

MOTIVATIONAL FACTORS AND EMPLOYER'S ACTION: BASIS FOR EMPLOYEE RETENTION OF THE EMPLOYEES IN THE RURAL BANKS IN CABANATUAN CITY

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Abstract: The study determines the relationship between the workforces' motivational factors and retention of the employees in the rural banks in Cabanatuan City in the Philippines using three parameters: Supervisor Support, Recognition and Rewards, and Work-Life Balance. Data are collected using evaluative-descriptive survey with guided questionnaire, and tabulated using the Statistical Package for Social Science (SPSS) version 26.0. The result of the Reliability Analysis and Pearson Moment Correlation reveals that the Supervisor Support is positively significant to the employees' motivational factors and retention while Recognition and Rewards have negative significance because of the expectations versus reality confusion between employer and employees. Meanwhile, work life balance shows no influence on the motivation and retention of employees as significant factors in their retention decision. The aim of the results of this study is to assist organizations on how to streamline its human resource policies in building the employees stimulus and maintain employee retention. This will also aid other researchers as a reference on studies related to the topic.

Keywords: Employee Retention, Supervisor Support, Recognition and Rewards, Work Life Balance.

I. INTRODUCTION

The most valuable asset available to an organization is its manpower, hence employee retention is essential. Johnson et al. (2000) defines employee retention as the ability to hold onto those employees that the organization want to keep, for longer than of that competitors. Greenberg and Sweeney (2010) emphasize that organizations should make efforts to keep their best talent despite difficult times. The success of any organization is dependent on the quality and efficiency of its human resources (Mensah, 2014).

According to a study by Bhatt (2015), the discrete source of competitive advantage over businesses lies on the maximization and recognition of employee knowledge, skills and competencies. Managers should map out and retain highly skilled employees and should always remind them how valuable they are to the organization. It is an effective way of avoiding dissatisfaction and prevents employees from leaving the organization (Noe et al., 2006).

In an article published by Chron.com on March 6, 2019, entitled 'Importance of Employees Performance in Business Organizations', it was mentioned that successful employees meet deadlines, make sales and build the brand via positive customer interactions. When employees do not perform effectively, consumers feel that the company is apathetic to their needs, and will seek help elsewhere. That is why it needs proper care and diligence for a company to make them fruitful.

It is the aim of the study to determine the relationship between the motivation factors of the talented workforce with the employees' retention in the rural banks of Cabanatuan City. The findings of the study may be used as reference for the

further improvement of the existing human resource policies and guidelines as well as, offer solution to the issues affecting employee retention.

II. STATEMENT OF THE PROBLEM

The study determined the effects of employee retention to the organizational competence of the employees of the rural banks in Cabanatuan City.

Specifically, it will sought answers to the following questions:

1. How does the demographic profile of the respondents be describe in terms of:
 - 1.1 Age;
 - 1.2 Sex;
 - 1.3 Income;
 - 1.4 Awards and Recognition Received;
 - 1.5 Number of Years Worked;
 - 1.6 Educational Attainment;
 - 1.7 Number of Seminars Attended?
2. How may the rural bank employee's motivation be describe in terms of:
 - 2.1 Supervisor Support
 - 2.2 Recognition and Awards;
 - 2.3 Work Life Balance?
3. How may the employees' retention regarding employer's action be describe in terms of:
 - 3.1 Supervisor Support
 - 3.2 Recognition and Awards;
 - 3.3 Work life Balance?
4. Is there a significant relationship between employee motivation of the rural bank and the employees' retention?

Hypothesis:

Ho: There is no significant relationship between employee motivation of the rural banks and the employees' retention.

Theoretical Framework

According to Gawel (1997), Herzberg's (1959) Theory is consists of two (2)-set dimensional factors that determines employee retention rate namely motivator and hygiene factors. The motivator factors lead to employee satisfaction which includes recognition, achievement, work, growth, and advancement. Whereas, hygiene factors causes dissatisfaction that includes relationship with boss, supervision, salary, relationship with colleagues, work conditions and company policies. Employees are less likely to leave, rather stay longer with organizations when they perceive positive human resource practices such as job freedom, better opportunities, and better pay (Stewart & Brown, 2009).

In order to gain employee commitment, an organization has to provide good incentives, rewards and training. "Commitment is critical to organizational performance, but it is not in a panacea. In achieving organizational ends, there are other ingredients that need to be added to the mix and when blended in the right complements, motivation is the result," according to O'Malley (2000)

Through employee retention, businesses maintained an effective workforce and at the same time met operational requirements. According to Shakeel and Butt (2015) there are factors that an employee considered important for his retention in the organization and to find out the integrated set of variables that affected his retention which were not just financial factors but also non-financial factors like job content, trainings, work conditions and flexible work hours.

