

## Working Environment- As a predictor of Talent Retention

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## **ABSTRACT**

*There is always been demand of talent at the workplace. Even the organizations make attempt to retain those employees who are considered to be focused in their work and are talented. Talent is any inbuilt capacity that enables an individual to display high performance that requires special skills & training. Every organization invests cost in terms of time, money, training to make them appropriate for the working of the Organization but sometimes face huge challenges to retain them. Although there are various practices in an organization which lead to employees stick to organization for long but this research paper is aimed to identify the relationship between working environment and talent retention, with a specific focus on academicians of private colleges. The study is empirical in nature and done in Gwalior region. The sample size for the study is 130 and simple regression method was used to arrive at results. The findings of the study show the significant relation between working environment and talent retention.*

## **KEYWORDS**

*Academicians, Working Environment, Talent Retention, Employees, Private colleges*

## **INTRODUCTION**

Talent may be defined as the inherent ability of an individual to do a particular task in particular way. (Sinha, Vol 8, Issue 1, Feb 2008). Talent is something valuable and rare to imitate. Talent is any inbuilt capacity that enables an individual to display high performance that requires special skills & training (Simonton, 1999, p.436). There is no single definition of talent. On one hand it is viewed as powerful and innate component (Echols, 2007) On the other hand , it is believed that factors of working environment cause talent to emerge (Barab and Plucker 2002).

Talent retention refers to various practices of the organization which lead to employees stick to organization for long. Employee retention is a systematic effort by the employers which lead to create a favorable environment for the employees to work which in turn encourages them to remain with the organization. Retaining the talented staff ensures satisfaction to students (in the case of academics) to the students and satisfied colleagues. Failing to retain talented staff is a costly aspect for every organization. After any organization invested time and cost to train the

employees to make them productive, it must also find out the strategies to generate the profit from the trained employees and so it calls for identifying innovative ways or strategies to retain talent. Organizations, now a days have also realized retaining employees is much more cost effective than to replace them. When we talk about retention it means to retain the talented or skilled employees. Talented employees always have good opportunities in their hand and they may easily get attracted to other organization if find themselves dissatisfied with the present employees. If the organization neglects this dissatisfaction of their employees, they would be left with no talented employees.

The term working environment refers to the surroundings within which employee work ([www.businessdictionary.com](http://www.businessdictionary.com)). It includes the physical, social and psychological conditions and all other factors that influence work. Working environment also includes supervisory support, recognition programs, communication practices etc. (Dr. C.B Gupta, human resource management, 2008). According to European Industrial Relations Dictionary (2007) Working environment covers matters related to work and work activities, training, health and safety, work life balance etc. Working environment is a set of all surroundings, circumstances, environment, situations, behavior of employer and colleagues, organizational attitude etc. Up to great extent, the efficiency of the employees is influenced by the environment in which he works. On the basis of review of literature, research done by Demerouti and Cropanzano, 2010 and Schaufeli and Salanova, 2008 concluded that even engagement is associated with employee attitudes, employee psychological well being, psychological conditions etc. Working environment is also related to the factors present at the workplace that gives satisfaction to the employees. Studies of Mc Cashland 1999, Miles 2001 & Harter et al., 2002, Holbeche and Springett, 2003 reveals that employee engagement is something that is produced by the working environment factors.

## **REVIEW OF LITERATURE**

There are so many factors in the work place which enhances the employee's intention to stay with the organization. Zhou Ying and James Fredericks Volkwein (2004) found compensation as the second strongest predictor of intention to leave. Study indicated that the faculties who have higher compensation are more satisfied and likely to stay in the organization. Moreover, study also found the seniority and rank as the predictor of intention to stay.

N. Sylvia Naris and I.Wilfred Ukpere (June 2010) found effective retention strategies as a predictor of motivation of staff members & improved work performance, which in turn results in attracting & retaining qualified people for the institution. Verhaegen Paul (2005) found academic freedom, time for research work, geographic location and opportunities for professional development as the most important factors related with retention. Even when the sample was segmented as public vs. private, above four factors remained at the top of the list. Moreover, stimulating peer community, recognition for faculty's research work and research climate also increases retention rate.

Hughes Christensen Julia, Rog Evelina, (2008), on the basis of structured review of literature on talent management and its relation with recruitment and retention, found talent management (sourcing, developing and rewarding employees- perspective by Lewis and Hackman 2006) as the predictor of engagement and retention. It was found that if talent management strategy was implemented effectively, it will result into improved employee recruitment and retention rates.

Towers Perrin (2005) found opportunities to learn and develop new skills, salary, manager support, satisfaction with organization's decisions, retirement benefits, acts of senior management to ensure organization's long-term success, fair compensation, decision-making authority to do job well and reputation of organization as a good employer as top retention drivers for Canadian workers in his international study of full-time employees (approx 86000) from 16 countries and four continents. Retention strategies found to be important in other countries included: inspiring enthusiasm (Brazil, France, Netherlands), treating people with respect and trust (Japan), conducting effective performance reviews (Italy) and holding people accountable for performance goals (South Korea).

