her total earnings to the fund. Employees in the permanent cadre and has completed 4 years of service period are entitled to obtain
loan from the balance available in the members account of CEB provident fund. The maximum loan facility available is limited to 85% of the members account balance.

Loans from CEB provident fund can be taken to,

1. Purchase a land
2. Build a house on a land already available
3. Purchase of a house or land
4. Renovations, repairs or extension to an existing house

Employee has the opportunity to use this loan for above purchases for two distinct locations. The term distinct locations can further clarify as,

1. Building two houses on a land already available.
2. Building a house on a land already available and to purchase another land and build a house on it.
3. Purchase two lands and building two houses on it.

Financial Assistance For Marriages or For Higher Education

Employee has the opportunity to obtain loan from the balance available in provident fund for the purpose of getting married and/or for higher education. The maximum limit for such loan is 40% of the member’s account balance subject of not exceeding 85% from all loans granted including housing loans described above.
Reimbursement of 2/3rd interest on housing loans

CEB provides concessions for employees who have taken housing loans from any banks, to whom the central bank has given the approvals to give housing loans. This concessions are given by way of undertaking the reimbursement of 2/3rd interest paid on housing loans taken,

1. For building a house which is owned by the employee or employee’s spouse.
2. For purchasing a land with a house
3. For purchasing a land and building a house in it.

This reimbursement facility is available for employees who are confirmed in their post. However, employee who has taken a loan prior to joining CEB are also entitled to get the reimbursement facility once he/she confirmed in the post for the interest paid on behalf of that housing loan from the date of appointment. Special features of this facility of 2/3rd interest reimbursement on housing loans are,

a. The employee can get this concessions to any number of housing loans subject to the limit and purpose specified in above.
   b. Employee is allowed to get loans under this to built houses on a loan owned by the spouse provided the loan has been applied jointly.

Distress loans

Employees who are confirmed in their service can apply for distress a loan which is equivalent to 10 times of his/her monthly basic salary or 150,000.00 whichever is higher.
Present interest rate applied for distress loan is 4.2%. Repayment period is 60 monthly installments. Once employee applied for distress loans, he/she does not want to wait for long time in the priority list. Employee can get the loan most probably within a week from the date of submitting duly filled forms to the Account division.

**NWSDB**

**Distress Loans**

Employees who are confirmed in their service can apply for distress loan which is equivalent to either 10 times of his/her monthly basic salary to be recovered by 60 monthly installments or 12 times of his/her monthly basic salary to be recovered by 72 monthly installments. Interest rate applicable for distress loan is 4.2%.

**Housing Loans**

NWSDB has introduced a housing loan scheme with the combination of a public bank in Sri Lanka which facilitates for following purposes,

1. For purchasing a land to built a house
2. For purchasing a land with a house
3. For building a house in a land owned by employee or his/her spouse
4. For renovation, repairing or development of a house

Employee who has confirmed in their service is eligible to apply for the loan. Repayment period should be maximum 20 years. Loan will be granted by verifying the ability to recover the loan during the repayment period considering the retirement age as 57 years.
Employee wish to get this concession should apply loan via NWSDB. At the time of approving the loan, priority will be given as per the waiting list considering the availability of provisions in NWSDB.

**Vehicle Loan**

Vehicle loan scheme is also introduced to executive category of employees with the combination of a public bank in Sri Lanka which facilitates maximum of Rs. 1,000,000/- for purchasing of a vehicle. Executive category employee who is confirmed and has 5 years service is eligible to apply for this loan. He/she should not be a person who is reserved vehicle to use for private and official travelling.

<table>
<thead>
<tr>
<th>Loan amount</th>
<th>The portion born by employee</th>
<th>The portion born by Board</th>
<th>Bank interest rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 500,000</td>
<td>4%</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>From 500,000 to 1,000,000</td>
<td>8%</td>
<td>4%</td>
<td>12%</td>
</tr>
</tbody>
</table>
3.1.5 Pension scheme

The CEB pension fund is established under the provisions of section 12 (j) of the Ceylon Electricity Board Act no. 17 of 1969 and come into effect from 1st January, 1994. Contribution to the Pension Fund is made by the Board on behalf of the employee a sum of money equivalent to 7% of the salary on which contribution are made to the Provident Fund.

Employee has to work a continuous period of 240 months in CEB as to the date of retirement to be eligible for CEB Pension. For the purpose of a pension award retirement means, the retirement on reaching the optional age of retirement at 55 years or thereafter. Retirement being unfit for service by a Government Medical Board upon completion of 240 months continuously of an employee will also be taken into consideration by the Committee of Management for award of a Pension. Payment of monthly pension is computed on the last drawn aggregate basic salary of the employee which contributions have been made to the provident fund as follows.

- Employee whose service period is 20 years and above - 30%
- Employee whose service period is 25 years and above - 32%
- Employee whose service period is 30 years and above - 34%

3.1.6 Educational assistance

Educational assistance are provided by the Board for the executive grade employees who follow courses of studies and sit for professional examinations by making the
reimbursement of Examination/Course Fees upon completion of such courses/examinations on masters degree, PG diploma, other courses.

Concessions for reimbursement of course fee will be given for single course of study during his/her career in the CEB. Further, employees who are given financial assistant to follow courses should enter into an agreement with the Board to serve an obligatory period depending on the concessions granted from 01 year to 2 ½ years.

Due to this course fee reimbursement almost all employees tend to be enrolling for higher education or to do professional examination which is directly link to the enhancement of their career in CEB. Further, once professional examination or post graduate studies are completed, employees are eligible on requesting professional allowances and/or post graduate allowance in addition to the basic salary so that they are financially benefited in the long run.

In 2006, this facility was availed for probationary employees as well. However, due the high tendency of applying this facility by probationers, Board has recently taken a decision to revise again so that only confirmed employees are eligible to get the course fee reimbursement.
3.1.7 Annual bonus and other incentives such as unutilized sick leave pay

**CEB**

**Annual bonus:**

Decision with regard to the payment of bonus is made by the Board yearly. Most probably, bonus payment will be included in December salary. Quantum of bonus payment is depended on organizational performances.

**Incentive of unutilized sick leave pay:**

As per the leave regulation of CEB, all employees are entitled to 21 days sick leave per calendar year and to be availed of for illness. Unutilized sick leave can either be accumulated or applied for incentive payment. Usually incentive payment is made in the month of January of every year. If the employee has not availed all 21 days sick leave, he/she will be paid an amount equal to his/her consolidated salary as incentive payment.

**NWSDB**

**Annual bonus:**

Decision with regard to the payment of bonus is made by the Board yearly. Most probably, amount of bonus payment is determined by considering the performance of the organization and its productivity. Quantum of bonus payment is equal to all levels of employee category.

**Incentive of unutilized sick leave pay:**

Same as CEB, all employees are entitled to 21 days sick leave per calendar year and can apply for incentive payment.
3.2 Categories of Non Financial Benefits

3.2.1 Opportunities for career development

CEB

As per the Recruitment and Promotion Scheme of CEB, career path for service categories of Engineering, Accountancy and Human Resources is specified separately as follows.

Table 3.2

<table>
<thead>
<tr>
<th>Engineering Service of CEB</th>
<th>Accounts and Audit Service of CEB</th>
<th>Human Resources Service of CEB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class II Gr. II Elect/Mechanical/Civil Engineers</td>
<td>Class II Gr. II Accountant, Internal Auditor</td>
<td>Class II Gr. II Human Resources Officer</td>
</tr>
<tr>
<td>Class II Gr. II Special Elect/Mechanical/Civil Engineers</td>
<td>Class II Gr. II Special Accountant, Internal Auditor</td>
<td>Class II Gr. II Special Human Resources Officer</td>
</tr>
<tr>
<td>Class II Gr. I Chief Engineer, Project Manager</td>
<td>Class II Gr. I D.F.M. and Deputy Chief Internal Auditor (DCIA)</td>
<td>Class II Gr. I Human Resources Manager</td>
</tr>
<tr>
<td>Class I D.G.M., Project Director</td>
<td>Class I Additional Finance Manage, CIA</td>
<td>Class I Human Resources Manager</td>
</tr>
<tr>
<td>Special Class A.G.M.</td>
<td>Special Class Finance Manager</td>
<td></td>
</tr>
</tbody>
</table>

46
NWSDB

Career path for service categories of Engineering, Accountancy and Human Resources is specified separately as follows.

Table 3.3
Promotion Scheme of NWSDB

<table>
<thead>
<tr>
<th>Engineering Service of CEB</th>
<th>Accounts and Audit Service of CEB</th>
<th>Human Resources Service of CEB</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additional GM</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deputy General Manager (DGM)</td>
<td>DGM (Personnel &amp; Administration)</td>
<td>DGM (Finance)</td>
</tr>
<tr>
<td>Assistant General Manager (AGM)</td>
<td>AGM (P/A)</td>
<td>AGM (Finance)</td>
</tr>
<tr>
<td>Chief Engineer</td>
<td>Manager (P/A)</td>
<td>Chief Accountant</td>
</tr>
<tr>
<td>Senior Engineer</td>
<td>Senior Personnel Officer</td>
<td>Accountant</td>
</tr>
<tr>
<td>Engineer Class I</td>
<td>Personnel Officer Class I</td>
<td>Accountant Class I</td>
</tr>
<tr>
<td>Engineer Class II</td>
<td>Personnel Officer Class II</td>
<td>Accountant Class II</td>
</tr>
<tr>
<td>Engineer Class III</td>
<td>Personnel Officer Class III</td>
<td>Accountant Class III</td>
</tr>
</tbody>
</table>

3.2.2 Different types of leave facilities available and flexibility of taking leave

CEB has a unique leave regulation manual approved by the Board, which has been come in to effect from 1st January 1995 and has been complied with the provision of the Government Establishment Code.
Leave applicable for employees in NWSDB is in accordance with the Shop and Office Employment Act and the Establishment Code.

3.2.3 Work related stress

Stress is a psychological syndrome of any human being and can be considered as part and parcel of the life. Stress is originated while carrying out tasks, duties and responsibilities or operationalising plans to achieve targets set in personal life and work life.

In the study, researcher concerns on the stress emerged while carrying out the work related/employment related duties. Success or failure of a job will mostly be depended on the way in which the capability of managing stress through education, experience and skills of an employee possesses. However, most of employees perform below the expected level even he/she has the capability of performing above the expected solely because of unnecessary pressure coming from the top management on the employee. Further, due to this unnecessary pressure, employee cannot think about his/her family life or personal life and may have to sacrifice some of the duties/obligations of family in order to carry out duties with regard to the employment.

Hence, stress would be a major cause for employee turnover especially in the executive category. Thus, researcher believes that employees tend to be retained with the organization as far as he/she can manage the work related stress and would be one of the non financial benefits needed to be considered for this study.
3.2.4 Ability to work independently

Employees in executive category of CEB and NWSDB have highly formalized procedures to follow in order to carry out their respective duties. As CEB and NWSDB have a strong hierarchical structure, all most all executive employees do precisely aware to whom they have to be reported and the subordinate under their direct supervision. Further, through the hierarchical structure, executives are very well known the authority limit they process as well as the scope of decision making and the controlling levels of office functions.

CEB and NWSDB have its own governing rules and regulation in black and white which is formally called as Circulars. Thus, the above factors would have been affected for executive employees to work independently so that direct supervision from top management is minimum required and would be a non financial motivator to retain with the organization.

3.2.5 Job security

Job security is the perceived ability to retain employed with the company for unforeseen future. Nowadays, most of employees even accept salary cut in return for assurance of employment. Most of job seekers prefer to apply for a job which has comparatively high job security. People view that public sector employment is relatively secured than the private sector. CEB is operating from 01.11.1969 where it has 41 year of history and NWSBD is operating from January 1975 having a 36 years of history. Researcher is
interested to aware whether employees of CEB and NWSDB perceived that their job is secured or not and/or it has been influenced for them to retain with the organization.

3.2.6 Positive attitude toward organization

Positive attitude toward organization can also be termed as loyalty to the organization. CEB and NWSDB employees have the organizational pride and they believe that CEB/NWSDB is a company which has strong employer brand. One reason for this belief is that they had to face high competition during the recruitment process to be selected or to join to CEB/NWSDB as an employee. Thus, employee may be retained with the company simply because of the positive attitude having in employees mind towards the organization.

3.2.7 Recognition of education

The job specification of each category of executive post has been clearly prescribed in the Recruitment and Promotion Scheme of CEB/NWSDB. Thus, the employee in executive category of each service should be well educated, experienced, and trained persons in respective disciplines. This enables to utilize the knowledge, skills and attribute in order to perform the duties entrusted to them. Further, executive employees believe that CEB/NWSDB is a company which will well recognize their education and also treat them properly by providing financial benefits in return for their education and experience. Further this research intends to verify that this intrinsic belief would be a factor which affect to retain them with the organization.
3.2.8 Training opportunities

CEB provides training for all level of employees in order to fill the gap between the current level of competencies of a employee possesses and the required level of competencies needed to achieve the job objectives. CEB provides internal training as well as external training facility. As per CEB promotion scheme, it is a prerequisite requirement to attend training programs organized either by CEB or outside institute to be eligible for promotions.

Executive employees are more concerns on overseas training program as they can get more exposure in different fields of studies. Further, there is no argument that employee seeks continuous professional development by means of updating the existing knowledge through participating training program. Thus, researcher is interested to aware whether providing training opportunities have impacted for employee retention with CEB. In NWSDB, manpower development and training division prepares an annual training plan yearly which includes in house training programs and external training programs for all of its employees.

3.2.9 Positive attitude towards country

Almost all employees in the executive category are well educated persons. All have a basic degree gained from local Universities under the facility of free education. Because of that they firmly believe, they have a high obligation towards the country to serve in return for the free education received to them as Sri Lankan society as a whole had taken
the burden of it. Thus, executive category employees have a genuine interest towards the country to pay the gratitude. Even they received more employment opportunities overseas where they can earn high salary with all fringe benefits and live more comfortable life, still they hesitate to migrate and interested to stay in the motherland to give the maximum contribution to the society well being according to their individual capacity. Some may believe that this is the best country to live in and are proud to be a Sri Lankan. Thus, this would be a non financial benefit influencing to remain in the organization.

3.3 Preliminary Investigation

In the literature, researcher was able to identify several categories of financial and non financial benefits available in selected organizations which influence on employee retention. For the study purpose, research wanted to select most influential factors out of all factors selected in literature review to study deeply the degree to which these selected factors are impacted on employee retention in CEB and NWSDB. This section describes the preliminary investigation (PI) held to identify most critical influential factors and analyses the data gathered from preliminary investigation. Finally, theoretical framework and hypothesis of the study were developed based on the PI results.

Seven categories of financial benefits and nine categories of non financial benefits were identified from the literature review and also with the basic data gathered from the selected organizations for the purpose of PI (Appendix I). In the PI, researcher requested to rank these different categories of benefits separately from most important to the least important
to make their intention to stay with the organization. The sample unit was executive category of employees in the fields of engineering, human resources management, and finance management. Twenty five incumbents and fifteen incumbents was selected as the sample and distributed via email and by hand for the date gathering for PI from CEB and NWSDB respectively. However, twenty from CEB and seven from NWSDB were responded to the PI within the time frame of fourteen (14) days. Summary of the PI result in organizational wise is shown below. Thereafter, PI analysis was conducted in order to get the basic idea about the retention on two main categories of employee benefits granted by each organization.