Conceptual Framework

The researchers used system approach systems approach in the presentation of paradigm of the study. Independent variables includes profile of the respondents, and the three parameters used in this study namely supervisor's support, recognition and rewards, and work life balance. The data were gathered through the survey questionnaire, and analyze by a statistical treatment. Employee retention served as a dependent variables in which the significant relationship of the motivation factors and employee retention were identified.

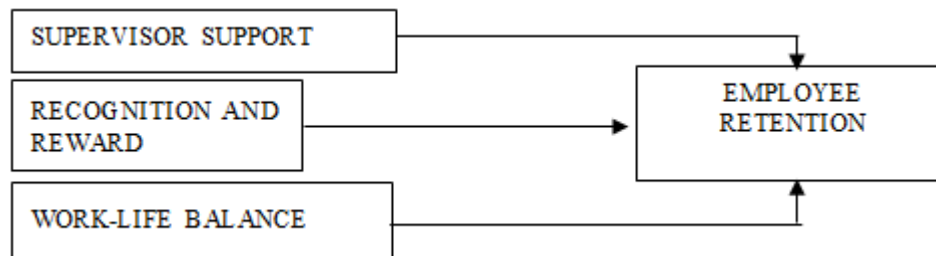


Figure 1: Paradigm of the Study

III. METHODOLOGY

Research Design

The study was descriptive in nature and the variables used in the study are supervisor support, recognition and reward and work life balance as independent variables, dependent variable used; on the other hand is employee retention, to satisfy the objectives of the study.

Locale of the Study

The study was conducted among the rank and file employees of nine (9) existing rural banks situating around Cabanatuan City, Nueva Ecija. It focuses on the available employees at the branch or offices in the city proper.

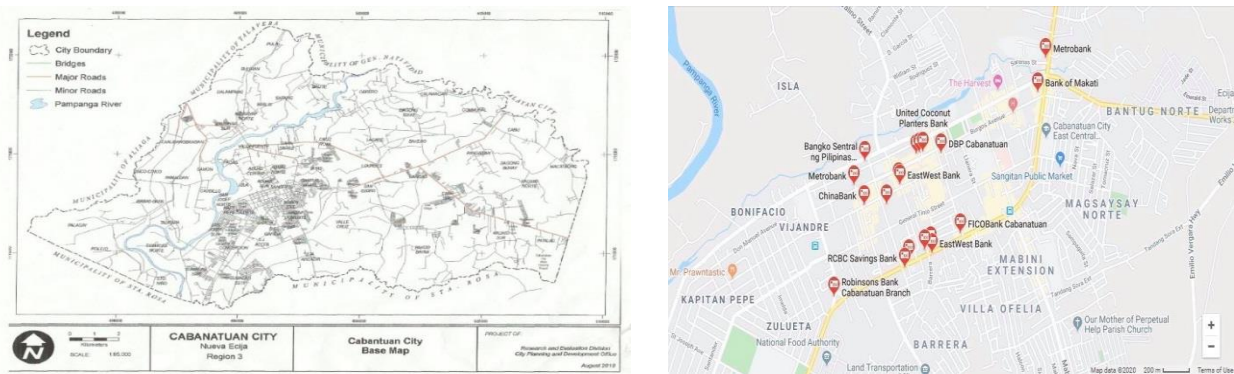


Figure 2. Map of Cabanatuan City

Respondents

There were a total of 36 employees in the rural banks in Cabanatuan City that serves as the sample of the study. Simple random sampling (R. Burke Johnson, 2010) are used to select respondents as it reflects the unbiased results of the study.

Sample and Sampling Procedures

The researchers used the convenience sampling wherein from the total population of 54 rural bank employees, 36 employees were chosen who fall under rank and file rural bank employees as the sample population.

Research Instrument

Researchers used a self-made questionnaire consisting of three parts. The first part includes the demographic profile of the respondents such as gender, age, designation, education and work experience. Second and last section consists of eight items in which each addressing the factors of determining the perception of employees in retention. Items of the

questionnaire were measured through five-point Likert Scale ranges from strongly agrees to strongly disagree where items are ranked as follows:

- Strongly Agree (SA) = 5
- Agree (A) = 4
- Neutral (N) = 3
- Disagree (D) = 2
- Strongly Disagree (SD) = 1

Secondary data will be collected from related research journals, books, magazines, conference paper and websites to make study more comprehensive.

Reliability and Validity of the Instrument

Data was tabulated and analyze using Statistical Package for the Social Sciences (SPSS) version 26.0. Cronbach’s Alpha was used in determining the reliability and validity of the data gathered. Pearson Correlation (Two-Tailed), on the other hand, was used to determine the correlation exist between the variables.

