

Employee Retention in Nepalese Hydropower Companies

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Abstract

Employee retention is a hot topic in Nepal, especially among hydropower companies. This study aims to look into the factors that influence employee retention in Nepal's hydropower companies. The analysis uses a 5-point Likert scale questionnaire and follows a descriptive-analytical research design. A stratified random sampling method was used to select 171 managers, officers, and other employees from various Nepalese hydropower companies. Employee retention is a dependent variable of the study, with working experience, salary, training and development, and job satisfaction. The data which was collected was analyzed using correlation, regression, and coefficient analysis. The study reveals that respondents under the age of 20 are more likely to be male, married, and hold a managerial position. The correlation shows that there is a positive relationship between the dependent and independent variables in hydropower companies of Nepal.

Keywords: Employee retention, Hydropower companies, Human resource manager

Introduction

Changes in the economy have affected both formal and informal work contracts, affecting employee engagement and organizational commitment. When employees quit their jobs after being thoroughly educated, their turnover rate results in a total loss. Employee retention considers the various steps taken to ensure that an employee remains with a company for the longest possible period.

The retention of employees is increasingly the key to improved corporate performance. What is employee retention, and why is it so important? Employee retention can be described as a management program to increase employee satisfaction through company policies to retain employees. Retention of employees also matters because the employee is a repository of knowledge after staying in the company for a considerable time. Most manufacturing companies depend mainly on their employees in their production. Industrialization opened up more opportunities for capable employees to mobilize toward better opportunities. Motivation and dedication to training are needed to perform well on the job.

Employees who understand their organization's trust in them through training programs put forth their best efforts to accomplish corporate objectives and demonstrate high job results. Employees are a company's most valuable asset because they can make or break a company's credibility and harm profitability. Training plays a vital role in the hydropower companies for enhancing customer satisfaction because every employee of the company must be responsible for all forms of required work for customer satisfaction and enhance the goods' quality. Businesses need capable employees who can guide them down a path of potential prosperity, whereas employees need good prospects for a bright and shining career (Sutherland & Jordaan, 2004). Employee training refers to programs that offer knowledge, new skills, or opportunities for professional development. The work environment is one factor that influences an employee's decision to stay with a company (Nazim Ali, 2008).

Statement of Problem

Employee turnover is regarded as one of the industry's most complex challenges today. Senior executives, human resource experts, and industrial psychologists have all studied the impact of turnover. It proved the most expensive and seemingly intractable human resource challenges confronting many organizations worldwide.

Objective of Research

The aims of the study are to analyze the influence of employee retention in Nepalese hydropower companies. The study's primary objectives are mentioned below.

- To examine the relationship between working experience and employee retention.
- To identify the relationship between salary and employee retention.
- To check the relationship between training and development and employee retention.
- To identify the relationship between job satisfaction and employee retention.

Research Hypothesis

This research has the following hypothesis:

H1: There is a strong link between work experience and employee retention.

H2: There is a significant relationship between salary and employee retention.

H3: There is a strong link between training and development and employee retention.

H4: There is a significant relationship between job satisfaction and employee retention.