Table 3.4

Summary of the Preliminary Investigation

<table>
<thead>
<tr>
<th>Financial Benefits</th>
<th>Company wise</th>
<th>Grand Total</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CEB</td>
<td>WB</td>
<td>CEB+WB</td>
</tr>
<tr>
<td>Basic Salary</td>
<td>34</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Pension scheme</td>
<td>76</td>
<td>na</td>
<td>76</td>
</tr>
<tr>
<td>Loan facilities</td>
<td>58</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Fixed allowances</td>
<td>62</td>
<td>17</td>
<td>2</td>
</tr>
<tr>
<td>Medical assistance</td>
<td>86</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Annual bonus and other incentives</td>
<td>105</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>such as unutilized sick leave pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational assistance</td>
<td>119</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Non-financial Benefits</td>
<td>Company wise</td>
<td></td>
<td>Grand Total</td>
</tr>
<tr>
<td>-------------------------------------------------------------</td>
<td>--------------</td>
<td>---------------</td>
<td>-------------</td>
</tr>
<tr>
<td></td>
<td>CEB</td>
<td>WB</td>
<td>CEB+WB</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Rank</td>
<td>Total</td>
</tr>
<tr>
<td>Job security</td>
<td>43</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Opportunities for Career development</td>
<td>50</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>Ability to work independently</td>
<td>91</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>Manageable level of work related stress</td>
<td>95</td>
<td>4</td>
<td>23</td>
</tr>
<tr>
<td>Best recognition of the education</td>
<td>100</td>
<td>5</td>
<td>29</td>
</tr>
<tr>
<td>Different types of Leave facilities available and Flexibility of taking leave</td>
<td>118</td>
<td>6</td>
<td>26</td>
</tr>
<tr>
<td>Positive attitude towards organization</td>
<td>119</td>
<td>8</td>
<td>27</td>
</tr>
<tr>
<td>Positive attitude towards the country</td>
<td>118</td>
<td>7</td>
<td>35</td>
</tr>
<tr>
<td>Training opportunities</td>
<td>131</td>
<td>9</td>
<td>27</td>
</tr>
</tbody>
</table>

Total marks indicating in Table 3.4 is the aggregate of the ranking marks received from respective incumbents as per instructions given in the data collection form of preliminary investigation i.e to rank “1” for most important factor, “2” for secondary most important factor so on. Final ranking was given from highest priority to least priority for the factors which received lowest total figures.
3.4 Preliminary Investigation Analysis

Data gathered from PI, were analyzed company wise and finally overall ranking was considered in deciding the most critical financial and non financial benefits determining the employee intention to stay with the organization.

It was quiet interesting to analyze the ranking on financial and non financial benefits in company wise due to the variation in each ranking. The logical regression analysis reveals strong positive relationship [Pearson’s Correlation (r) = +0.71] on financial benefits between two organizations of CEB and NWSDB when disregarding the pension factor as it is not common to both organizations. Further logical regression analysis reveals strong positive relationship [Pearson’s Correlation (r) = +0.80] on non financial benefits between two organizations of CEB and NWSDB. Thus, it is crucial to analyze the result of PI in detail.

When considering financial benefits, both employees in CEB and NWSDB have given the 1st ranking for basic salary so that it has become the most crucial factor for employee retention in overall. As twenty employees involved for PI from CEB, the aggregate marks would have been 20 from CEB if all have given the 1st ranking. As aggregate marks were 34, it revealed that some of CEB employees have not given their 1st ranking for basic salary. All seven employers who involved from NWSDB have given the 1st ranking for the basic salary.
As per the overall ranking given, pension scheme has come to the secondary importance factor. This is purely due to the fact that inapplicability of pension scheme for employees in NWSDB. However, employees in CEB have given the 4th ranking for the pension scheme. Thus, for the research study, researcher intends to find out five types of financial benefits which is most critical for employee retention, pension is considered as a critical factor with regard to CEB.

Thirdly, employees in CEB have given the 2nd ranking for the loan facilities (distress, housing, interest reimbursement and vehicle) given by the organization while employees in NWSDB have given the 4th ranking for that. Reasons behind this deviation would be the flexibility and the convenience of loan taking and also the wide difference in loan facility provided by these two organizations. However, when considering the overall ranking, loan facilities have been received the 3rd ranking.

Fourthly, CEB employees have ranked 3rd for the fixed allowances such post graduate, professional, exodus, disturbances, semi-professional allowances while NWSDB employees have given 2nd ranking for that. For CEB employees, there are different categories of fixed allowances available as post graduate, professional education and most of those are treated as earned money by the employee. Employee needs lot of commitment towards obtaining professional qualifications as well as post graduate qualifications and they perceive that as a return for their investment made to gain academic and professional qualifications. Further, exodus allowance is given to executive employees in engineering
category expecting them to retain with the organization as their contribution is critical for organizational existence. Whereas disturbance allowance is paid for the extra commitment made after office hours to attend work related issues over the phone. Thus, employees have given the 3\textsuperscript{rd} ranking for the fixed allowances received to them. When considered the NWSDB, it has not yet been introduced professional, post graduate, and disturbance allowances. At present, all employees who joined NWSDB before 1\textsuperscript{st} January 2008 are received "compensatory fixed allowance", which is approximately equal to 22\% of the basic salary or even higher than for certain board grades. As basic salary of NWSDB employees’ are relatively low, compensatory allowance is paid to be par with the market rates in way of fixed allowance. Thus, employees in NWSDB have given the 2\textsuperscript{nd} ranking believing it as the secondly most critical financial benefit to make their intention to stay the impact on the retention with the organization. However, when considering the overall ranking fixed allowance has been become the 4\textsuperscript{th} ranking.

Finally, medical assistance scheme has been received 5\textsuperscript{th} ranking from both CEB and NWSDB employees. Monetary wise, there is a wide variation between two schemes of medical facilities in selected organizations. In overall, medical facilities has been received the fifth ranking.

However, as pension scheme is not available as a financial benefits for NWSDB employees and overall sixth ranking has been received for annual bonus and unutilized sick leave payment, where as NWSDB employees have ranked 3\textsuperscript{rd} for the same, annual
bonus and other incentives such as unutilized sick leave payment was considered as a factor influencing the employee retention in CEB and NWSDB and therefore taken into consideration for research study.

Based on finding of the PI, first 6 ranking were taken to the study out of which pension scheme is studied only in CEB and the annual bonus and other incentives such as unutilized sick leave payment is studied only in NWSDB.

- Basic Salary
- Loan facilities (Distress, Housing, 2/3rd reimbursement, Vehical etc.)
- Fixed allowances (Post Graduate, Professional, Exodus, Disturbances, Semi-professional allowances)
- Medical assistance
- Pension scheme
- Annual bonus and other incentives such as unutilized sick leave pay

When it comes to the non financial benefits, job security has been received the 1st ranking from both CEB and NWSDB employees, so that it has been the number one influencing factor on employee retention. Employee’s perception towards job security may be at a higher stage as both organizations come under the semi-government sector.

Secondly, opportunities for career development have received the 2nd ranking from CEB employees whereas 3rd from NWSDB employees. Thus, overall ranking stresses that the
career development as the secondly highest influencing factor among other non financial benefits.

Thirdly, ability to work independently has been received 3rd from CEB employees and 2nd from NWSDB employees and subsequently it carries the overall ranking as the thirdly most influencing non financial factor on employee retention.

Fourthly, both CEB and NWSDB employees have indicated similar ranking for manageable level of work related stress i.e. the 4th ranking stressing equal gravity as a non financial benefit to be retained with the organization.

Finally, CEB employees have given the 5th ranking for recognition for the education whereas employees in NWSDB have given the 8th ranking for that. Main reason behind these wide deviation would be that in NWSDB, most of employees in executive positions in the field of HR and Finance have promoted on seniority basis unlike executive employees in engineering field. However, when considering the overall ranking, recognition of education has been received the 5th ranking.

Based on result of PI, first five ranking were taken into consideration for study purpose such as,

- Job security
- Opportunities for career development
- Ability to work independently  
- Manageable level of work related stress  
- Best recognition of the education

Even though other financial and non financial benefits have also impacted on employee retention in these organizations, researcher was able to select only five ranking each with regard to financial benefits and non financial benefits only for her study due to the limited scope of the study.

3.5 Theoretical Framework and Hypotheses of The Study

Figure 3.1
Theoretical Framework of the study

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Benefits</strong></td>
<td>Employee Retention</td>
</tr>
<tr>
<td>Basic salary</td>
<td>+</td>
</tr>
<tr>
<td>Loan facilities</td>
<td>+</td>
</tr>
<tr>
<td>Fixed allowances</td>
<td>+</td>
</tr>
<tr>
<td>Medical assistance</td>
<td>+</td>
</tr>
<tr>
<td>Pension scheme</td>
<td>+</td>
</tr>
<tr>
<td>Bonus/unutilized sick leave payment</td>
<td>+</td>
</tr>
<tr>
<td><strong>Non Financial Benefits</strong></td>
<td></td>
</tr>
<tr>
<td>Job security</td>
<td></td>
</tr>
<tr>
<td>Opportunities for career development</td>
<td>+</td>
</tr>
<tr>
<td>Ability to work independently</td>
<td></td>
</tr>
<tr>
<td>Manageable level of work related stress</td>
<td></td>
</tr>
<tr>
<td>Best recognition of the education</td>
<td></td>
</tr>
</tbody>
</table>
Ha1: Financial benefits on employees are positively related to employee retention.

Ho1: Financial benefits on employees are not positively related to employee retention.

Ha2: Non-Financial benefits on employees are positively related to employee retention.

Ho2: Non-Financial benefits on employees are not positively related to employee retention.

Ha3: Financial benefits and non-financial benefits will significantly explain a considerable percentage of the variance on the employee retention.

Ho3: Financial benefits and non-financial benefits will not significantly explain a considerable percentage of the variance on the employee retention.

3.6 Summary

This chapter provided a basic introduction to CEB and NWSDB. Further this consisted of information on financial and non-financial benefits available in these organizations. Preliminary investigation analysis was conducted and finally, theoretical framework and hypotheses of the study were developed on the dependent and independent variables.
CHAPTER 04

CONCEPTUALIZATION AND OPERATIONALIZATION OF VARIABLES

This chapter describes the dependent and independent variables of the study. The dependent variable of the study is the employee retention and the independent variables are financial benefits and non financial benefits. Further this chapter elaborates the dimensions on which the above variables are intended to measure i.e. operationalization of independent and dependent variable.

4.1 Dependent Variable

4.1.1. Employee retention

The Oxford Advance Learner's Dictionaries of English (1948) defines the word "Employee" as "a person who is paid to work for". As per the Dictionary of Personnel Management (Ivanoric, 1990) defines the word "employee" as "a worker or a person employed by another".

The Oxford Advance Learner's Dictionaries of English (1948), the word "Retention" has been defined as "the action of keeping rather than losing it or stopping it". The Dictionary of Personnel Management (Ivanoric, 1990) defines retention as "keeping employees on the staff and no losing them to rival firms".
For the research purpose, the employee has been defined as a person who is employed in the executive category of the company either in the field of engineering, human resource management or finance management.

Thus, the employee retention can be defined as the ability of keeping employed a person who is in the executive category from the recruitment to the retirement within the company. Employee retention is a significant part in HRM where it enables the company to effectively use its human resources using their in-house experience and knowledge to drive the organizational success by minimizing the cost associated with recruitment and termination. The ultimate objective of HRM is to retain the most appropriated and contended staff within the organization to get the maximum contribution for organizational success.

Organizations under review for the research are coming under the public sector and it is observed that a person who joined to the public sector is less likely to resign from the company unlike employees who have joined to the private sector. Further, it is no doubt that a person who joined to CEB or NWSDB is very unlikely to leave the organization.

Employee perception towards the organization is highly affected in order to retain with the organization. Employment is mutual agreement between two parties ie. employer and employee where, employee tries to offer his/her knowledge, skills and competencies to the organization expecting monetary and non monetary benefits in return for his/her to achieve
the personal life goals. If they perceive that they would be gaining well in future for the
service rendered to the organization, tendencies to retain with the company is high and vice
versa.

The likelihood that an individual will remain with the organization or the employee
willingness to stay is another dimension which can be used to measure the degree of
employee retention with the organization. Some may have the willingness to stay with the
company until their retirement. Further, some employee has the willingness to stay with
the company for a specified short period of time and would be leaving the organization
after the expiration of such specified time. In this scenario, they will retain temporary with
the organization.

Some of employees are proud to state the name of the organization they are employed as
they perceive that their organization maintains a good employer brand than other
organizations. If they perceive, the company employed has a strong and competitive
employer brand, they less likely to leave the organization.

If the employee is less satisfied with the work, work environment, or compensation
package, employee will be interesting to look for similar other jobs which will have
healthy working environment accompanied with sound compensation package. Some may
not prefer to work in the Island due to various personal related factors and thus seek
overseas employment. All above factors would be calculating to reduce their interest to stay with the organization.

In this study, the dependent variable i.e. employee retention is measured by following indicators which have been developed within the dimensions identified in conceptualizing the concept.

- The extent to which the employee perception about the future employment with the organization
- The extent to which the employee interest in working for another organization
- The extent to which the employees willingness to stay with the organization
- The extent to which the employees intention to leave the organization
- The extent to which the employee perception about organization

4.2 Independent Variables

4.2.1 Financial benefits

The term “Financial” has been defined as “connected with money and finance” and the term “Benefits” has been defined as “an advantage that you get from a company in addition to the money that you can earn” (The Oxford Advance Learner’s Dictionaries of English, 1948).
The Dictionary of Personnel Management (Ivanoric, 1990) defines the term “benefits” as “advantage attached to a job apart from the basic salary or wage”.

As per Opatha (2010, P. 567), benefit also called as welfare facility is an indirect reward paid by the organization to the employee because he/she is a member of the organization.

However, for the research purpose, financial benefits (FB) could be defined as all finance/money related advantages that an employee would get from a organization as he/she is a member of the organization.

Financial benefits provided to its employees by organizations under review have been studies in detail in the chapter 03. Through PI, following six categories of FB was filtered as most crucial to make employee intention with the organization.

- Basic Salary
- Fixed allowances (Post Graduate, Professional, Exodus, Disturbances, Semi-professional allowances, Compensatory)
- Medical assistance
- Loan facilities (Distress, Housing, 2/3rd reimbursement, Vehical etc.)
- Pension scheme
- Annual bonus and other incentives such as unutilized sick leave pay
4.2.1.1 Basic salary

The term "basic" is defined as "before anything extra is added" and the term "salary" is defined as "money that employees receive for doing their job" by the Oxford Advance Learner’s Dictionaries of English, 1948. The Dictionary of Personnel Management (Ivanoric, 1990), the term “basic salary” has been defined as “the normal part of an employee’s salary to which extra payment may be added”.

For the research purpose, basic salary is defined as the employees consolidated salary on which contribution are made to the Provident Fund. Basic Salary which will be provided to employees should ensure the equity i.e. degree of reasonableness.