IV. RESULTS AND DISCUSSIONS

1. Data from the demographic profile of the questionnaire.

The biographical information of the 36 respondents was presented in Table 1. The results show that 67% were in the age group of 25-30 years, and 33% were from 31-35 years old. It is observed that 69% of rural bank employees are females, and 31% are males.

Table 1: Profile of the respondents

Profile of the respondents	Number of employees	Percentage
Age group:	25-30 years old	24 67%
	31-35 years old	12 33%
Gender:	Male	11 69%
	Female	25 31%
Salaries Range:	Below 10,000.00	8 22%
	10,001.00 – 20,000.00	28 78%
Receiver of Awards:	Yes	11 31%
	No	25 69%
Tenure in Service:	0-3 years	22 54%
	4- 6 years	19 46%
Highest Educational Attainment:	Bachelor’s Degree	36 100%
No. of Trainings Attended:	0-3 times	25 69%
	4-6 times	11 31%

The results indicated that 69% were receiver of awards, while 31% were not. It also reveals that 54% of the employees are working for 0-3 years in the service, and 46% were working for 4-6 years already. It is seen that 69% have attended trainings for 0-3 times, and 31% attended 4-6 times. It is even clearer that 100% of the employees were bachelor’s degree graduate.

As the data presented, majority of the rural bank employees came from the young workforce with age group of 25-30, and were commonly female with Bachelor’s degree. This age group tends to be aggressive in workplace and carries hunger to acquire new experiences as part of their career development. According to Lewis, et al., 2002; Loughlin & Barling, 2001; Smola & Sutton, 2002; Sturges & Guest, 2004, young workers have the desire for balance in life. While balance is valued by this group of individuals, Sturges and Guest’s research indicated that as graduates’ tenure in an organization increased, so did the number of hours they spent at work. While these young workers were not satisfied with this situation, they appeared to tolerate it for now in order to “succeed in the corporate environment” (Sturges & Guest, 2004, p. 17).

2. Data to describe the motivation factors of the employees of the rural banks.

The following mean of independent variables were ranked according to its level of significance in the employees' motivation factors using the scale of values presented as follows:

1.00 – 1.79 = Unimportant

1.8 – 2.59 = Slightly Important

2.6 – 3.39 = Important

3.40 – 4.19 = Very Important

Table 2: Motivation Factors of the Employees of the rural banks

Motivation		Supervisor Support	Recognition	Work Life	Average
N	Valid	36	36	36	36
	Missing	0	0	0	0
Mean		3.8993	3.8194	2.7143	3.4777
Std. Deviation		.37657	.94512	.84412	.51055

As a result, supervisor's support and recognition and rewards factors shows to be "Very Important" factors in the motivation of the rural bank employees by having a mean of 3.8993 and 3.8194 respectively. On the other hand, work life balance came out to be just "Important" by having a 2.7143 mean. Supervisor's support in the development of employees can be acknowledged as a key aspect of a supportive work environment that affect employees' participation in development activities (Dubin, 1990; Far & Middlebrooks, 1990; Kozlowski & Far, 1998). Additionally, organizations also need to reward and recognize employees in order to establish a balance between employees goals and organization goal and keep the employees morale high, thus investing more time and resources on developing employees as future leaders and cultivating a positive working environment (Selden and Sowa, 2015).

Amah, 2002 stated that it is important that organizations implement strategies aimed at enhancing work-life balance to assist employees in the pressures of their family and work areas. Scott-Ladd, Travaglione, Perryer and Pick (2010), even found that employees experienced result of working long hours and shifts that limit them from focusing on other life commitments.

3. Data to describe the employee retention of the employees of the rural banks.

The same scale of values was used in presenting the data for the level of significance of the factors in the retention of the employees of the rural banks in Cabanatuan City.

Table 3 illustrates that the three (3) variables were "Very Important" in the employees' retention decision of the employees of the rural banks. Supervisor Support mean was 3.8542, Recognition and Rewards was 3.8854, and Work Life balance mean was 3.7951.

According to organizational support theory (Eisenberger et. al., 1986), supervisor support facilitates changes in employees' levels of affective commitment (Sadiya, 2015). Moreover, for organizations to improve on employee retention, they should also invest more time and resources on developing employees as future leaders and cultivating a positive working environment (Selden and Sowa, 2015). C. Janki (2009), on the other hand, found that "Employee Retention" discussed that most challenging issue faced by today's global organization, is to retain their employees and provided insights into employee retention strategies, measures and techniques to minimize the rate of attrition

Table 3: Employee Retention of the Employees of the rural banks

Employee Retention		Supervisor Support	Recognition	Work Life	Average
N	Valid	36	36	36	36
	Missing	0	0	0	0
Mean		3.8542	3.8854	3.7951	3.8449
Std. Deviation		.38557	.36028	.32204	.27828

4. Data to illustrate significant relationship between employee’s motivation factors and the employee’s retention of the rural banks.