Review of Literature

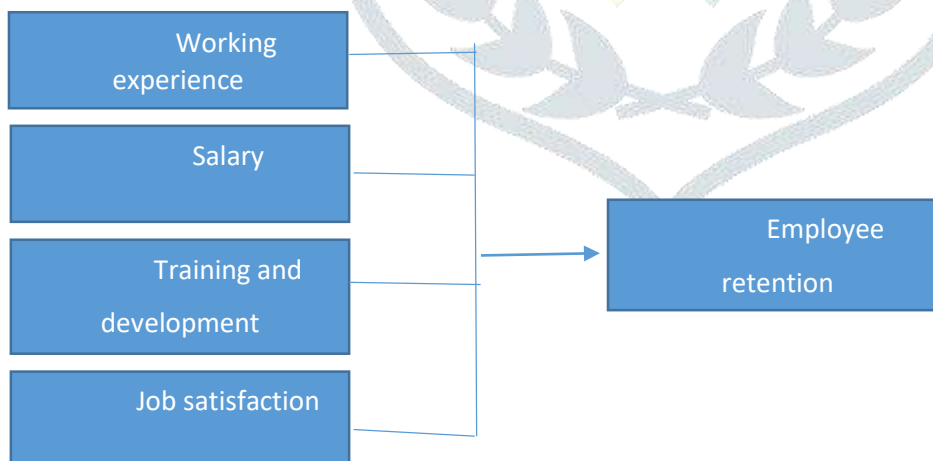
Employee turnover could be a problem for businesses all over the world (Rana, 2015). Employee retention considers the various measures taken to ensure that a person stays with a company for the most extended period possible. A lack of job satisfaction is one of the most common reasons for employee turnover (Ragupathi, 2013). Employee retention refers to the means, plan, or set of decision-making behaviors implemented by organizations in order to retain their capable workforce for performance (Gberevbie, 2008). The obligation to continue doing business or exchanging goods with a specific company on an ongoing basis is referred to as retention (Borstroff, 2007). Investment in training and development opportunities for employees is considered necessary for the retention of employees. The organization has an incentive to create with the expectation of a return and provide a return on its investment (Messmer, 2000).

Conceptual Framework

This framework is focused on the determinants of employee retention discovered through a literature review. According to the system, employee retention depends on working experience, compensation, training and development, and job satisfaction.

Figure 1

Conceptual Framework



Research Methodology

The researcher attempted to understand the factors that influence employee retention in Nepal's chosen hydropower companies. It focuses on the relationship between the control variables and the

dependent variable, which was investigated quantitatively. The study looks at the relationships between independent variables, control variables, and dependent variables. The study included 171 respondents from various hydropower companies.

Result and Discussion

Cronbach's Alpha

Cronbach's alpha is used to assess the reliability of questionnaires and scales used to collect data. It sets the sample's internal consistency after a study survey. It was called for the first time by (Lee Cronbach in 1951).

Table 1
Reliability Statistics

Cronbach's	
Alpha	N of Items
.843	10

Reliability Analysis is used to determine the accuracy of the data obtained and ensure that all items used in each variable were free of errors, resulting in inaccurate results. The calculation is Cronbach's alpha. The acceptable alpha values range from 0.70 to 0.95, according to various sources. The Cronbach's alpha shows .843, which indicate high reliability.

Table 2

Distribution of respondents by post

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Manager	78	45.6	45.6	45.6
	Officer	57	33.3	33.3	78.9
	Others	36	21.1	21.1	100.0
	Total	171	100.0	100.0	

In table 2, the highest percentage refers to 45.6% of manager, and the lowest percentage refers to 21.1% of others.

Table 3*Distribution of respondents by gender*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	150	87.7	87.7	87.7
	Female	21	12.3	12.3	100.0
	Total	171	100.0	100.0	

In table 3, the highest percentage refers to 87.7% of male, and the lowest percentage refers to 12.3% of female.

**Table 4***Distribution of respondents by age (year)*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20	36	21.1	21.1	21.1
	21-25	6	3.5	3.5	24.6
	26-30	31	18.1	18.1	42.7
	31-35	12	7.0	7.0	49.7
	36-40	19	11.1	11.1	60.8
	41-45	29	17.0	17.0	77.8
	46-50	25	14.6	14.6	92.4
	50 Above	13	7.6	7.6	100.0
	Total	171	100.0	100.0	

In table 4, the highest percentage refers to 21.1% of age below 20 years, and the lowest percentage refers to 3.5% of age between 21 and 25.

Table 5*Distribution of respondents by marital Status*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	88	51.5	51.5	51.5
	Unmarried	83	48.5	48.5	100.0
	Total	171	100.0	100.0	

In table 5, the highest percentage refers to 51.5% of married and the lowest percentage refers to 48.8% of unmarried.