Opatha (2010, P.57) has pointed out four types of equity that should posses in an ideally a base pay received by an employee such as primary equity, internal equity, external equity and input equity.

Primary equity refers to the degree to which pay is capable of meeting primary needs of the employee. Primary needs include basic or physiological needs such as foods, water, cloths and shelter. These are the needs which will help the employee to survive or maintain his/her life (Opatha, 2010, p.570).

Internal equity refers to degree to which the pay is related to the relative worth of jobs. Similar pay must be paid for similar jobs and dissimilar pays must be paid for dissimilar
jobs (Opatha, 2010, p.570). Further dissimilarities of jobs should be equal to dissimilarities of jobs.

External equity refers to the degree to which pay received by an employee in an organization is related to pay received by similar employees in other organizations (Opatha, 2010, p.571). If an organization ensures the external equity, then it is easy for than to retain their employees within the organization.

Input equity refers to the degree to which pay received by a particular employee in an organization is related to his/her inputs used to perform duties of the job (Opatha,2010, p. 571). This stresses that the employees always try to match the fairness of salary they receive in return to the effort they made to the organization.

In this study, basic salary, sub independent variable of financial benefits is measured by following indicators which have been developed within the dimensions identified in conceptualizing the concept.

- The extent to which primary equity is met.
- The degree to which external equity is maintained.
- The extent to which internal equity is met.
- The extent to which input equity is met
4.2.1.2 Fixed allowance

The term “fixed” defined as “which cannot be changed or remained” and term “allowance” has been defined as “the money which is given for a special reason” by The Dictionary of Personnel Management (Ivanoric, 1990).

The Oxford Advance Learner’s Dictionaries of English (1948) defines the term “fixed” as “staying the same, not changing or able to be changed”, and the term “allowance” as “an amount of money that is given regularly or for a particular purpose”.

For the research purpose, fixed allowance is defined as the money paid to its employees which is not changing, for their academic and professional qualification acquired or to fulfill their standard of living and also by considering the nature of work that they are performing within the organization.

The executive employees in both organizations under review are professional employees such as Engineers, Accountants, and Human Resource Officers where their contributions to the success and progress of success of the organization are significant. If they perceive that their professional qualifications are not being recognized by the company, it is less likely that they have motivation to work hard and smart to improve their performances. If they perceive that they are financially benefited for the professional qualifications acquired, they will work hard and try to give maximum contribution to the achievement of organizational goals.
As almost all the employees in executive category of the selected organization are having academic background with territory qualifications, they are enthusiastic to learn more and more and be educated on new knowledge and seek continuous professional development throughout their career life. Thus, they eager to read for a post graduate degree program which is part and parcel of their career development. If they perceive that the organization they are employed inspires them to get the post graduate qualifications and reward them in return financially, they would be highly satisfied and remain with the organization contributing their upgraded knowledge for organizational success.

Employees will also view fixed allowances as the part of salary which is paid to cover the gap created due to the insufficiency of the base pay received to them to the fulfillment of external and input equity.

In this study, fixed allowance, sub independent variable of financial benefits is measured by following indicators which have been developed within the dimensions identified in conceptualizing the concept.

- The extent to which professional qualifications are recognized financially
- The extent to which post graduate qualifications are recognized financially
- The degree of employee attitude towards fixed allowances
4.2.1.3 Loan facilities

The term “Loan” has been defined as “the act of leading” and the term “facilities” as “a building, services, equipment that are provided for a particular purpose” by the Oxford Advance Learner’s Dictionaries of English (1948).

For the research purpose, the term loan facility is defined as “the act of lending money by the organization to its employees for the achievements of personal life expectations”.

Every employee is a human being having variety of needs and wants to be fulfilled during personal and social life. To achieve these personal goals, he is willing to be employed in an organization which make easy for him/her to achieve their needs and wants as it arises.

As Opatha (2010, p.619), housing refers to providing houses for employees to live in. In other words, it is a provision of accommodation. Housing is very important welfare service because a house to live in is a basic need of every human being. Live a life by his/her own house is a dream of everyone having. Thus, the financial assistance provided by way of loan facility with lower interest rate is a fulfillment of basic desire of an employee. Both organizations under review undertake to reimburse a portion of interest payment paid to lending organizations enabling employees to reduce the financial burden on the interest payment of the housing loan.
Any employee either in executive category or in non-executive categories will definitely come across various problems associated with financial difficulties throughout the lifetime. Employee will be helpless in such occasions and would be badly affected to the employee performances unless the employer does not listen to. As a remedy for such kind of situations, both organizations provide distress loan facility with lower interest rate enabling employee to face those financial difficulties successfully. As per Opatha (2010, p.621), advances and loan services are given with a view to assisting employees to celebrate various religious, and social festivals (e.g. wesak, x’mas, new year), to hold special functions/parties (e.g. wedding) and to faced unforeseen difficulties (e.g. accidents, funerals of relations). Thus, executive employees in the selected organizations don’t worry much about the financial problems if they believe that the organization provides financial assistance to overcome difficult situations.

Opatha (2010, p.2) classifies personal life into three categories such as family life, social life and religion life. As an executive employee having highly academic background will need to fulfill social need and to maintain the social status. Having owned vehicle is one of the basic which requires to maintain the social status. Various types of loan facilities including vehicle loan facility enables executive level employees to live a good social life.

Further, basic objective of any type of welfare facility is to enhance the standard of living of the employee so that he/she can become an efficiency and effective person to the
organization. Loan facility with lower interest rates enables an employee to uplift his/her standard of living by fulfilling the basic needs of life.

In this study, loan facility, sub independent variable of financial benefits is measured by following indicators which have been developed within the dimensions identified in conceptualizing the concept.

- The degree of employee attitude towards housing loan facility
- The extent to which employee value distress loan facility
- The degree of the importance of loan facility to employees’ personal life

4.2.1.4 Pension scheme

The term “pension” is defined as “an amount of money paid regularly by a government or company who is considered to be old, or too ill/sick to work” by the Oxford Advance Learner’s Dictionaries of English (1948) and the term “pension scheme” is further defined as “a system in which you, and usually your employer pay money regularly in to a fund while you are employed. You are then paid a pension when you retire”.

The Dictionary of Personnel Management (Ivanoric, 1990) defines “pension” as “money received regularly after retirement as part of either a private or government scheme”. Opatha (2010, p.623) defines the pension scheme as “a plan that ensures that retained employee gets a sum of money regularly (usually for each month) until his/her death from his/her former employer”.

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For the research purpose, the term pension scheme is defined "as a system in which company pay money regularly in to a fund during employment period and paid money regularly to employee after his/her retirement if he/she has satisfied the conditions stipulated in pension scheme of CEB.

One of the companies under review (i.e. CEB) is maintained a pension fund which is non contributory pension scheme where the employer (CEB) pays 7% of basic salary on behalf of the employee. Pension can be treated as some sort of strength that you have to live last stages in your life. As CEB is maintaining a non contributory pension scheme, employee has not sacrificed financially at all but get the fruitful after his/her retirement. Thus, this would be valuable like a gift given by the organization to its employees.

Even executive employees receive a good compensation package, the saving portion of the salary is little to nothing for any employee. When an employee gets retired, he/she may not have a source of income to spend the rest of life after working unless otherwise you have made considerable investment or save money during employment period. Thus, you may have to depend on your children, which is quite doubtable in present scenario. If you are entitled for a pension, you can independently live without burdening to anyone.

Due to the importance of pension scheme, some of job applicants are really interested on seeking whether the company which you intend to join has a pension scheme or not. Thus,
pension would be an influential factor and a good feature of an employer brand which may be a retention tool within the company.

In this study, pension scheme, sub independent variable of financial benefits is measured by following indicators which have been developed within the dimensions identified in conceptualizing the concept.

- Extent to which the importance of pension for the employee

4.2.1.5 Bonus and unutilized sick leave encashment

Opatha (2009, p.651) explains bonus as a one time payment, usually per year to the employee. It is an additional income to the employee. The employee has the advantage of getting an additional payment for exerting greater effort to increase performance while having the security of basic salary or wage.

For research purpose, bonus payment is the money paid to all employees as a return for their collective effort during a specific year. Employees are very keen on the annual bonus payment and they usually set plans to utilize those money for fulfilling special needs arises during the course of the year. Employee may normally use this payment not to fulfill day to day need but to incur capital expenditure or for investments.

Both organizations under review, has given the facility either to use their annual sick leave entitlement of 21 days for medical purposes or to encash all or balance unutilized sick
leaves during the month of January of each year. This facility has motivated employees not to use or to use minimum as much as possible the annual sick leave entitlement in order to get it encashed. Further, unutilized sick leave payment is not simply equal to 21 days salary, but it equal to one months salary (30 days).

In this study, bonus and unutilized sick leave payment, sub independent variable of financial benefits is measured by following indicators which have been developed within the dimensions identified in conceptualizing the concept.

- The extent to which employee attitude on bonus payment
- The degree to which employee attitude towards unutilized sick leave payment
- The degree to which perception towards the goodness of the scheme of unutilized sick leave payment

4.2.1.6 Medical assistance

The Oxford Advance Learner’s Dictionaries of English (1948) defines the term “medical” as “connected with illness and injury and their treatment” and the term “assistance” defines as “help or support”.

For the purpose of the study, medical assistance can be defined as the “financial help or support given by the organization to its employees to cover the cost of medical treatment for illnesses”.

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As all are human beings, various kinds of illnesses would be detected during the lifetime. Annually 25% or more of your earning may need to be allocated to recover you and your family illnesses. Money to be allocated for medical treatment cannot be predetermined and highly unpredictable. Thus, all employees have a genuine fear of the unforeseen medical expenses on himself/herself and the family unit. It is a great relief for the employee, if the organization gets the burden of it either partially or fully. Presently it has been a prerequisite for an employer to provide medical facilities/assistance to its employees to certain extent in order to retain them.

The organizations under review have two different medical assistance schemes (MAS). Benefits available in CEB medical scheme is comparatively high than the benefits prescribed in the medical assistance scheme of NWSDB. Thus, it is interested to find out the relative influence by these two different medical assistant schemes towards employee retention.

In this study, medical facility, sub independent variable of financial benefits is measured by following indicators which have been developed within the dimensions identified in conceptualizing the concept.

- The degree to which relative worth of medical facility to employee
- The degree to which employee attitude towards medical facility
4.2.2 Non-financial benefits

The term “non financial benefits” can be defined as the non-monetary advantages that an employee would get from an organization as he/she is a member of the organization.

It is found that even some companies may provide remuneration packages that are well about the market rate to attract and retain critical employees; they still fail of retaining the staff within the company. Thus, financial benefits alone will not be sufficient. As per the two factor model, majority of financial benefits come under the category of hygiene factors. Further, non financial benefit such as recognition, advancement, growth will be the motivational factors which make employee satisfied and influenced to retain with the organization. PI analysis revealed five crucial non financial benefits applicable to employees to retain with the selected organization as,

1. Job security
2. Opportunities for Career development
3. Ability to work independently
4. Work related stress
5. Recognition of the education

4.2.2.1 Job security

The Dictionary of Personnel Management (Ivanoric, 1990) defines job security as “feeling which a worker has that he has a right to keep his job, or that his job will continue”.
Patrice Gelinas (2005) has defined job security as the relative assurance, owned by an employee that he/she is shielded against damages that would result from the loss of his/her job.

Thus, job security can be defined as “the employee perception about the degree to which his job is protected against the bad things happen in the future which resulted to lose his/her job”.

Job security is simply an attitude having in employees mind regarding the future employability of the present job. Further employability will vary with the performance of the company in this dynamic and volatile environment. If an employee perceives that the company has a clear future, then he/she feels that the job is well secured with his/her satisfactory performance.

An enterprise incorporated by an Act of Parliament, owned and controlled by the Government and executes a statutory function without the main purpose of earning profits is deemed to be a State Owned Non-Commercial Enterprise. As both organizations under review are statutory boards, its come under the category of State Owned Non-Commercial Enterprises that earn sufficient funds for their operational activities and also operate with Government budgetary provisions. As per the classification done by the Department of Public Enterprises (DPE), CEB has come under the “category A” whereas NWSDB was also in the category A until 2010, but it has come to the “category B” in 2011. Thus,
existence of both organization for a prolong future with the government support may be relatively high which resulted high job security of its employees.

Researchers have found that the absolute job security where the chances of being involuntary terminated without cause are virtually nil in public sector organizations than in private sector organizations. The main possible reason for involuntary termination is the employers’ imminent bankruptcy which has fewer tendencies in public sector organizations.

Further job security can be affected by the mere fact that the nature of competition faced by the employer in the macro market condition. Thus, the concept of contextual job security arises out of the combination of the employers economic health and staffing policies. An organization which faces tough competition would be resulted with decrease in job security under two scenarios. First, the strategies being used by competitors are strong. Second, the strategies being used by the organization are weak in this so volatile and unpredictable market conditions. Thus, employee who works for the organization which faces tough competition would lead to reduce job security. If an organization plays a dominate role in the market and has created a monopoly situation where the rivalry against competitors are relatively less, then the jobs are well secured and guaranteed.

Further, job security will depend on the staffing policies on outsourcing opportunities of its human resources. The trend towards outsourcing more and more business functions
including human resources creates uncertainty within the working environment. Job is well secured if the outsourcing opportunities for skilled, technical and educated staff who fully fit with organizational requirements are less or nil.

Furthermore the degree to which an employee job is secured or not will be determined by the policies and procedures of disciplinary management system in that organization. Employees’ perception towards job security will be high if he/she feels that the job will not be terminated unless they were committed to a very serious misconduct or else that they have very lenient disciplinary management system.

In this study, job security, sub independent variable of non-financial benefits is measured by following indicators which have been developed within the dimensions identified in conceptualizing the concept.

- The extent to which employee attitude on the existence of this organization
- The degree of the existence of absolute job security.
- The degree of the existence of contextual job security

4.2.2.2 Opportunities for career development

The word “opportunity” is defined as “situation where you can do something successfully” and the word “career” as “job which you are trained for, and which you expect to do all your life” as per the Dictionary of Personnel Management (Ivanoric, 1990). Further it defines the word “career development” as “planning of an employee’s future career in an
organization". As Opatha (2010, p.526), the term career means a series of jobs that a person had in his/her life. It represents one’s working life or employment life. Werther et al. 1985, defines career development as the process by which one undertakes personal improvements to achieve a personal career plan.

For the study purpose, opportunities for career development are the possibilities or options available to an employee to attain his/her career objectives within the organization.

Career objectives are the future positions one strives to reach during the employment period with the organization. All employees including lower level employees has their own career objectives. However driving force towards achieving career objectives would be higher in executive level employees than in non-executive level employees. Thus, all most all executive level employees strive to achieve their career objectives in order to succeed both work life as well as personal /family life. They tend to work hard to give their maximum contribution towards the organization expecting financial return as well as non-financial return such as career enhancement, recognition etc.

As per Werther er all, 1985, career path is the sequential pattern at jobs that forms one’s career. It is important to create different career paths for different categories of employees who desire to hold different management positions. No employee is interested to remain in the same position where he/she was recruited until his/her retirement. With the lapse of time and the exposure gaining with the organization and continuous professional
development, the executive category of employee will be interested to take more responsibility and accountability and also to serve organization more effectively by holding different managerial positions relevant to his/her career.