Eva Kyndt & Filip Dochy & Maya Michielsen & Bastiaan Moeyaert (2009) indicated that both organizational and personal factors contributed towards retention. Study found quality of work climate as a strong predictor of employee intentions to remain with their current employer. Also it was found that appreciation and stimulation have a strong positive influence on employee retention. Another aspect of this study was pressure of work, which indicated to have a significant negative relationship with employee retention. The findings suggested that inclusion in workplace norms and practices, rich array of opportunities for learning may well assist increasing the retention of skilled workers. Besides the organizational factors, this study revealed

that individual differences can enhance or reduce employee retention. Among those one was seniority which was positively related with employee retention. Also the result revealed that respondents with a longer career within the company feel more strongly connected to the company and tend not to leave. The level of education and readiness and initiative to learn was negatively related to employee retention. A negative relation between the level of education and employee retention was in line with the findings of Angle and Perry (1983) and Glisson and Durick (1988)

Study by John F. Ryan, Richard Healy, Jason Sullivan found stress and satisfaction as the predictors of faculty intent to leave. Further the dimensions of satisfaction were job constraints-Salary, teaching load, autonomy etc, Institutional environment- relationships with administration, administrative support, Quality of students, professional relations, social relations with faculty etc which were found to be the predictors of faculty intent to leave. Foster and Krolik (2008) identified the factors that pose challenges to IT employee retention and found poorly communicated organization as one of the important factor among them. Author suggested communicating with the employees matters a lot for the employee retention. Also opportunity to give performance feedback and discussing with them about their career development also impact talent retention. Brown (1967) made a survey on 10000 faculties and identified seven major factors influencing intention to leave and all were related to work environment. Among these salary and good relations with colleagues were also important. According to Stein (2000); Beck (2001); Clarke (2001); Parker and Wright (2001) factors like working environment, support from superior, remuneration, reward and recognition influences employee retention. Meyer and Allen (1991); Solomon (1992); Snell and Dean (1992) suggested that retention may be improved by good HR practices like compensation, reward, supervisor's support, Culture and work environment.

Working environment is considered as one of the important factors which lead to talent retention (Zeytinoglu & Denton, 2005) and people intent to stay with organizations that provide good working environment (Ramlal 2003). Study of Wiesenberger and Associates (1993) found that recognition from bosses, colleagues and co-workers enhance the loyalty and retention. Wellins (2009) in his study stated that if there is a match between employer and employee, the attrition rate of faculty is low. Research done by Pit Catasouphes (2009) found that 59% of the

respondents of his study gave value to meaningful & purposeful work. Also they gave importance to flexible work timings and learning and development opportunities in their retention.

Connolly, R.A.(2000) has tried to find out the reason for high turnover and retention among beginners in this field and found that environment was the prime reason for higher attrition rate. Johnsrud, L.K., & Heck, R.H. (1998) found in his study that faculty who leave voluntarily mention factors like relationship with colleagues as reasons for their departure. Arthur Diane (2001) found that the attitude of Generation Y has changed and they are less likely to be loyal towards their employer. According to the author, they prefer to be with employers who allow them to innovate the things and also give priority to work life balance i.e. a fine balance between work and family lives.

As per the research of Mercer Human Resource Consulting (2004), communication, work life balance, quality of colleagues is some key factors for the employees which impact the commitment level of employees. Also the relationship and rapport of employee with the manager and opportunities were found to be significant in motivating the employees.

## **OBJECTIVES**

- To identify the factors of working environment that influences the talent retention among academicians in private colleges.
- To study the impact of working environment on talent retention.

## **RESEARCH METHODOLOGY**

The study is descriptive in nature. The purpose of the study was to examine the relationships between working environment and talent retention and to state whether these research prepositions could confidently be accepted or rejected. The study also focuses on identifying the various factors of working environment affecting the talent retention.

The population for this study was faculties from private colleges in the Gwalior region. The sampling frame was the private colleges situated in the Gwalior region. For this study, 13 private

colleges were selected which were having 325 faculties in total. Initially about 150 questionnaires were distributed and out of which 139 were received back. But after discarding 9 questionnaires because they were incomplete only 130 were considered for further analysis. For the purpose of this study Cluster sampling method was used. The list of all the private colleges in Gwalior region was prepared which included 42 private Colleges. Further, various clusters were formed with the list of private colleges in that particular area and 2-3 colleges from each cluster was selected randomly for the targeted sampling frame. In all total 13 colleges were finally selected as targeted sampling frame which were having 325 faculties in total. The faculties from each college have been selected as per their availability in the college (convenience sampling) with the intention to include at least 10 faculties from each college. Primary and secondary data sources were used to collect the information.

For measuring working environment, questionnaire was framed after reviewing certain research papers and the reliability and validity was checked. Talent retention was measured using the scale which was used by Eva Kyndt & Filip Dochy & Maya Michielsen & Bastiaan Moeyaert, 2009 with certain modifications. Likert 5-point type scale was used with answers ranging from 1=Strongly Disagree to 5= Strongly Agree.