**Table 6***You are satisfied with your work*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	43	25.1	25.1	25.1
	Disagree	19	11.1	11.1	36.3
	Undecided	18	10.5	10.5	46.8
	Agree	54	31.6	31.6	78.4
	Strongly Agree	37	21.6	21.6	100.0
	Total	171	100.0	100.0	

Mean: 3.13, Standard Deviation: 1.514

Interpretation: Most of the respondents are agree with "You are satisfied with your work". The mean is 3.13 with a standard deviation of 1.154.

Table 7*Work gives to me makes the best use of my abilities*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	26	15.2	15.2	15.2
	Disagree	28	16.4	16.4	31.6
	Undecided	31	18.1	18.1	49.7
	Agree	66	38.6	38.6	88.3
	Strongly Agree	20	11.7	11.7	100.0
	Total	171	100.0	100.0	

Mean: 3.15, Standard Deviation: 1.270

Interpretation: Most of the respondents are agree with "Work given to me makes the best use of my abilities". The mean is 3.15, with a standard deviation of 1.270.

Table 8*I receive the right amount of salary for my work*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	35	20.5	20.5	20.5
	Disagree	28	16.4	16.4	36.8
	Undecided	42	24.6	24.6	61.4
	Agree	41	24.0	24.0	85.4
	Strongly Agree	25	14.6	14.6	100.0
	Total	171	100.0	100.0	

Mean: 2.96, Standard Deviation: 1.348

Interpretation: Most of the respondents are undecided with "I receive the right amount of salary for my work". The mean is 2.96 with a standard deviation of 1.348.

Table 9*I'm being paid a handsome amount in comparison to others*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	13.5	13.5	13.5
	Disagree	45	26.3	26.3	39.8
	Undecided	43	25.1	25.1	64.9
	Agree	37	21.6	21.6	86.5
	Strongly Agree	23	13.5	13.5	100.0
	Total	171	100.0	100.0	

Mean: 2.95, Standard Deviation: 1.25

Interpretation: The majority of respondents disagree with "I'm being paid a handsome amount in comparison to others". The mean is 2.95 with a standard deviation of 1.25.

Table 10*I feel that training opportunities encourage me to work better*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	30	17.5	17.5	17.5
	Disagree	17	9.9	9.9	27.5
	Undecided	29	17.0	17.0	44.4
	Agree	64	37.4	37.4	81.9
	Strongly Agree	31	18.1	18.1	100.0
	Total	171	100.0	100.0	

Mean: 3.29, Standard Deviation: 1.35

Interpretation: Most of the respondents are agree with "I feel that training opportunities encourage me to work better". The mean is 3.29, with a standard deviation of 1.35.

Table 11*I'm happy with the promotion criteria of the employees*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	28	16.4	16.4	16.4
	Disagree	53	31.0	31.0	47.4
	Undecided	33	19.3	19.3	66.7
	Agree	47	27.5	27.5	94.2
	Strongly Agree	10	5.8	5.8	100.0
	Total	171	100.0	100.0	

Mean: 2.75, Standard Deviation: 1.192

Interpretation: The majority of respondents disagree with "I'm happy with the promotion criteria of the employees". The mean is 2.75 with a standard deviation of 1.192.

Table 12*My supervisor listens to my issues and suggestion*

		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	9.4	9.4	9.4
	Disagree	51	29.8	29.8	39.2
	Undecided	46	26.9	26.9	66.1
	Agree	43	25.1	25.1	91.2
	Strongly Agree	15	8.8	8.8	100.0
	Total	171	100.0	100.0	

Mean: 2.94, Standard Deviation: 1.131

Interpretation: Most of the respondents disagrees with "My supervisor listens to my issues and suggestion". The mean is 2.94 with a standard deviation of 1.131.

Table 13*Working hours which allow me enough time with family and work*

		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	17	9.9	9.9	9.9
	Disagree	32	18.7	18.7	28.7
	Undecided	37	21.6	21.6	50.3
	Agree	58	33.9	33.9	84.2
	Strongly Agree	27	15.8	15.8	100.0
	Total	171	100.0	100.0	

Mean: 3.27, Standard Deviation: 1.221

Interpretation: Most of the respondents are agree with "*Working hours which allow me enough time with family and work*". The mean is 3.27 with a standard deviation of 1.221.