A career plateau refers to a state where an employee has no upward movements further (Opatha, 2010). Further he elaborates that employee has come to a stage during which there is no positive change or development with regard to his/her career. In simple, there are no promotions for the employee. In this scenario, employee has to work until the retirement of next upwards position. Once you go up in your career ladder, at some stage, everyone has to face career plateau. When considering the organizations under review, the gravity of this issue will be varied with the employee category and with hierarchical organizational structure.

In this study, opportunities of career development, sub independent variable of non-financial benefits is measured by following indicators which have been developed within the dimensions identified in conceptualizing the concept.

- The extent to which career objectives could be achieved while serving the organisation
- The extent to which ability to go up in the career ladder
- The degree to which the existence of career plateau in the filed
4.2.2.3 Ability to work independently

The word ‘ability’ is defined as “a level of skill or intelligence” and the term “independently” is defined as “not connected with or influenced by” in the Oxford Advance Learner’s Dictionaries of English (1948).

For the study purpose, the ability to work independently means the degree to which employee has the freedom to perform his/her job without or with minimum influence of his/her immediate superior”.

Normally, organization has its own unique rules and regulations or policies to be complied with, in managing the organization. Specially, state sector organization has clearly pointed out its governance rules and regulations relevant to each operations categories in black and white which is termed as Circulars. All employees should comply with relevant circular while carrying out his/her job.

It is not required to executive level employees of getting directions each time from the immediate supervisor provided the rules and regulations are precisely stated in work manuals, or circulars.

Job enrichment is one of the behavioral methods under the techniques of job design. Job enrichment is increasing the depth of a job by expanding authority and responsibility for planning and controlling the job. If the employee is given sufficient authority to plan and
control of his/her job, the instructions or supervision from Boss is less required which would ultimately lead to the employee to work independently.

Professional technique is another important technique involved in job designing. Professional techniques means designing jobs according to certain accepted professions. A profession is a type of job that requires special competencies which should be required through a long term systematic learning (Chandan, 1997). Some jobs in an organization can be designed in a way that professionals do not require much direct supervision because they are competent enough to perform all the duties of the relevant profession successfully. Thus, they will be allowed to exercise duties under self directions and self control so that the involvement of Boss is minimal enabling them to work independently. Further, professionals would enjoy total freedom in performing the job in a way they prefer or desire.

In this study, ability to work independently, sub independent variable of non-financial benefits is measured by following indicators which have been developed within the dimensions identified in conceptualizing the concept.

- The extent to which organisational rules and regulations are precisely stated.
- The extent to which employee attitude on working freely.
- The degree to which employee performs routine job duties with minimum supervision.
4.2.2.4 Work related stress

The Oxford Advance Learner's Dictionaries of English (1948) defines the term stress as "pressure or worry caused by the problem in life". Stress is the general term applied to the pressures of people feel in life (Newstron and Davis, 1997). In case of a professional (or an employee) stress is what he or she experiences internally in response to an event, a situation or a thing he/she finds difficult to deal with.

Thus, work related stress is the degree to which employee deals with the pressure caused by the problems related to work life. Work related stress can also be named as organizational stress. Organizational stress is a hazard of socio-psychological aspects of the work environment. Following reasons affect the occurrence of organizational stress.

1. Lack of time to perform entrusted tasks and duties.
2. Lack of competence to perform duties.
3. Role ambiguity
4. Perception of pays unfair
5. Having superior who expects, from subordinates a responsibility that is more than delegated authority

Stress is not always negative. Stress is inevitable, certain to happen and cannot be prevented or avoided totally. Positive side of stress is labeled as eustress and the negative side of stress is labeled as distress. According to Nelson and Quick (1997), the Yerkes –
Dodson Law indicates that stress leads to improved performance up to an optimum point. When the stress level increases beyond the optimum level, employee performance starts declining.

Too much of stress may result in many negative consequences to the individual employees as follows.

1. Physiological: increased blood pressure, bring on headache, physical fatigue, inducing heart attack

2. Psychological: anxiety, depression, decrease job satisfaction, loss concentration, boredom, anger


Thus, if the stress level increased more than the level where employee can handle, then the employee will be dissatisfied and seek employment in elsewhere. Thus, job and the environment should be designed in a way that employee can handle the workload entrusted to him/her. Unmanageable stress would be a factor affecting to leave the organization. Employee prefers to get the minimum stress to carry out work related functions. Otherwise, work related stress will have a bad impact to the personal or family life of the employee as well as he/she would not be able to fulfill the family obligations to the expected level.
In this study, work related stress, sub independent variable of non-financial benefits is measured by following indicators which have been developed within the dimensions identified in conceptualizing the concept.

- The extent to which the employee feels work related stress

4.2.2.5 Recognition of the education

The Oxford Advance Learner’s Dictionaries of English (1948), word “recognition” defines as “the act of accepting that exists” and the word “education” as “process of teaching, training and learning especially in schools or colleges, to improve knowledge, and develop skills”.

For the study purpose, recognition of the education is that knowledge, skills and attitude gained by the employee with regard to the employment offered.

As executive employees attached to both organizations under review are highly qualified in terms of their education and experience, they would prefer an organization which recognize the education they possesses and also employees are given options or opportunities to use that knowledge to drive the organization to the success. Knowledge, skills and attitude are the basic assets of any human resources especially in executive category. Thus, organization should effectively use these competencies in order to get the benefit out of it.
Further employees prefer to upgrade their formal knowledge with the day to day experience that they are gaining from the organization. If they believe that they can get more exposure in all aspects relevant to the field of education, they would be highly satisfied. For executive category of employees in engineering service, the organization where they are presently employed would be the only organization in Sri Lanka which is suitable for their professional and academic qualifications.

In this study, recognition of education, sub independent variable of non-financial benefits is measured by following indicators which have been developed within the dimensions identified in conceptualizing the concept.

- The extent to which employee knowledge is used by the organization.
- The extent to which the ability of getting exposure in the field of education
- The extent to which the employee education is valuable to the organization

4.3 Summary

This chapter conceptualized the dependent and independent variables of the study in detail. Further it was elaborated the dimensions on which the variables are intended to measure i.e. operationalization of dependent and independent variables.
CHAPTER 05

RESEARCH DESIGN DETAILS AND METHODS

The purpose of this section is to provide a basic understanding about how the research study has been carried out scientifically. This comprises of research design details and research methods used to collect the data scientifically.

5.1 Research Design Details

In this section, the writer wishes to discuss the type of research study, study setting, nature of the study, time of the study and the unit of analysis.

5.1.1 Type of the study

The objective of this study is to find out the impact of financial and non-financial benefits on employee retention. Researcher intends to achieve the research objectives by conducting two case study analyses based on Ceylon Electricity Board and National Water Supply and Drainage Board in Sri Lanka. Six categories of financial benefits and five categories of non-financial benefits were identified in the preliminary investigation and the research study focused on, in finding out the relationship between financial benefits and non-financial benefits (independent variables) and employee retention (dependent variable).
5.1.2 Study setting

The study is non-contrived since it was carried out in a natural environment where things affected to the study occur normally.

5.1.3 Nature of the study

In this research study, three hypotheses have been formulated for testing in relation to the dependent variable and the independent variables. Therefore this study was analytical in nature rather than exploratory or descriptive.

5.1.4 Time of the study

The data for this research were collected over a period of three months. Preliminary investigation was conducted as the first attempt to the research. As the second attempt, main research questionnaire was developed and collected data for the study. So the time horizon is cross sectional/one-shot where data collection was done over a period of three months.

5.1.5 Unit of analysis

This study was carried out on the financial and non financial benefits applicable for executive category of employees in fields of engineering, finance and human resources of CEB and NWSDB. So the unit of analysis of the study is the executive category of employees in fields of engineering, finance management and human resources management.
5.2 Research Methods

In this section the writer discusses the survey method, the questionnaire used to collect the data, the population and sample, the levels of measurement of variables and the methods of data analysis.

5.2.1 Survey method

As different research methods are available such as observations, direct interviews, use of secondary data, in this research the instrument utilized to collect data is a self-administered questionnaire due to the following reasons.

1. Preliminary data needed to be collected since no research studies have been carried out on this subject.
2. Cost is relatively low and time saving is relatively high when compared to other methods.
3. All the questions are based in the perception that the executive level employees has with regard to their financial and non financial benefits and also their intention to retain with the organization. So, perception including values, attitudes, beliefs, and feelings are quite difficult to observe.
4. Minimize the personal biasness.
5. Study involves a fairly a larger sample consisting of 167 executive employees.
Thus self-administered questionnaire is the most appropriate survey method for the study. Further, observation method was used in finding out the non financial benefits inherent to these two organizations and also secondary data were collected to elaborate the categories of financial benefits available in these two organizations, which is one of the objective in the research study.

5.2.2 Data collection

Self-administered questionnaire was used to collect primary data from executive employees in the field of engineering, finance and human resources management. The research questionnaire (Appendix II and III) was carefully designed to minimize the mental and physical effort needed to fill up the questionnaire in order to get more response. Further researcher put her maximum effort to eliminate technical words by using simple words, which can be understood by the respondents without undue effort, and to eliminate leading questions, double-barreled questions, and words that have different meaning to ensure the validity of the research.

Once the questionnaire was prepared, sample test was carried out to make sure the time consume to complete the questionnaire and whether the respondent understands the questions correctly. The questionnaire consists of two pages where the questions are printed in both side so that it gives an impression to the respondent that they can attempt within several minutes. Since writer was eager to reduce the number of sheets, she did not use separate sheet for the covering letter and what she did was, wrote a small description
on self-introduction of the researcher and the reason for conducting the research. Further it is pointed out the instructions needed to be followed when filling the questionnaire and ensured the confidentiality of information. Research topic was not mentioned in the questionnaire, because it might direct to rate positively in all questions due to personal biasness to the organization.

The questionnaire consists of 52 questions directing to measure independent variables and the dependent variable. Out of these 52 closed-ended questions, 40 are positively related to the variable and 12 questions are negatively related to the variable. Five point Likert scale was applied when developing the research questionnaire.
Table 5.1
Summary of Questionnaire

<table>
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<th>Questions</th>
<th>No of questions</th>
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<tr>
<td></td>
<td>From</td>
<td>To</td>
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<tr>
<td>Independent Variable</td>
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<td></td>
<td></td>
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<tr>
<td>➢ Financial Benefits</td>
<td></td>
<td></td>
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<tr>
<td>▪ Basic Salary</td>
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<tr>
<td>▪ Fixed Allowances</td>
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<td>-</td>
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<td>▪ Loan Facilities</td>
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<td>13</td>
<td>04</td>
<td>-</td>
</tr>
<tr>
<td>▪ Pension scheme/Bonus</td>
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<td>04</td>
<td>-</td>
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<td>▪ Medical Assistant</td>
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<td>21</td>
<td>04</td>
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<td>➢ Non Financial Benefits</td>
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<td>22</td>
<td>15</td>
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<tr>
<td>▪ Job Security</td>
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<td>▪ Opportunities for career</td>
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<td>Total</td>
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</table>

95
Majority of questionnaires were handed over to relevant executives and few of questionnaires were e-mailed since the sample unit are geographically dispersed. Respondents were given two weeks time duration to fill up the questionnaire. In the mean time, reminder e-mail was sent to each respondent and called them to increase the response rate. Through this, researcher was able to collect more than 60% response on time and the rest were received after one week of deadline date. However this research study was a success since cooperation from sample unit was above the expected level throughout the study period.

5.2.3 Population and sampling

Population refers to the entire group of people, events, or things of interest that a researcher wishes to investigate (Sekaran, 1992, p. 225). According to this research study, population consists of all executive level employees in field of engineering, finance management and human resources management. This includes additional general managers, deputy general managers, chief engineers, engineers, additional finance mangers, deputy finance managers, accountants, human resource managers, human resources officers, and assistant general managers. Sample is the representative part of its population or the sub set of the population that should represent the entire group. In selecting the sample, researcher has used simple random sampling, one of the probability sampling techniques. The sample represented 15% of the population.
Table 5.2

Population and Sample

<table>
<thead>
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<th>Organization</th>
<th>Category</th>
<th>Population</th>
<th>Sample</th>
<th>Representation of population %</th>
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<td>Engineers</td>
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</tr>
<tr>
<td></td>
<td>HR officers</td>
<td>26</td>
<td>14</td>
<td>54%</td>
</tr>
<tr>
<td></td>
<td>Accountants</td>
<td>89</td>
<td>25</td>
<td>28%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>747</td>
<td>109</td>
<td>15%</td>
</tr>
<tr>
<td>NWSDB</td>
<td>Engineers</td>
<td>298</td>
<td>32</td>
<td>11%</td>
</tr>
<tr>
<td></td>
<td>HR officers</td>
<td>30</td>
<td>12</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>Accountants</td>
<td>57</td>
<td>14</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>385</td>
<td>58</td>
<td>15%</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>1132</td>
<td>167</td>
<td>15%</td>
</tr>
</tbody>
</table>

5.2.4 Levels of measurement of variables

The variable of the present study constitute interval scale where it provides ranking with information on the magnitude of the differences in the variable. It classifies and rank orders properties of variables placing them on an equally spaced continuum as shown below.

Continuum 5.1

Levels of measurement of variables

<table>
<thead>
<tr>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Very High</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
5.2.5 Method of data analysis

Research questions comprise of different type of statements either positively or negatively related to the variable, which intends to measure. Following scores were given for these positive and negative statements according to the Likert scale.

**Table 5.3**

*Assignment of Scores*

<table>
<thead>
<tr>
<th>Category</th>
<th>Scores</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Positive</td>
<td>Negative</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Neither Agree Nor Disagree</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

Once all questionnaires were collected, scores for each question was carefully entered to excel worksheet. Again re-checked the worksheet to ensure the accuracy and then it was copied to SPSS (Statistical Package for Social Sciences) worksheet. Finally reliability analysis (inter-item reliability), univariate analysis (involving one variable at a time), bivariate analysis (involving two variable at a time), and multivariate analysis (involving more than two variable at a time) were calculated using SPSS 16.0 package.

5.3 Summary

The main objective of this chapter was to briefly explain research design details and research methods used to collect data scientifically.
CHAPTER 06
DATA ANALYSIS AND PRESENTATION

The purpose of this chapter is to analysis the data gathered through the self-administered questionnaire and to present the information in a manner, which useful to make decisions. Reliability analysis, univariate analysis, bivariate analysis, and multivariate analysis are to be presented in this chapter.

6.1 Reliability Analysis
Reliability analysis indicates how well the instrument consistently and stably measures whatever the concepts it measures. Here the reliability is concerned with whether we are measuring the concept accurately. If the questionnaire is unreliable, the researcher will collect wrong or less accurate data and based on them, will carry out data analysis and will be ended with wrong conclusions. Thus the reliability analysis was done for each variable as well as sub variable factors of independent variables using SPSS to make sure that this questionnaire measures the concept at a relatively high degree of accuracy.
If the Cronbach’s Coefficient Alpha is greater than or equal to 0.7000, it is indicated the high degree of reliability. According to the above analysis, all the questions relating to measure dependent and independent variables have obtained the Cronbach’s coefficient.
alpha more than 0.7000 which indicates high degree of reliability in the questionnaire. Even though Cronbach’s Coefficient Alpha of sub variable factors of independent variables indicates less than 0.7000, it would be increased as appended in the above table, if the respective question item is deleted.