SPSS 20 (Statistical Package for Social Sciences) was used for data analysis. In the study, reliability was assessed through Cronbach's alpha. Validity was checked through face validity. Further, factor analysis was used to determine the underlying factors of working environment and regression analysis was used to test the hypothesis formulated by the researcher.

## **RESULTS AND DISCUSSION**

First of all the reliability of all the constructs was measured. The reliability score of the working environment construct was found to be of acceptable value i.e. 0.90 (greater than 0.7) and for talent retention was found to be .83. High scores of Cronbach's Alpha represent high consistency and reliability among items in questionnaire which confirms that the data is suitable for factor analysis.

Face Validity was used to test the validity in this study.

## **FACTOR ANALYSIS**

Factor analyses was performed to analyze interdependent correlations among a large number of items which helped to identify common underlying dimensions or factors (Hair et al., 2010).

The Kaiser Meyer Olkin measure verified the sampling adequacy for which the value found was 0.883, which is above the acceptable limit of 0.5 (Field 2009). Barlett's test of sphericity, chi-square value of 2328.20 at p value 0.000 indicates that it is suitable to apply factor analysis as high values are shown in below table of KMO test.

**Table 1 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.884
Bartlett's Test of Sphericity	Approx. Chi-Square
	Df
	Sig.

A KMO measure of sampling adequacy value is close to 1 (in table 3) which indicates that patterns of correlations are relatively packed in and so factor analysis will give reliable factors.

Factor analysis was conducted to obtain Eigen values for each item in the data. Three items had Eigen values higher than Kaiser's criterion of 1 and, in combination, explained 58.34% of the variance. Table 5 shows factor loadings after varimax rotation, Eigen values, and the percentage of variance accounted for by the three factors. The items that clustered on the same factors suggested that factor 1 represented relationship & communication system, factor 2 represents quality of work life, and factor 3 represents appreciation. Accordingly, the extracted components were labeled.

**Table 2- Summary of factors extracted**

Factor Name	Eigen Values	% variance	Variable Convergence	Loading
1. Relationship & Communication System	6.664	39.198	5. We get enough personal work space to work 12. There is sound communication System in the organization 14. Relationship with peers is harmonious 15. Relationship with subordinates is	.509 .545 .777 .749

			harmonious 16. There are harmonious relationship among all departments 17. There is balanced disciplinary system	.726 .695
2.QWL	2.059	12.112	1. Provisions related to leave are satisfactory 2. Provisions for Compensation and Remuneration are satisfactory 3. Organization provides adequate social security 4. Quality of work life of my organization is good. 13. My organization provides opportunities for career growth and development	.643 .688 .800 .623 .647
3.Appreciation	1.196	7.035	6. Organization has safe and healthy working conditions 7. My boss always motivates employees 8. I receive guidance from my supervisor / boss 9. We have objective performance appraisal system 10. My employer recognizes efficient work 11. The policy of the organization motivates me	.531 .709 .803 .688 .509 .524

To examine the direct effects of working environment on talent retention as stated in hypotheses, first of all correlation analysis was done on the working environment and talent retention used in the study to measure the association between them. Correlation between working environment and talent retention was found to be  $r = 0.815$  at  $p < 0.01$  &  $n=130$  which shows high correlation among variables. Further, talent retention was regressed on working environment.

#### REGRESSION RESULTS

**Table 3- Model Summary**

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.815 <sup>a</sup>	.664	.663	.41235

a. Predictors: (Constant), WE

**Table 4- ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	102.348	1	102.348	601.925	.000 <sup>b</sup>
1 Residual	51.860	305	.170		
Total	154.208	306			

a. Dependent Variable: TR

b. Predictors: (Constant), WE

**Table 5- Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	.500	.133	3.772	.000
	WE	.889	.036		

a. Dependent Variable: TR

The model summary as depicted in table 5 reports the strength of the relationship between the factors of working environment and talent retention. Working environment was identified as predictor of talent retention with R square value of 0.664 which indicates that the working environment is contributing up to 66.4% towards talent retention. As per ANOVA table (table 6) probability value is found to be significant. Thus, the results of regression analysis reveal that there is significant relationship between working environment ( $t=24.534$ ,  $p<.001$ ,  $\beta = .815$ ) and talent retention. So it can be concluded that null hypothesis  $H_{01}$  is rejected. Hence working environment significantly contributes in enhancing talent retention.

## **CONCLUSION**

Researcher was interested to find out the relationship between working environment and talent retention. Through regression results it was found that working environment is contributing up to 66.4 % towards talent retention i.e. if employees feel satisfied with the working environment or they get favorable environment at the work place, they feel to stay with the organization for a long time. This study specifically found quality of work life, appreciation and harmonious relationships and communication system as factors of working environment which influence talent retention. It was concluded through the results of factor analysis that relationship with boss & communication system, quality of work life and appreciation or recognition given to employees plays important role in retention.

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Declaration

I hereby declare that the present article on “Working Environment- As a predictor of Talent Retention” is the original work and has not been published or not submitted to or accepted for publication by any other journal, magazine or book publishing house.

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