Table 14*Quality of Training provided by the company to boost my skill*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	6.4	6.4	6.4
	Disagree	51	29.8	29.8	36.3
	Undecided	30	17.5	17.5	53.8
	Agree	62	36.3	36.3	90.1
	Strongly Agree	17	9.9	9.9	100.0
	Total	171	100.0	100.0	

Mean: 3.13, Standard Deviation: 1.14

Interpretation: Most of the respondents are agree with "*Quality of Training provided by the company to boost my skill*". The mean is 3.13 with a standard deviation of 1.14.

Table 15*Training by the experienced Trainer*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	24	14.0	14.0	14.0
	Disagree	32	18.7	18.7	32.7
	Undecided	12	7.0	7.0	39.8
	Agree	70	40.9	40.9	80.7
	Strongly Agree	33	19.3	19.3	100.0
	Total	171	100.0	100.0	

Mean: 3.33, Standard Deviation: 1.354

Interpretation: Most of the respondents are agree with "Training by the experienced Trainer". The mean is 3.33 with a standard deviation of 1.354.

Table 16*Correlations Analysis*

		Working Experience	Salary	Training and Job Development	Employee Retention
Working Experience	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	171			
Salary	Pearson Correlation	.672**	1		
	Sig. (2-tailed)	.000			
	N	171	171		
Training and Job Development	Pearson Correlation	.688**	.614**	1	
	Sig. (2-tailed)	.000	.000		
	N	171	171	171	
Job Satisfaction	Pearson Correlation	.403**	.390**	.467**	1

	Sig. (2-tailed)	.000	.000	.000		
	N	171	171	171	171	
Employee Retention	Pearson Correlation	.292**	.305**	.376**	.585**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	171	171	171	171	171

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

The correlation tables indicate the relationship between employee retention with working experience, salary, training and development, job satisfaction. The correlation coefficient between employee retention and working experience was found to be .292, which is positively correlated. Similarly, employee retention with the salary, training and development, and job satisfaction were positively correlated with $r = .305$ and $r = .376$ and $r = .585$. Thus, it shows that there is a positive and significant relationship between employee retention with independent variable under study.

Table 17

Regression Analysis, Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	2.632	.428		6.156	.000
	Working Experience	-.026	.065	-.039	-.410	.682
	Salary	.038	.070	.047	.536	.593
	Training and Development	.103	.073	.131	1.414	.159
	Job Satisfaction	.508	.070	.521	7.301	.000

a. Dependent Variable: Employee Retention

R = .597

R square = .357

Adjusted R Square = .341

F = 23.003

Sig. = .000

The multiple regression practice in the study between a dependent variable and the independent variables decides whether the p-value is significant. Table 8 shows a statistically significant relationship

between employee retention and training and development as it scores .159, employee retention and job satisfaction scores .000. There is a non-significant relationship between employee retention and work experience as it scores .682, employee retention and salary as it scores .593. The correlation between the variables scores $R=59.7\%$. The coefficient of the determination $R\text{-Square} = 35.7\%$. Adjusted $R\text{-square}$ provides the real value for estimating the $R\text{-square}$, which achieves 34.1%. The $F\text{-value}$ is 23.003, and the $p\text{-value}$ is .000.

Conclusion

According to the study's findings, the hydropower companies can retain their employees by providing various facilities and services such as better training and development and job satisfaction. The majority of the employees quit their jobs in search of better opportunities in related businesses. The study shows that employee seeks another job in regards to making the future career better.

Future Research

A recent study on employee retention in Nepalese hydropower companies was conducted. Employee retention factors are being researched. This research will be extremely beneficial to future researchers and human resource professionals in the day-to-day operations of the business. The study only looks at a few factors, but future research could look into many more. In addition to hydropower industries, additional research can be conducted in Nepal to look for retention factors in other industries.

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