6.2 Univariate Analysis

Under univariate analysis, each variable is taken at a time and descriptive statistical tools such as mean and standard deviation were used for the analysis. Further inferential statistical tools were used in converting the sample analysis to the population.

6.2.1 Degree of Financial benefits

Twenty one questions were developed in the questionnaire under this variable and all questions were positive in nature. The scores were assigned according to the five point Likert scale.

<table>
<thead>
<tr>
<th>Question Item</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither Agree Nor Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-21</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
According to the five point Likert scale, total score may vary from 105 ($5 \times \text{No of questions}$) to 21 ($1 \times \text{No of questions}$) which indicate very high to very low degree of financial benefits available in the organization.

\[
\text{Range} = \frac{\text{Maximum Value} - \text{Minimum Value}}{\text{No of levels}}
\]

\[
= \frac{105 - 21}{5} = 16.8
\]

**Continuum 6.1**

A continuum showing the degree of

Financial benefits available in the organization

<table>
<thead>
<tr>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Very High</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>37.8</td>
<td>54.6</td>
<td>71.4</td>
<td>88.2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The total score was then converted into 5-point scale where the average score of respondent falls between 4 and 5, the degree of financial benefits available in the organization is very high and if it falls below 1, the degree of financial benefits available in the organization is very low. The mean and the standard deviation computed for this variable using descriptive statistics and the frequency graph is shown below.
Table 6.3
Descriptive statistics on the degree of
Financial benefits available in the organization (5 point)

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.39</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>0.65</td>
</tr>
</tbody>
</table>

Figure 6.1
Frequency graph on the degree of
Financial benefits available in the organization (5 point)
According to the analysis, mean value of this variable is 3.39 with the 0.65 standard deviation of the selected sample of 167 executives’ response. Thus as per the majority of executives, the degree of financial benefits available in the organization is at high level. Further the sample mean will vary from 2.74 (3.39-0.65) to 4.04 (3.39+0.65) where it indicates that the degree of financial benefits available in the organization vary from moderate to very high level in the sample.

Further this sample information was used to estimate the population mean where standard error of the mean (Sx) was calculated to see how close the sample mean (x) is to the true population mean (μ).

\[
\text{Standard Error} = \frac{\text{Standard Deviation}}{\sqrt{\text{Sample size}}} = \frac{0.65}{\sqrt{167}} = 0.050
\]

The inferential statistical technique suggests that at the 95% confident level, the population mean (μ) of the responses on the financial benefits available in the organization must lie within the range of:

\[
\mu = \bar{x} \pm 1.96 \times Sx = 3.39 \pm 1.96 \times 0.050 = \text{between 3.29 and 3.49}
\]
Based on this analysis, it can be concluded that the degree of financial benefits available in the organization is at the high level at the 95% confident level.

6.2.2 Degree of non financial benefits available in the organization

Twenty two questions were developed in the questionnaire under this variable including seven negative direction questions whereas others were positive. The scores were assigned according to the five point Likert scale and possible scores for each question is append below.

Table 6.4
Possible Scores of Response on the Degree of Non financial benefits available in the organization

<table>
<thead>
<tr>
<th>Question Item</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither Agree Nor Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>22-24</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>25</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>26-28</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>29-30</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>31-35</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>36-39</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>40-43</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
According to the five point Likert scale, total score may vary from 110 \((5 \times \text{No of questions})\) to 22 \((1 \times \text{No of questions})\) which indicate very high to very low degree of non financial benefits available in the organization

\[
\text{Range} = \text{Maximum Value} - \text{Minimum Value} = \frac{110 - 22}{5} = 17.6
\]

**Continuum 6.2**

* A continuum showing the degree of

**Non financial benefits available in the organization**

<table>
<thead>
<tr>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Very High</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>39.6</td>
<td>57.2</td>
<td>74.8</td>
<td>92.4</td>
</tr>
<tr>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

The total score was then converted into 5-point scale where the average score of respondent falls between 4 and 5, the degree of non financial benefits available in the organization is very high and if it falls below 1, the degree of non financial benefits available in the organization is very low. The mean and the standard deviation computed for this variable using descriptive statistics and the frequency graph is shown below.
Table 6.5

Descriptive statistics on the degree of
Non financial benefits available in the organization (5 point)

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.45</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>0.57</td>
</tr>
</tbody>
</table>

Figure 6.2

Frequency graph on the degree of
Non financial benefits available in the organization (5 point)
Based on this analysis, mean value of this variable is 3.45 with the 0.57 standard deviation of the selected sample of 167 executives’ response. Thus according to the perception of the majority of executives, the degree of non financial benefits available in the organization is at high level. Further the sample mean will vary from 2.88 (3.45-0.57) to 4.02 (3.45+0.57) where it indicates that the degree of non financial benefits available in the organization vary from moderate to very high level in the sample.

Further this sample information was used to estimate the population mean where standard error of the mean ($\bar{S_x}$) was calculated to see how close the sample mean ($\bar{x}$) is to the true population mean ($\mu$).

\[
\text{Standard Error} = \frac{\text{Standard Deviation}}{\sqrt{\text{Sample size}}} = \frac{0.57}{\sqrt{167}} = 0.044
\]

The inferential statistical technique suggests that at the 95% confident level, the population mean ($\mu$) of the responses on the non financial benefits available in the organization must lie within the range of,

\[
\mu = \bar{x} \pm 1.96 \times S_x = 3.45 \pm 1.96 \times 0.044 = \text{between 3.36 and 3.54}
\]
Based on this analysis, it can be concluded that the degree of non-financial benefits available in the organization is at a high level at the 95% confident level.

6.2.3 Degree of employee retention with the organization

Nine questions were developed in the questionnaire under this variable including five negative direction questions whereas others were positive. The scores were assigned according to the five point Likert scale and possible scores for each question will differ depending on their direction whether it is positive or negative.

Table 6.6

Possible Scores of Response on the Degree of Employee retention with the organization

<table>
<thead>
<tr>
<th>Question Item</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither Agree Nor Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>44-47</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>48-49</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>50</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>51-52</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
According to the five point Likert scale, total score may vary from 45 ($5 \times \text{No of questions}$) to 9 ($1 \times \text{No of questions}$) which indicate very high to very low degree of employee retention with the organization respectively.

\[
\text{Range} = \frac{\text{Maximum Value} - \text{Minimum Value}}{\text{No of levels}}
\]

\[
= \frac{45 - 9}{5} = 7.2
\]

**Continuum 6.3**

A continuum showing the degree of Employee retention with the organization

<table>
<thead>
<tr>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Very High</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>16.2</td>
<td>23.4</td>
<td>30.6</td>
<td>37.8</td>
</tr>
<tr>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

The total score was then converted into 5-point scale where the average score of respondent falls between 4 and 5, the degree of employee retention with the organization is very high and if it falls below 1, the degree of employee retention with the organization is very low. The mean and the standard deviation computed for this variable using descriptive statistics and the frequency graph is shown below.
Table 6.7

Descriptive statistics on the degree of
Employee retention with the organization (5 point)

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.77</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>0.74</td>
</tr>
</tbody>
</table>

Figure 6.3

Frequency graph on the degree of
Employee retention with the organization (5 point)
Based on this analysis, mean value of this variable is 3.77 with the 0.74 standard deviation of the selected sample of 167 executives’ response. According to the majority of executives, the degree of employee retention with the organization is at high level. Further the sample mean will vary from 3.03 (3.77-0.74) to 4.51 (3.77+0.74) where it indicates that the degree of employee retention with the organization vary from high to very high level in the sample.

Further this sample information was used to estimate the population mean where standard error of the mean (Sx) was calculated to see how close the sample mean (x) is to the true population mean (µ).

\[
\text{Standard Error} = \frac{\text{Standard Deviation}}{\sqrt{\text{Sample size}}} = \frac{0.74}{\sqrt{167}} = 0.057
\]

The inferential statistical technique suggests that at the 95% confident level, the population mean (µ) of the responses on the employee retention with the organization must lie within the range of,

\[\text{Population mean} = \text{Sample mean} \pm 1.96 \times \text{Standard error}
\]

\[\mu = \bar{x} \pm 1.96 \times Sx = 3.77 \pm 1.96 \times 0.057 = \text{between 3.66 and 3.88}
\]
Based on this analysis, it can be concluded that the degree of employee retention with the organization is high at the 95% confident level.

6.3 Bivariate Analysis

Bivariate analysis is used to examine the relationship of each of the independent variable with the dependent variable. In other words, correlation between each independent variable with the dependent variable may analysis using bivariate analysis. Correlation (r) indicates the direction of the relationship between two variables whether it is positive or negative and the significance of the relationship too.

\[
\begin{align*}
    r &= \frac{\sum(x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum(x_i - \bar{x})^2} \times \sqrt{\sum(y_i - \bar{y})^2}} \\
    x &= \text{Dependent variable} \\
    y &= \text{Independent variable} \\
    \bar{x} &= \text{Mean of the dependent variable} \\
    \bar{y} &= \text{Mean of the independent variable}
\end{align*}
\]

6.3.1. Financial benefits on employees and the employee retention

The first attempt was to identify the correlation between the dependent variable of employee retention and the independent variable of financial benefits on employees. The
alternative hypothesis (Ha1) and the null hypothesis (Ho1) were developed in relation to these two variables as,

**Ha1**: Financial benefits on employees are positively related to employee retention.

**Ho1**: Financial benefits on employees are not positively related to employee retention.

<table>
<thead>
<tr>
<th>Table 6.8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Correlation between the dependent variable and the Financial benefits on employees</strong></td>
</tr>
<tr>
<td>Financial Benefits (5-point)</td>
</tr>
<tr>
<td>Pearson Correlation</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
</tr>
<tr>
<td>N</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (1-tailed).**

According to the above table, Pearson correlation (r) between financial benefits on employees and employee retention is 0.373 at the 99% confident level. In other words, positive relationship (r = +0.373) between these two variables were revealed so that the alternative hypothesis (Ha1) is accepted at the 99% confident level.

Further, bivariate analysis was used to examine the relationship between dependent variable of employee retention and the sub variable factors i.e basic salary, fixed
allowances, loan facilities, pension scheme/bonus, medical assistance, which comprise of independent variable of financial benefits on employees to investigate deeply the individual sub factor relative relationship and its significance on employee retention with the organization.

Table 6.9
Correlation between employee retention and sub independent variable factors of financial benefits

<table>
<thead>
<tr>
<th>Sub Independent Factor (5-point)</th>
<th>Employee Retention (5-point)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Salary (5-point)</td>
<td>Pearson Correlation Sig. (1-tailed)</td>
<td>.317**</td>
</tr>
<tr>
<td>Fixed Allowances (5-point)</td>
<td>Pearson Correlation Sig. (1-tailed)</td>
<td>.205*</td>
</tr>
<tr>
<td>Loan Facilities (5-point)</td>
<td>Pearson Correlation Sig. (1-tailed)</td>
<td>.295**</td>
</tr>
<tr>
<td>Pension Scheme/Bonus (5-point)</td>
<td>Pearson Correlation Sig. (1-tailed)</td>
<td>.218**</td>
</tr>
<tr>
<td>Medical Assistance (5-point)</td>
<td>Pearson Correlation Sig. (1-tailed)</td>
<td>.224**</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (1-tailed).
6.3.2. Non-financial benefits on employees and employee retention

This section describes the relationship between the dependent variable of employee retention and the independent variable of non-financial benefits on employees. The alternative hypothesis (Ha2) and the null hypothesis (Ho2) were developed in relation to these two variables as,

\textbf{Ha2}: Non-financial benefits on employees are positively related to employee retention.

\textbf{Ho2}: Non-financial benefits on employees are not positively related to employee retention.

\textbf{Table 6.10}

Correlation between the dependent variable and the Non-financial benefits on employees

<table>
<thead>
<tr>
<th></th>
<th>Non-Financial Benefits (5-point)</th>
<th>Employee Retention (5-point)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pearson Correlation</strong></td>
<td>1</td>
<td>.388**</td>
</tr>
<tr>
<td><strong>Sig. (1-tailed)</strong></td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>167</td>
<td>167</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (1-tailed).
According to the above table, Pearson correlation (r) between non-financial benefits on employees and employee retention is 0.388 at the 99% confident level. In other words, it was revealed a positive relationship (r = +0.388) between the two variables so that alternative hypothesis (Ha2) is accepted at the 99% confident level.

Further, bivariate analysis was used to examine the relationship between dependent variable of employee retention and the sub variable factors i.e job security, opportunities for career development, ability to work independently, minimum level of work related stress, recognition of education, which comprise of independent variable of non financial benefits on employees to investigate deeply the individual sub factor relationship and its significance on employee retention with the organization.
Table 6.11

Correlation between employee retention and sub independent variable factors of non financial benefits

<table>
<thead>
<tr>
<th>Sub Independent Factor (5-point)</th>
<th>Sub Employee Remarks</th>
<th>Employee Retention (5-point)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Security (5-point) Pearson Correlation</td>
<td>1</td>
<td>.292**</td>
<td>**. Correlation is significant at the 0.01 level (1-tailed).</td>
</tr>
<tr>
<td>N Sig. (1-tailed)</td>
<td>167</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Opportunities for Career Development (5-point) Pearson Correlation</td>
<td>1</td>
<td>.271**</td>
<td>**. Correlation is significant at the 0.01 level (1-tailed).</td>
</tr>
<tr>
<td>N Sig. (1-tailed)</td>
<td>167</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Ability to Work Independently (5-point) Pearson Correlation</td>
<td>1</td>
<td>.174*</td>
<td>*. Correlation is significant at the 0.05 level (1-tailed).</td>
</tr>
<tr>
<td>N Sig. (1-tailed)</td>
<td>167</td>
<td>.012</td>
<td></td>
</tr>
<tr>
<td>Recognition of Education Pearson Correlation</td>
<td>1</td>
<td>.232**</td>
<td>**. Correlation is significant at the 0.01 level (1-tailed).</td>
</tr>
<tr>
<td>N Sig. (1-tailed)</td>
<td>167</td>
<td>.001</td>
<td></td>
</tr>
<tr>
<td>Minimum Level of Work Related Stress (5-point) Pearson Correlation</td>
<td>1</td>
<td>.261**</td>
<td>**. Correlation is significant at the 0.01 level (1-tailed).</td>
</tr>
<tr>
<td>N Sig. (1-tailed)</td>
<td>167</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>
6.4 Multivariate Analysis

Multivariate analysis is used when the calculation involves more than one independent variables with the dependent variable. Further multivariate analysis measures the degree to which the dependent variable is represented by the independent variables. Simply, it measures the degree of employee retention (dependent variable) is determined by financial benefits and non financial benefits (independent variables). The main output of multivariate analysis is multiple regression report with the multiple correlation coefficient (R) and the coefficient of multiple determination (R²).

