

**A STUDY ON EFFECTIVENESS OF EMPLOYEE RETENTION
FACTORS IN CEYLINCO CONSOLIDATE IN BATTICALOA
DISTRICT WITH SPECIAL REFERENCE TO MANMUNAI NORTH
DIVISIONAL SECRETARIAT DIVISION**

C.L.DELIMA

REGISTRATION NUMBER: - EU/IS/05/MS/37

INDEX NUMBER: - MS746



DEPARTMENT OF MANAGEMENT

FACULTY OF COM & MGT

EASTERN UNIVERSITY, SRI LANKA

2011.

ABSTRACT

The retention is "The process of keeping the loyalty of existing employees and persuading them not to work for another company". Building up human capital and retaining with the organization is important task to achieve organization objective. Employee turnover will affect not only to the firm employee also. So the management must identify and implement suitable and applicable strategies to retain the employees. Therefore, it is very important to measure the effectiveness of retention factors of the organizations, because they can able to explore why the employees existing with the firm.

The study on effectiveness of employee retention factors at Ceylinco consolidate was studied to understand the level of effectiveness to keep the employees. This research was considered four variables Pay, Recognition, Opportunity, and Benefit, beyond this some personnel information also were collected. Questionnaires were issued to 65 staffs who are working in Celinco group to collect primary data and secondary data collected from annual report and articles. Statistic technique used for data processing mean, percentage, standard deviation techniques by using SPSS11.00 computer package.

Result of the data process showed clearly the level of effectiveness of the retention factors which is apply by the Ceylinco group is in high level. Therefore, recommends and implications were, given to maintain the level of effectiveness and keep the employees in future as well.

Researcher

TABLE OF CONTENTS

CONTENTS	PAGE NO
Acknowledgement	I
Abstract	II
Table of contents	III
List of table	VIII
List of figure	IX
CHAPTER – 01 INTRODUCTION	01- 06
1.1 Introduction	01
1.2 Problem Statement	03
1.3 Research Questions	03
1.4 Objective of the study	04
1.5 Significance of the study	04
1.6 Scope of the study	05
1.7 Assumption of this study	05
1.8 Limitations	06
CHAPTER -02 LITERATURE REVIEW	07 - 24
2.1 Introduction	07
2.2 Definitions of Retention	08
2.3 Importance of Employee Retention	09
2.3.1 Importance of retention to an organization	09
2.3.2 Importance of retention of the employees	10
2.4 Reasons for Employees leave from an organization	11
2.5 Employee Retention Tool (factors)	12
2.5.1 Fair compensation	12
2.5.2 Job security	12
2.5.3 Fringe Benefits	13

2.5.4	Communication	13
2.5.5	Include employees in decision making	13
2.5.6	Allow team members to share their knowledge with others	13
2.5.7	Shorten the feedback loop	13
2.5.8	Balance work and personal life	13
2.5.9	Provide opportunities for growth and development	14
2.5.10	Clearly define what is expected of team members	14
2.5.11	The quality of supervision and mentorship	14
2.5.12	Fair and equitable treatment of all employees	14
2.5.13	Best employee reward programs	14
2.5.14	Career development program	14
2.5.15	Performance based bonus	15
2.5.16	Employee referral plan	15
2.5.17	Loyalty bonus	15
2.5.18	Giving voice to the knowledge banks	15
2.5.19	Employee recreation	15
2.5.20	Gifts on some occasions	15
2.5.21	Accountability	16
2.5.22	Fun and laughter at workplace	16
2.5.23	Organization culture	16
2.5.24	Organization reputation	16
2.6	Employee retention strategies	16
2.6.1	Low Level Employee Retention Strategies	17
2.6.2	Medium Level Strategies for Employee Retention	19
2.6.3	High Level Strategies	20
2.7	Managing Employee Retention	22
2.7.1	Identify the cost of employee turnover	22
2.7.2	Understand why employees leave	22
2.7.3	Implement retention strategy	22
2.8	How to Increase Employee Retention	23

CHAPTER 03	CONCEPTUALIZATION AND OPERATIONALIZATION	25-33
3.1	Introduction	25
3.2	Conceptualization	25
3.2.1	Pay	27
3.2.1.1	Competitive base pay	27
3.2.1.2	Market driven bonus scheme	27
3.2.1.3	Fair compensation	28
3.2.2	Recognition	28
3.2.2.1	Achievement award scheme	28
3.2.2.2	Fair and equitable treatment	28
3.2.2.3	Performance based bonus	29
3.2.3	Opportunity	29
3.2.3.1	Flexible working	29
3.2.3.2	Learning and Development	30
3.2.3.3	Open communication	30
3.2.4	Benefits	30
3.3.4.1	Allowance	30
3.3.4.2	Fringe Benefits	30
3.3.4.3	Loan	31
3.3	Operationalization	31
3.4	Summary	33

CHAPTER-04	METHODOLOGY	34 - 42
4.1	Introduction	34
4.2	Study setting, Design, and Method of survey	34
4.3	Sampling	35
4.3.1	Study population	35
4.3.2	Sample size	35
4.3.3	Sampling method	36
4.3.4	Sampling Distribution	36
4.4	Method of Data collection	36
4.4.1	Sources of data	37
4.4.2	Structure of the Questionnaire	37

4.5	Method of Measurement	39
4.6	Method of data Presentation, Analysis and evaluation	41
4.7	Summary	42
CHAPTER 05	DATA PRESENTATION AND ANALYSIS	43-63
5.1	Introduction	43
5.2	Personal Information	43
5.2.1	Age	43
5.2.2	Gender	44
5.2.3	Civil status	44
5.2.4	Educational Qualification	45
5.2.5	Experience	45
5.2.6	Income	46
5.3	Research Information	47
5.3.1	Pay	47
5.3.1.1	Competitive base pay	47
5.3.1.2	Market Drive Bonus	48
5.3.1.3	Fair Compensation	49
5.3.2	Recognition	51
5.3.2.1	Achievement	51
5.3.2.2	Fair and Equitable Treatment	52
5.3.2.3	Performance Based Bonus	53
5.3.3	Opportunity	55
5.3.3.1	Flexible working	55
5.3.3.2	Learning and Development	56
5.3.3.3	Open communication	57
5.3.4	Benefit	59
5.3.4.1	Allowance	59
5.3.4.2	Fringe Benefit	60
5.3.4.3	Loan	61