The data imply that supervisor’s support correlates positively with the motivation and employee retention by resulting to .431 correlation coefficient which shows that if supervisors provide trust and support with their subordinates, it engages hard work and will act as a pathway to gain employee commitment at work, thus retention levels will rise (Landsman, 2008). A level of significance of .009 even shows that the same is statistically significant as it is relatively lower than the allowed p value of .005. This had been noted by the study conducted by Pitts, et. al (1990) which stated that employee’s perception about the organization was strongly influenced by their relationship with the supervisor. Consequently, as recognition and rewards negatively correlates with the employee retention and did not shows significance in employee’s motivational factors with a p value of .733<.05. It explains that if recognition and rewards were given inappropriately to the employee, the retention will be affected negatively. On the other hand, as the correlation fall to .301 for work life balance with p = .075>.05, showing relatively high correlation with low level of significance for the employees of the rural banks. Chimote, and Srivasta (2013) states that work-life guidelines explain how an organization plans to implement flexible working patterns among employees to enable them strike harmony between work activities and life outside workplace.

Table 4: Pearson Correlation Coefficient between employee’s motivation and the employee’s retention of the rural banks.

		Supervisor Support	Recognition	Work Life	Employee Retention
Supervisor Support	Pearson Correlation	.163	.113	-.009	.121
	Sig. (2-tailed)	.341	.511	.957	.483
	N	36	36	36	36
Recognition	Pearson Correlation	.229	-.335*	.234	.052
	Sig. (2-tailed)	.178	.046	.169	.764
	N	36	36	36	36
Work Life	Pearson Correlation	.453**	.218	.287	.414*
	Sig. (2-tailed)	.006	.201	.089	.012
	N	36	36	36	36
Motivation	Pearson Correlation	.431**	-.059	.301	.290
	Sig. (2-tailed)	.009	.733	.075	.086
	N	36	36	36	36

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

* . Correlation is significant at the 0.05 level (2-tailed).

Hypothesis:

H₀: There is no significant relationship between employee motivation factors and employees’ retention of the rural banks.

Findings:

There is a significant relationship between employee motivation factors and employees’ retention of the rural banks.

V. CONCLUSIONS AND RECOMMENDATION

In a competitive business environment, retaining employees has become a mandatory requirement. In this study, the course determines the significant relationship between employees’ motivation factors and retention through supervisor’s support, recognition and rewards, and work-life balance. Thus, the following conclusions had been established using the data gathered in this study:

- a. Employees of rural banks in Cabanatuan City were mostly filled by the age group of 25-30 with 67% of the respondents, and 69% were female. A qualitative study conducted with young people (ages 18-30) found out that this population is concerned about adequate pay and job security, which has resulted in a redefinition of expectations regarding employment and a focus on maintaining their skills to remain employable (Lewis, et al., 2002).
 - b. Supervisor support was proved to be an important motivational factor in an employee's retention in the organization. Supervisor support is defined as employees' views concerning the degree to which their supervisors value their contributions and care about their well-being (Eisenberger et al., 1986; Kottke & Sharafinski, 1988). One has the courage to work effectively and efficiently when being trusted, motivated and given confidence by his supervisor.
 - c. Recognition and rewards also found out to be a very important determinant of employee's retention, but had been treated with misconception that resulted to negative correlation between the variables. Rewards schemes were programmed with specific terms, conditions and price. However, at some instances, the "expectation vs. reality" arises. Deeprose, 1994 states that the motivation of employees and productivity in work field can be rise by providing effective recognition which ultimately improved performance of organizations.
 - d. Work life balance is also an important factor for the employees of rural bank but resulted to weak correlation and low significance in the employee's retention and competence. Over the years, work-life balance has become an increasingly significant factor for many professionals in organizations. The researchers assume that employers have implemented work life balance policies in their organization that employees are not demanding anymore about the pressure between family and work related issues. Jobs that offer work-life balance opens opportunities for employees to fulfill their family and other responsibilities (Kossivi et. al, 2016 and Arnolds, 2005). This will then boost employees' retention levels.
- In summary, all the variables were important influence in an employee's retention decision in the organization. As supervisor support, recognition and rewards, and work life balance sustain the motivational aspects of the employees, these also create a level of retention in the organization.

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