Multiple correlation coefficient (R) measures the correlation of all the independent variables with the dependent variable whereas the coefficient of multiple determination (R²) measures the amount of variance explained in the dependent variable by the set of independent variables.

Thus the hypothesis was tested with the multiple regression analysis under multivariate analysis whereas the alternative hypothesis (Ha3) and null hypothesis (Ho3) are,

**Ha3**: Financial benefits and non-financial benefits will significantly explain a considerable percentage of the variance on the employee retention.

**Ho3**: Financial benefits and non-financial benefits will not significantly explain a considerable percentage of the variance on the employee retention.
According to the above SPSS 16.0 output table, multiple correlation coefficient (R) is 0.454 which indicates a positive moderate relationship between the dependent variable and independent variables. In other words, financial benefits and non-financial benefits on employees are positively and moderately related to employee retention.

Further, the coefficient of multiple determinations ($R^2$), the extent to which the dependent variable has been affected by all the independent variables when considered jointly is 0.206. This indicates that 20.6% of the variance in the dependent variable (the degree of employee retention) has been jointly explained by the collective variances of both independent variables considered in the study.

The "F" test (ANOVA table below) is used to test whether this group of the independent variables determines the dependent variable significantly.
Table 6.13
"F" – Test
(ANOVA)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>18.825</td>
<td>2</td>
<td>9.412</td>
<td>21.283</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>72.529</td>
<td>164</td>
<td>.442</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>91.353</td>
<td>166</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Non Financial Benefits (5-point), Financial Benefits (5-point)

b. Dependent Variable: Employee Retention (5-point)

According to the above table ANOVA, calculated "F" value is 21.283. The critical value for "F" is 2 with degrees of freedom (df) of 2. The critical value of "F" is calculated as follows (Harber, 1991).

\[
\text{Critical value of } F = \frac{\text{Sum of Squares}}{\text{Mean Square}}
\]

\[
= \frac{18.825}{9.412} = 2
\]
As the calculated value for "F" is larger than the critical value "F" (21.283>2), it is clear that the regression analysis is statistically significant.

Table 6.14
Coefficient

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.494</td>
<td>.354</td>
<td>4.216</td>
<td>.000</td>
</tr>
<tr>
<td>Financial Benefits (5-point) (5 points)</td>
<td>.296</td>
<td>.087</td>
<td>.258</td>
<td>3.391</td>
</tr>
<tr>
<td>Non Financial Benefits (5-point)</td>
<td>.370</td>
<td>.100</td>
<td>.283</td>
<td>3.711</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Retention (5-point)

According to above analysis, "t" value indicates the significance of each independent variable to the dependent variable. As "t" value is greater than 2, it explains that both independent variables of financial benefits and non financial benefits have significantly influenced on employee retention.
Further, step wise analysis is carried out to find out the extent to which the dependent variable has been affected by each independent variables when considered separately.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.388a</td>
<td>.150</td>
<td>.145</td>
<td>.68585</td>
</tr>
<tr>
<td>2</td>
<td>.454b</td>
<td>.206</td>
<td>.196</td>
<td>.66502</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Non Financial Benefits (5-point)
b. Predictors: (Constant), Non Financial Benefits (5-point), Financial Benefits (5-point)

Above analysis indicates that 15% of the variance in the dependent variable (the degree of employee retention) has been explained by the independent variable of non financial benefits considered in the study. Balance 5.6% of the variance in the dependent variable (the degree of employee retention) has been explained by the independent variable of financial benefits considered in the study.

Further this reveals that financial benefits on employees have not been significantly affected to the employee retention similar to other independent variable i.e. non financial benefits when both independent variables are considered collectively.

Thus, based on the regression analysis, the alternative hypothesis (Ha3) is accepted and the null hypothesis is rejected. So that it can be reasonably concluded that there is statistical
evidence to say that financial benefits and non-financial benefits will significantly explain a considerable percentage of the variance on the employee retention.

6.5 Post Hoc Analysis

6.5.1 Sub independent variables of financial benefits and employee retention
Multivariate analysis was used to examine degree to which the dependent variable (employee retention) is represented by sub variable factors i.e basic salary, fixed allowances, loan facilities, pension scheme/bonus, medical assistance, which comprise of independent variable of financial benefits on employees to investigate deeply the individual sub factor relative contribution for employee retention within the organization.

Table 6.16
Multiple Regressions of sub independent variable factors of financial benefits

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.410a</td>
<td>.168</td>
<td>.142</td>
<td>.69</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Medical Assistance (5-point), Basic Salary (5-point), Fixed Allowances (5-point), Pension Scheme/Bonus (5-point), Loan Facilities (5-point)
According to the above SPSS output table, multiple correlation coefficient (R) is 0.410 which indicates a positive moderate relationship between the dependent variable and sub independent variable factors. In other words, basic salary, fixed allowances, loan facilities, pension scheme/bonus, and medical assistance are positively and moderately related to employee retention.

Further, the coefficient of multiple determinations (R²), the extent to which the dependent variable has been affected by all the sub independent variables when considered jointly is 0.168. This indicates that 16.8% of the variance in the dependent variable (the degree of employee retention) has been jointly explained by the collective variances of sub independent variable factors considered in the study.

The "F" test (ANOVA table below) is used to test whether this group of sub independent variables determines the dependent variable significantly.
Table 6.17

"F" – Test of sub independent variable factors of financial benefits

(ANOVA)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Regression</td>
<td>15.351</td>
<td>5</td>
<td>3.070</td>
<td>6.504</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>76.002</td>
<td>161</td>
<td>.472</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>91.353</td>
<td>166</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Medical Assistance (5-point), Basic Salary (5-point), Fixed Allowances (5-point), Pension Scheme/Bonus (5-point), Loan Facilities (5-point)

b. Dependent Variable: Employee Retention (5-point)

According to the above table ANOVA, calculated "F" value is 6.504. The critical value for "F" is 5 with degrees of freedom (df) of 5. The critical value of "F" is calculated as follows (Harber, 1991).

\[
\text{Critical value of } F = \frac{\text{Sum of Squares}}{\text{Mean Square}} = \frac{15.351}{3.070} = 5
\]

As the calculated value for "F" is larger than the critical value "F" (6.504>5), it is clear that the regression analysis is statistically significant.
Table 6.18

Coefficient of sub independent variable factors of financial benefits

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>I (Constant)</td>
<td>2.142</td>
<td>.308</td>
<td>6.960</td>
<td>.000</td>
</tr>
<tr>
<td>Basic Salary (5-point)</td>
<td>.201</td>
<td>.062</td>
<td>.244</td>
<td>3.247</td>
</tr>
<tr>
<td>Fixed Allowances (5-point)</td>
<td>.077</td>
<td>.063</td>
<td>.095</td>
<td>1.233</td>
</tr>
<tr>
<td>Loan Facilities (5-point)</td>
<td>.122</td>
<td>.070</td>
<td>.158</td>
<td>1.752</td>
</tr>
<tr>
<td>Pension Scheme/Bonus (5-point)</td>
<td>.030</td>
<td>.069</td>
<td>.038</td>
<td>.436</td>
</tr>
<tr>
<td>Medical Assistance (5-point)</td>
<td>.049</td>
<td>.054</td>
<td>.073</td>
<td>.892</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Retention (5-point)

According to above analysis, “t” value indicates the significance of each independent variable to the dependent variable. As “t” value is greater than 2 with regard to the independent variable of basic salary, it explains that basic salary have significantly
influenced on employee retention as a financial benefit. However, other four sub categories of financial benefits have not been considerably influenced on employee retention.

Further, step wise analysis is carried out to find out the extent to which the dependent variable has been affected by each sub independent variables of financial benefits when considered separately.

Table 6.19
Model Summary – Step wise analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.317</td>
<td>.100</td>
<td>.095</td>
<td>.70572</td>
</tr>
<tr>
<td>2</td>
<td>.390</td>
<td>.168</td>
<td>.141</td>
<td>.68737</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Basic Salary (5-point)
b. Predictors: (Constant), Basic Salary (5-point), Loan Facilities (5-point)

Above analysis indicates that 10% of the variance in the dependent variable (the degree of employee retention) has been explained by the sub independent variable of basic salary considered in the study. Balance 6.8% of the variance in the dependent variable (the degree of employee retention) has been explained by the sub independent variable of loan facilities considered in the study.
Further this reveals that fixed allowances, pension scheme/bonus, medical assistance have not been significantly affected to the employee retention similar to other sub independent variables i.e. basic salary, loan facilities when all sub independent variable factors are considered collectively.

### 6.5.2 Sub independent variables of non financial benefits and employee retention

Multivariate analysis was used to examine degree to which the dependent variable (employee retention) is represented by sub variable factors i.e job security, opportunities for career development, ability to work independently, minimum level of work related stress, recognition of education, which comprise of independent variable of non financial benefits to investigate deeply the individual sub factor relative contribution for employee retention within the organization.

#### Table 6.20

**Multiple Regressions of sub independent variable factors of non financial benefits**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>R</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.455⁺</td>
<td>.207</td>
<td>.182</td>
<td>.67</td>
<td></td>
</tr>
</tbody>
</table>

⁺ Predictors: (Constant), Minimum Level of Work Related Stress (5-point), Ability to Work Independently (5-point), Job Security (5-point), Opportunities for Career Development (5-point), Recognition of Education
According to the above SPSS output table, multiple correlation coefficient (R) is 0.455 which indicates a positive moderate relationship between the dependent variable and sub independent variable factors. In other words, job security, opportunities for career development, ability to work independently, minimum level of work related stress, recognition of education are positively and moderately related to employee retention.

Further, the coefficient of multiple determinations (R^2), the extent to which the dependent variable has been affected by all the sub independent variables when considered jointly is 0.207. This indicates that 20.7% of the variance in the dependent variable (the degree of employee retention) has been jointly explained by the collective variances of sub independent variable factors considered in the study.

The "F" test (ANOVA table below) is used to test whether this group of sub independent variables determines the dependent variable significantly.
Table 6.21

"F" – Test of sub independent variable factors of non financial benefits

(ANOVA)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>5</td>
<td>3.777</td>
<td>8.391</td>
<td>.000a</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>161</td>
<td>.450</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>91.353</td>
<td>166</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Minimum Level of Work Related Stress (5-point), Ability to Work Independently (5-point), Job Security (5-point), Opportunities for Career Development (5-point), Recognition of Education

b. Dependent Variable: Employee Retention (5-point)

According to the above table ANOVA, calculated "F" value is 8.391. The critical value for "F" is 5 with degrees of freedom (df) of 5. The critical value of "F" is calculated as follows (Harber, 1991).

\[
\text{Critical value of } "F" = \frac{\text{Sum of Squares}}{\text{Mean Square}} = \frac{18.884}{3.777} = 5
\]

As the calculated value for "F" is larger than the critical value "F" (8.391>5), it is clear that the regression analysis is statistically significant.
According to above analysis, "t" value indicates the significance of each independent variable to the dependent variable. Thus, independent variables of job security, recognition of education, opportunities for career development and minimum level of work related stress are found to be significant.
related stress have significantly influenced on employee retention as non financial benefits. However, ability to work independently, sub category of non financial benefits has not been considerably influenced on employee retention.

Further, step wise analysis is carried out to find out the extent to which the dependent variable has been affected by each sub independent variables of non financial benefits when considered separately.

Table 6.23
Model Summary – Step wise analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.292</td>
<td>.085</td>
<td>.080</td>
<td>.71157</td>
</tr>
<tr>
<td>2</td>
<td>.387</td>
<td>.150</td>
<td>.140</td>
<td>.68814</td>
</tr>
<tr>
<td>3</td>
<td>.429</td>
<td>.184</td>
<td>.169</td>
<td>.67616</td>
</tr>
<tr>
<td>4</td>
<td>.455</td>
<td>.207</td>
<td>.187</td>
<td>.66884</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Job Security (5-point)
b. Predictors: (Constant), Job Security (5-point), Opportunities for Career Development (5-point)
c. Predictors: (Constant), Job Security (5-point), Opportunities for Career Development (5-point), Minimum Level of Work Related Stress (5-point)
d. Predictors: (Constant), Job Security (5-point), Opportunities for Career Development (5-point), Minimum Level of Work Related Stress (5-point), Recognition of Education

Above analysis indicates that 8.5%% of the variance in the dependent variable (the degree of employee retention) has been explained by the sub independent variable of job security,
6.5% by opportunities for career development, 3.4% by minimum level of work related stress, and 2.3% by recognition of education considered in the study.

Further this reveals that the ability to work independently has not been significantly affected to the employee retention similar to other sub independent variable factors when all five sub independent variables are considered collectively. But the bivariate analysis reveals that the correlation between ability to work independently and employee retention is 0.174, which signals a positive relationship between these two variables, when each sub independent variable factor is considered individually.

6.5.3 Comparison

Since this research was based on two case study analysis i.e Ceylon Electricity Board and National Water Supply and Drainage Board, researcher intends to analysis data gathered from these two entities separately.
<table>
<thead>
<tr>
<th>Sub Variable factors of financial Benefits</th>
<th>Name of the organization</th>
<th>Sample</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Salary (5-point)</td>
<td>CEB</td>
<td>109</td>
<td>3.34</td>
<td>0.87</td>
</tr>
<tr>
<td></td>
<td>NWSDB</td>
<td>58</td>
<td>3.21</td>
<td>0.95</td>
</tr>
<tr>
<td>Fixed Allowances (5-point)</td>
<td>CEB</td>
<td>109</td>
<td>3.66</td>
<td>0.96</td>
</tr>
<tr>
<td></td>
<td>NWSDB</td>
<td>58</td>
<td>3.14</td>
<td>0.71</td>
</tr>
<tr>
<td>Loan Facilities (5-point)</td>
<td>CEB</td>
<td>109</td>
<td>4.06</td>
<td>0.85</td>
</tr>
<tr>
<td></td>
<td>NWSDB</td>
<td>58</td>
<td>3.36</td>
<td>1.00</td>
</tr>
<tr>
<td>Pension Scheme/Bonus (5-point)</td>
<td>CEB</td>
<td>109</td>
<td>3.58</td>
<td>0.96</td>
</tr>
<tr>
<td></td>
<td>NWSDB</td>
<td>58</td>
<td>3.12</td>
<td>0.80</td>
</tr>
<tr>
<td>Medical Assistance (5-point)</td>
<td>CEB</td>
<td>109</td>
<td>3.17</td>
<td>1.02</td>
</tr>
<tr>
<td></td>
<td>NWSDB</td>
<td>58</td>
<td>1.90</td>
<td>0.77</td>
</tr>
</tbody>
</table>

According to the above analysis, mean figures relating to each sub variable factors of financial benefits of CEB are relatively higher than the mean figures of sub variable factors of financial benefits of NWSDB. Loan facilities granted to employees in both organizations has given the highest mean value when compared with all other sub variable factors.
factors of financial benefits. Loan facilities granted to CEB employees are at high level than in NWSDB. Further considerable variance can be seen with regard to medical assistance facility provided by these two organizations and it has the lowest mean value than other sub variable factors.

Table 6.25

Comparison of sub Variable factors of Non Financial Benefits

<table>
<thead>
<tr>
<th>Sub Variable factors of non financial Benefits</th>
<th>Name of the organization</th>
<th>Sample</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Security (5-point)</td>
<td>CEB</td>
<td>109</td>
<td>3.50</td>
<td>0.63</td>
</tr>
<tr>
<td></td>
<td>NWSDB</td>
<td>58</td>
<td>3.41</td>
<td>0.73</td>
</tr>
<tr>
<td>Opportunities for Career Development (5-point)</td>
<td>CEB</td>
<td>109</td>
<td>2.91</td>
<td>0.93</td>
</tr>
<tr>
<td></td>
<td>NWSDB</td>
<td>58</td>
<td>2.88</td>
<td>0.86</td>
</tr>
<tr>
<td>Ability to Work Independently (5-point)</td>
<td>CEB</td>
<td>109</td>
<td>3.54</td>
<td>0.70</td>
</tr>
<tr>
<td></td>
<td>NWSDB</td>
<td>58</td>
<td>3.47</td>
<td>0.78</td>
</tr>
<tr>
<td>Recognition of Education</td>
<td>CEB</td>
<td>109</td>
<td>3.44</td>
<td>0.91</td>
</tr>
<tr>
<td></td>
<td>NWSDB</td>
<td>58</td>
<td>3.10</td>
<td>1.10</td>
</tr>
<tr>
<td>Minimum Level of Work Related Stress (5-point)</td>
<td>CEB</td>
<td>109</td>
<td>3.60</td>
<td>0.78</td>
</tr>
<tr>
<td></td>
<td>NWSDB</td>
<td>58</td>
<td>3.57</td>
<td>0.80</td>
</tr>
</tbody>
</table>

According to the above analysis, mean figures relating to each sub variable factors of non financial benefits of CEB are relatively higher than the mean figures of sub variable factors.
of non financial benefits of NWSDB. However the difference in mean value in these two organizations is relatively low in non financial benefits when compared to the difference seen in mean values of financial benefits. Non financial factor i.e. minimum level of work related stress in both organizations has given the highest mean value among all other sub variable factors of non financial benefits. Opportunities for career development of these two organizations have the lowest mean value than other sub variable factors of non financial benefits.

Table 6.26

Comparison of dependent and independent variable factors

<table>
<thead>
<tr>
<th>Variable Factor</th>
<th>Name of the organization</th>
<th>Sample</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Retention (5-point)</td>
<td>CEB</td>
<td>109</td>
<td>3.91</td>
<td>0.69</td>
</tr>
<tr>
<td></td>
<td>NWSDB</td>
<td>58</td>
<td>3.52</td>
<td>0.78</td>
</tr>
<tr>
<td>Financial Benefits (5-point)</td>
<td>CEB</td>
<td>109</td>
<td>3.60</td>
<td>0.60</td>
</tr>
<tr>
<td></td>
<td>NWSDB</td>
<td>58</td>
<td>3.00</td>
<td>0.56</td>
</tr>
<tr>
<td>Non Financial Benefits (5-point)</td>
<td>CEB</td>
<td>109</td>
<td>3.49</td>
<td>0.57</td>
</tr>
<tr>
<td></td>
<td>NWSDB</td>
<td>58</td>
<td>3.38</td>
<td>0.56</td>
</tr>
</tbody>
</table>
Above analysis depicts that the mean value of employee retention is high at CEB than NWSDB. Contribution given from financial benefits on employee retention is high in CEB whereas the contribution given from non financial benefits on employee retention is high in NWSDB. In overall, financial and non financial benefits provided by CEB is higher than NWSDB.

6.6 Summary

This chapter was analyzed the data gathered through the self-administered questionnaire and interpreted the output of each analysis on the dependent and independent variables. First reliability analysis was done to make sure that the questionnaire is reliable enough to make accurate decisions. Then the univariate analysis, bivariate analysis and multivariate analysis were carried out separately using SPSS on the scope of the research study. Finally comparison was done between two organizations selected as case studies to get individual pictures in connection with research objectives.
CHAPTER 07
DISCUSSION, RECOMMENDATIONS AND CONCLUSION

This chapter elaborates the findings on data analysis on the impact of financial and non-financial benefits on employee retention of CEB and NWSDB. Recommendations and suggestions will also be presented to improve employee retention.

7.1 Discussion on Findings

The primary objective of the study is to identify to what extent financial and non-financial benefits have impacted on employee retention in Ceylon Electricity Board and National Water Supply and Drainage Board in Sri Lanka. Several factors were identified through the literature review and seven factors were chosen from financial benefits and nine factors were chosen from non-financial benefits for the preliminary investigation stage. In the preliminary investigation stage, researcher asked executives to rank financial and non-financial benefits separately from most important to least important which have been affected to make their intention to stay with the organization. Five factors from each were then identified as critical and then the main questionnaire was developed which consists of 52 questions directing to measure,

Employee Retention } Dependent variable
Financial Benefits }
Non Financial Benefits } Independent variables

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In the initial stage of the data analysis, reliability analysis was done for each variable using SPSS to make sure that the questionnaire is reliable to make accurate decisions.

Table 7.1
Reliability Analysis

<table>
<thead>
<tr>
<th>No of Ques. Item</th>
<th>Variable</th>
<th>Degree of reliability</th>
<th>If deleted</th>
<th>Question item</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>Financial Benefits</td>
<td>0.837</td>
<td>09</td>
<td>0.848</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Non Financial Benefits</td>
<td>0.777</td>
<td>25</td>
<td>0.808</td>
<td></td>
</tr>
<tr>
<td>09</td>
<td>Employee Retention</td>
<td>0.823</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Thus the degree of reliability of questions directing to measure the dependent and independent variables was high. However, the reliability would have been increased up to 0.848 of the independent variable of financial benefits provided the questions item 09 i.e. the basic salary without fixed allowances is not adequate to manage my life, is deleted. This may basically due to the fact that in CEB, most of allowances are purely based on the professional and academic qualifications of the employee possess. Another reason is that it varies with the job category as almost all engineers are eligible to the exodus allowance. When considering the NWSDB, all employees who have joined prior to 31.12.2007 are eligible to get the fixed allowance termed as compensatory allowance which is 22% or
more than the basic salary. This allowance is paid to be par with the market salary rates. Thus, removing these two question may lead to increase Cronbach’s Alpha to 0.848.

As per above table, reliability would have been increased up to 0.808 of the independent variable of non financial benefits provided the questions item 25 i.e. this company has greater ability to outsource human resources to carry out its functions which need skilled and educated staff, is deleted. As CEB and NWSDB falls to the organizations which needs technical knowledge, the gravity or the relative impact on reliability arised from question item no 25 is equal. As per previous research studies by Patrice Gelines (2005), one reason why the value of job security will increase is that the outsourcing opportunity are on rise. As these two organizations does exist in monopoly market conditions, employees working in these organizations are getting a unique knowledge where that exposure cann’t be utilized for any other organization exist in Sri Lanka. At the same time, it is difficult to recruit a technical person from outside to suit organizational requirements. Thus, this question is created from data gathered through literature review and was correctly conceptualized and operationalised. However, it indicated that the reliability could be increased up to 0.808 if this question item is deleted. Finally, it can be concluded that the overall questionnaire is reliable to arrive effective conclusions.

Secondly, univariate analysis was conducted for the dependent variable and each independent variable.
The above analysis indicates organizational positions in relation to the dependent and independent variables. So the financial and non financial benefits available in these two organizations are at high level and also, employee intention to stay with the organization is also at high level.

Thirdly, bivariate analysis was conducted to identify the correlation (r) of each independent variable with the dependent variable. Through the bivariate analysis, following hypotheses were tested.

Table 7.3

Results of Testing Hypotheses

<table>
<thead>
<tr>
<th>Variable</th>
<th>Pearson Correlation (r)</th>
<th>Level of Significance (1-tailed)</th>
<th>Decision on hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial benefits and employee retention</td>
<td>0.373</td>
<td>0.01</td>
<td>Accepted</td>
</tr>
<tr>
<td>Non Financial benefits and employee retention</td>
<td>0.388</td>
<td>0.01</td>
<td>Accepted</td>
</tr>
</tbody>
</table>
It was discovered that there is a positive relationship (+0.373) between financial benefits and employee retention. Under univariate analysis, it revealed that financial benefits available in these two organizations are at high level and employee retention is also at high level. So, it can be reasonably concluded that this high degree of availability of financial benefits lead to high degree of employee retention. However, relationship was not very strong but it indicates as essential since it has positive relationship with the dependent variable. Thus the hypothesis i.e. financial benefits on employees are positively related to employee retention is accepted at 99% confident level.

Positive relationship (+0.388) between non financial benefits and employee retention was discovered but the relationship was not very strong same as above independent variable. But it indicates as essential since it showed positive relationship with the dependent variable. Thus the hypothesis i.e. non- financial benefits on employees are positively related to employee retention is accepted at 99% confident level.

Further, bivariate analysis conducted to examine the relative correlation of sub independent variable factors of financial benefits on employee retention could be ranked as follows.
Table 7.4
Correlation of sub independent variable factors of financial benefits

<table>
<thead>
<tr>
<th>Sub independent variable factors of financial benefits</th>
<th>Relative correlation to employee retention</th>
<th>Pearson Correlation (r)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Salary</td>
<td>1</td>
<td>0.317</td>
</tr>
<tr>
<td>Loan facility</td>
<td>2</td>
<td>0.295</td>
</tr>
<tr>
<td>Medical facility</td>
<td>3</td>
<td>0.224</td>
</tr>
<tr>
<td>Pension/bonus payment</td>
<td>4</td>
<td>0.218</td>
</tr>
<tr>
<td>Fixed allowance</td>
<td>5</td>
<td>0.205</td>
</tr>
</tbody>
</table>

Same as above, bivariate analysis conducted to examine the relative correlation of sub independent variable factors of non financial benefits on employee retention could be ranked as follows.

Table 7.5
Correlation of sub independent variable factors of non financial benefits

<table>
<thead>
<tr>
<th>Sub independent variable factors of non financial benefits</th>
<th>Relative correlation to employee retention</th>
<th>Pearson Correlation (r)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Security</td>
<td>1</td>
<td>0.292</td>
</tr>
<tr>
<td>Opportunities for Career Development</td>
<td>2</td>
<td>0.271</td>
</tr>
<tr>
<td>Minimum Level of Work Related stress</td>
<td>3</td>
<td>0.261</td>
</tr>
<tr>
<td>Recognition of Education</td>
<td>4</td>
<td>0.232</td>
</tr>
<tr>
<td>Ability to Work Independently</td>
<td>5</td>
<td>0.174</td>
</tr>
</tbody>
</table>
Finally multivariate analysis was conducted to test the last hypothesis (Ha3) and null hypothesis (Ho3), which involves the relationship between independent variables with the dependent variable.

Table 7.6

Results of Testing Final Hypothesis

<table>
<thead>
<tr>
<th>Measure</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple correlation coefficient (R)</td>
<td>0.454</td>
</tr>
<tr>
<td>The coefficient of multiple determination (R²)</td>
<td>0.206</td>
</tr>
<tr>
<td>Calculated value of “F”</td>
<td>21.293</td>
</tr>
<tr>
<td>Critical value of “F”</td>
<td>2</td>
</tr>
<tr>
<td>Level of significance</td>
<td>0.000</td>
</tr>
<tr>
<td>Hypothesis</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Multiple correlation coefficient (R) is 0.454, which reveals a positive moderate relationship between employee retention and two independent variables. The coefficient of multiple determination (R²) is 0.206 which indicates 20.6% on employee retention has been jointly represented by financial benefits and non financial benefits. Since the calculated value of “F” is greater than the critical value of “F” (21.283>2), it reveals that this group of independent variables determine employee retention significantly.
Step by analysis in multivariate analysis revealed that high degree of employee retention is determined by non financial benefits (15%) and then financial benefits (5.6%). Above analysis reveals that correlation between dependent and independent variables is not strong. Nevertheless, the hypothesis i.e. financial benefits and non-financial benefits will significantly explain a considerable percentage of the variance on the employee retention can be accepted at 99% confident level.

Further multivariate analysis was conducted to examine the degree to which the dependent variable (employee retention) is represented by sub independent variable factors of financial benefits.

Table 7.7

Multiple regression of dependent variable with sub independent variable of financial benefits

<table>
<thead>
<tr>
<th>Measure</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple correlation coefficient (R)</td>
<td>0.410</td>
</tr>
<tr>
<td>The coefficient of multiple determination (R²)</td>
<td>0.168</td>
</tr>
<tr>
<td>Calculated value of “F”</td>
<td>6.504</td>
</tr>
<tr>
<td>Critical value of “F”</td>
<td>5</td>
</tr>
<tr>
<td>Level of significance</td>
<td>0.000</td>
</tr>
</tbody>
</table>
Multiple correlation coefficient (R) is 0.410, which reveals a positive moderate relationship between employee retention and five sub independent variable factors of financial benefits. The coefficient of multiple determination (R²) is 0.168 which indicates 16.8% on employee retention has been jointly represented by basic salary, loan facility, medical facility, pension/bonus payment and fixed allowances. Since the calculated value of “F” is greater than the critical value of “F” (6.504>5), it reveals that this group of independent variables determine employee retention significantly.

Step by analysis in above multivariate analysis revealed that high degree of employee retention is determined by basic salary (10%) and then loan facility (6.8%). The impact of fixed allowance, medical facility and pension/bonus payment is low when all sub independent variable factors of financial benefits are considered collectively.

Summary of the multivariate analysis which was used to examine the degree to which the dependent variable (employee retention) is represented by sub independent variable factors of non financial benefits is appended below.
Table 7.8

Multiple regression of dependent variable with sub independent variable factors of 
non financial benefits

<table>
<thead>
<tr>
<th>Measure</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple correlation coefficient (R)</td>
<td>0.455</td>
</tr>
<tr>
<td>The coefficient of multiple determination (R^2)</td>
<td>0.207</td>
</tr>
<tr>
<td>Calculated value of “F”</td>
<td>8.391</td>
</tr>
<tr>
<td>Critical value of “F”</td>
<td>5</td>
</tr>
<tr>
<td>Level of significance</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Multiple correlation coefficient (R) is 0.455, which reveals a positive moderate relationship between employee retention and five sub independent variable factors of non financial benefits. The coefficient of multiple determination (R^2) is 0.207 which indicates 20.7% on employee retention has been jointly represented by job security, opportunities for career development, ability to work independently, recognition of education and minimum level of work related stress. Since the calculated value of “F” (8.391>5), it reveals that this group of independent variables determine employee retention significantly.

Step by analysis in above multivariate analysis revealed that high degree of employee retention is determined by job security (8.5%) and then opportunities of career development (6.5%). The impact of work related stress and recognition of education is
low whereas ability to work independently on employee retention is inconsiderable when all sub independent variable factors of non financial benefits are considered collectively.

7.2 Recommendations and Suggestions

Generic purpose of HRM is to generate and retain an appropriate and contended human/employee force, while gives maximum individual contribution to organizational success (Opatha, 2009). Thus, employee retention is a major challenge for HRM. Due to the unique characteristics of HR, one best retention factor can be found. Thousands of distinct factors can be listed out which influenced on employee retention. However, for the research purpose, researcher categories these factors into two, one is financial factor and the other is non financial factor. Through the literature review and observation, researcher listed out following factors for investigation.

<table>
<thead>
<tr>
<th>Financial Benefits</th>
<th>Non Financial Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Basic Salary</td>
<td>- Job Security</td>
</tr>
<tr>
<td>- Fixed Allowances</td>
<td>- Opportunities for career development</td>
</tr>
<tr>
<td>- Loan Facilities</td>
<td>- Ability to work independently</td>
</tr>
<tr>
<td>- Pension scheme/Bonus</td>
<td>- Minimum level of work related stress</td>
</tr>
<tr>
<td>- Medical Assistant</td>
<td>- Recognition of education</td>
</tr>
</tbody>
</table>
As per research findings, it was discovered that multiple correlation coefficient (R) is 0.454 which indicate moderate positive relationship between dependent and independent variables. The step by analysis indicates that 15% of employee retention is represented by non financial benefits and 5.6% of employee retention is represented by financial benefits. This implies that the relative contribution given by non financial benefits for employee retention is higher than the financial benefits.

Due to the limited scope of the study, the financial and non financial factors which were listed above could not be tested and five factors from each category were selected through the PI. However, relative strength would have been increased from 0.454 provided all other factors were selected. This would be the reason where it shows that a moderate relationship exist between dependent and independent variables.

As researcher studied non financial factors in-depth, it is discovered that job security has highly influenced on employee retention which is 8.5%. Thus, job security could be treated as a major factor determining employee retention in both organizations. Further, opportunities for career development come under non financial benefits stresses as the secondly highest influential factor (6.5%) on employee retention.

Same analysis on financial factors indicates that the basic salary has high influenced on employee retention which is 10%. This implies that employees in both organizations are money motivators than task motivators.
As per Herzberg’s Two Factor Theory of Motivation which is based on a sample of 200 engineers and accountants, factors of achievement, recognition, work itself, responsibility and advancement were categorized as motivators. As per research findings, Herzberg’s two factor theory of motivation seems to be applicable to the selected organizations since non financial factors have been contributed heavily on employee retention as the best motivation tool in the organization.

Further, basic salary as a financial benefit can be categorized as a hygiene factor due to the reason that it has influenced to the employee retention and being absence of it would lead to employee dissatisfaction. Further, loan facilities has also influenced as a financial benefits on employee retention. Thus, absence of it may also lead to employee dissatisfaction.

The finding of this research study further prove that Herzberg’s Two Factor Theory of Motivation is highly applicable to the selected organization and can be used as a guide or foundation to explain the factors of employees retention. Both organizations under review should concentrate more on fulfilling and enhancing non financial benefits to its employees.

According to the research findings, only 20% of the variability of employee retention is explained by both financial and non financial benefits taken to the research study upon conducting the preliminary investigation. This indicates that 80% of variability of employee retention is explained by other financial and non financial factors which had
not been touched under this study due to the limited scope. Further, CEB and NWSDB had been categorized under “A” grade and “B” grade enterprises respectively in Sri Lanka, this is the most recognized organization exist in Sri Lanka for engineers in the electrical, mechanical and civil fields, where their educational knowledge could be fully utilized while getting sound exposure on their fields of study.

Further, it can be suggested that the retention factors may vary with factors such as years of service, job category, gender, employee present position in the organization, educational background etc. However, the findings of this research study can be applied as a spectrum for understanding the relative impact of financial and non financial benefits on employee retention and most influential retention factors to design internal systems that can increase employee retention within the organization.
7.3 Summary of The Study

This section elaborates whether the research study achieved the objectives set in the initial stage of the study.

Table 7.9
Summary of the study

<table>
<thead>
<tr>
<th>Study objectives</th>
<th>Success</th>
<th>Failure</th>
<th>Chapter elaborates,</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary objective</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- The primary objective of the study is to identify to what extent financial and non-financial benefits have impacted on employee retention in CEB and NWSDB in Sri Lanka</td>
<td>✓</td>
<td></td>
<td>1-7</td>
</tr>
<tr>
<td><strong>Secondary objectives</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- To find out the extent to which employees are retained in statutory boards.</td>
<td>✓</td>
<td></td>
<td>6-7</td>
</tr>
<tr>
<td>- To find out the categories of financial and non-financial benefits available in statutory boards.</td>
<td>✓</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>- To find out the relationship between financial benefits and employee retention.</td>
<td>✓</td>
<td></td>
<td>6-7</td>
</tr>
<tr>
<td>- To find out the relationship between non financial benefits and employee retention.</td>
<td>✓</td>
<td></td>
<td>6-7</td>
</tr>
<tr>
<td>- To find out the effect of financial and non financial benefits on employee retention</td>
<td>✓</td>
<td></td>
<td>6-7</td>
</tr>
</tbody>
</table>
Through this research study, primary objective and secondary objectives were successfully achieved and next section describes the scope for further studies.

7.4 Scope for Further Studies

This study focused only on five categories of financial and non financial benefits available in both organizations identified through the PI affect to employee retention within the organization. Further studies can be extended on other kinds of financial and non financial benefits prevailing in the organization as well to see the impact on employee retention.

This study was mainly based on executive employees retention ignoring totally the non-executive employees in organizations. Further, even in executive category, the sample was selected from three main job categories i.e engineering, finance, and human resources. Thus, another research study can be carried out based on non-executive employee as well as covering other executive categories to aware the factors impacted on their intention to stay with the organization.

Nevertheless this study was a micro level study limiting only to CEB and NWSDB. Further studies can be extended to other organizations comes under statutory boards as well as public sector. At last, this study can be further extended to examine the factors impacted on employee retention in private sector organization and compare the results with public sector organizations.
References


Appendix I

PRELIMINARY INVESTIGATION

Researcher believes that the employee retention is comparatively high in your organization. Thus, researcher would highly appreciate if you could rank the following financial and non-financial benefits separately from most important to least important which have been affected to make your intention to stay with the organization.

Please Note: 1. Rank “1” for the most important factor, “2” for secondly most important factor and so on.
   2. Consider financial and non-financial benefits separately.
   3. Disregard any benefit which is not relevant to your organization.

Organization : CEB/NWS&DB
Service category : Engineering/Finance/HR/Other ............ (specify)
Service period : .......Years ....... Months

Financial Benefits:

- Basic Salary
- Fixed allowances (Post Graduate, Professional, Exodus, Disturbances, Semi-professional allowances)
- Medical assistance
- Loan facilities (Distress, Housing, 2/3rd reimbursement, Vehical etc.)
- Pension scheme
- Educational assistance (course fee reimbursement)
- Annual bonus and other incentives such as unutilized sick leave pay
- Any other ...................... (please specify)

Non-financial benefits:

- Opportunities for Career development
- Different types of Leave facilities available and Flexibility of taking leave
- Manageable level of work related stress
- Ability to work independently
- Job security
- Positive attitude towards organization
- Positive attitude towards the country
- Best recognition of the education
- Training opportunities
- Any other ...................... (Please specify)
Appendix II - CEB RESEARCH QUESTIONNAIRE

This questionnaire is prepared to gather information for my research which is a partial fulfillment of the requirements of Masters in Business Administration Degree of University of Sri Jayewardenepura.

I would be highly obliged if you could complete and return this questionnaire at your earliest to make this research a success. Further I assure that this questionnaire will be treated confidentially.

Thank you very much for the cooperation in advance.

Instructions:

Please:

- Mark "X" the most appropriate cage relevant to each sentence.
- Answer questions honestly.
- Attempt all questions, to ensure the validity of the research.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

1. My basic salary is sufficient to meet basic needs to survive and maintain my life.

2. This organization has different and comprehensive pay structures which consider dissimilarities of jobs.

3. Dissimilarities of jobs in the organization is equal to the dissimilarities of salaries.

4. I am happy with my salary compared with salaries of similar employees working for other organizations.

5. I perceive that I am getting a fair salary for my effort put on to the organization.

6. This job recognizes my professional qualification well above than other organizations.

7. This job inspires me to get post graduate qualifications and rewards me in return.

8. Fixed allowances granted on this job are highly satisfactory.

9. The basic salary without fixed allowances is not adequate to manage my life.

10. The housing loan facility including interest reimbursement is very helpful to achieve my personal life goals.
11. I always feel comfortable to solve personal financial problems due to distress loan facility.

12. I find it easy to maintain the social status as company provides different types of loans including vehicle loan facility.

13. It is easy for me to enhance my standard of living due to various loan facilities available in this organization.

14. Pension was an influential factor for me to join this organization.

15. I feel that I will be well secured during my retirement as I am pensionable.

16. I believe pension as a gift given by the organization to live independently after retirement.

17. I am very happy with pension scheme as I do not contribute to it.

18. This organization offers an excellent medical assistant scheme compared to other organizations.

19. I have not heard any organization which offers this much of medical facility to its employees.

20. I believe that this organization really gets the burden of medical expenses on my family unit.

21. I rarely spend money from my earnings for medical expenses of myself and family.

22. I am certain about the fate of this organization.

23. Chances of being involuntarily terminations due to bankruptcy are virtually nil in this organization.

24. This organization is in a favorable competitive position in Sri Lanka.

25. This company has greater ability to outsource human resources to carry out its functions which need skilled and educated staff.

26. I am pretty sure that there is no termination treat for me unless I commit to a very serious misconduct.
27. My career expectations can be achieved in future if I work hard.

28. I have opportunities to play different roles attached to higher management positions.

29. Promotion opportunities are limited in my field though many employees are eligible to get promotions.

30. I am not really happy about the opportunities for promotions.

31. Work procedures and routines are enforced fairly and firmly.

32. I do not work under unnecessary hard supervision and controlling by my Boss.

33. Boss allows us to exercise some self direction and self control on routine matters.

34. I have lot of freedom on the job to pursue my goals.

35. I am happy with the possibility of working independently in this organization.

36. My job is really a source of pressure to me.

37. I experience frequent headache because of duties.

38. I feel an excessive tiredness continuously because of work.

39. Nowadays I experience missing deadline and forgetting assignments.

40. I have opportunities of using my knowledge to solve organizational problems effectively.

41. I have opportunities of getting more exposure in all aspects relevant to my field of education.

42. It is hard to find any other organization which fits with my educational level.

43. This organization really recognizes the education that I have received.

44. There is little to be gained by sticking with this organization continuously.
45. I prefer to work for a different organization if the type of the work is similar.

46. I will most certainly look for a new job within the Island in the near future.

47. I will most certainly look for a new job in overseas in the near future.

48. I will plan to work in this organization until my retirement.

49. I will be working for this organization within next five years.

50. I feel like resigning from this organization.

51. I have no intention of leaving this organization at the movement.

52. I am really proud to work as an employee in this organization.

<table>
<thead>
<tr>
<th>Organization</th>
<th>CEB</th>
<th>NWSDB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Category</td>
<td>Engineering</td>
<td>HR</td>
</tr>
<tr>
<td>Years of service</td>
<td>Below 05 years</td>
<td>05-15 years</td>
</tr>
</tbody>
</table>

-Thank you indeed-
Appendix III -NWSDB

RESEARCH QUESTIONNAIRE

This questionnaire is prepared to gather information for my research which is a partial fulfillment of the requirements of Masters in Business Administration Degree of University of Sri Jayewardenepura.

I would be highly obliged if you could complete and return this questionnaire at your earliest to make this research a success. Further I assure that this questionnaire will be treated confidentially.

Thank you very much for the cooperation in advance.

Instructions:
Please:
- Mark "X" the most appropriate cage relevant to each sentence.
- Answer questions honestly.
- Attempt all questions, to ensure the validity of the research.

<table>
<thead>
<tr>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

1. My basic salary is sufficient to meet basic needs to survive and maintain my life.

2. This organization has different and comprehensive pay structures which consider dissimilarities of jobs.

3. Dissimilarities of jobs in the organization is equal to the dissimilarities of salaries.

4. I am happy with my salary compared with salaries of similar employees working for other organizations.

5. I perceive that I am getting a fair salary for my effort put on to the organization.

6. This job recognizes my professional qualification well above than other organizations.

7. This job inspires me to get post graduate qualifications and rewards me in return.

8. Fixed allowances granted on this job are highly satisfactory.

9. The basic salary without fixed allowances is not adequate to manage my life.

10. The housing loan facility including interest reimbursement is very helpful to achieve my personal life goals.
11. I always feel comfortable to solve personal financial problems due to distress loan facility.

12. I find it easy to maintain the social status as company provides different types of loans including vehicle loan facility.

13. It is easy for me to enhance my standard of living due to various loan facilities available in this organization.

14. I am happy with the annual bonus given by the organization at the end of each year.

15. Bonus payment is helpful for me to solve my financial difficulties.

16. I always try not to use my sick leave entitlement in order to get it encashed.

17. I am happy with the way of calculating the unutilized sick leave payment.

18. This organization offers an excellent medical assistant scheme compared to other organizations.

19. I have not heard any organization which offers this much of medical facility to its employees.

20. I believe that this organization really gets the burden of medical expenses on my family unit.

21. I rarely spend money from my earnings for medical expenses of myself and family.

22. I am certain about the fate of this organization.

23. Chances of being involuntarily terminations due to bankruptcy are virtually nil in this organization.

24. This organization is in a favorable competitive position in Sri Lanka.

25. This company has greater ability to outsource human resources to carry out its functions which need skilled and educated staff.

26. I am pretty sure that there is no termination treat for me unless I commit to a very serious misconduct.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
27. My career expectations can be achieved in future if I work hard.

28. I have opportunities to play different roles attached to higher management positions.

29. Promotion opportunities are limited in my field though many employees are eligible to get promotions.

30. I am not really happy about the opportunities for promotions.

31. Work procedures and routines are enforced fairly and firmly.

32. I do not work under unnecessary hard supervision and controlling by my Boss.

33. Boss allows us to exercise some self direction and self control on routine matters.

34. I have lot of freedom on the job to pursue my goals.

35. I am happy with the possibility of working independently in this organization.

36. My job is really a source of pressure to me.

37. I experience frequent headache because of duties.

38. I feel an excessive tiredness continously because of work.

39. Nowadays I experience missing deadline and forgetting assignments.

40. I have opportunities of using my knowledge to solve organizational problems effectively.

41. I have opportunities of getting more exposure in all aspects relevant to my field of education.

42. It is hard to find any other organization which fits with my educational level.

43. This organization really recognizes the education that I have received.

44. There is little to be gained by sticking with this organization continuously.
45. I prefer to work for a different organization if the type of the work is similar.

46. I will most certainly look for a new job within the Island in the near future.

47. I will most certainly look for a new job in overseas in the near future.

48. I will plan to work in this organization until my retirement.

49. I will be working for this organization within next five years.

50. I feel like resigning from this organization.

51. I have no intention of leaving this organization at the movement.

52. I am really proud to work as an employee in this organization.

<table>
<thead>
<tr>
<th>Job Category</th>
<th>Engineering</th>
<th>HR</th>
<th>Finance</th>
<th>Other (specify)</th>
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<table>
<thead>
<tr>
<th>Years of service</th>
<th>Below 05 years</th>
<th>05-15 years</th>
<th>15-25 years</th>
<th>Over 25 years</th>
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<tbody>
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</table>

-Thank you indeed-