


Chapter 11

Employee Retention Predictors: A Statistical Analysis for Business

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ABSTRACT

This chapter identifies the factors that meet the needs of today's workforce and their respective companies and organizations. Employee expectations have changed over the years and through generations. This chapter presents a research study that explores the needs of the modern work force and identifies gaps in current leadership characteristics and company commitment to employees. The statistical analyses conducted in this chapter, including Pearson Product Moment Correlations and single factor ANOVA with Tukey post hoc analysis support the research and development of new components of leadership to recognize and abate the factors affecting employee retention.

INTRODUCTION TO THE CHAPTER'S OBJECTIVES

This chapter aims to analyze statistical predictors of employee retention to provide actionable insights for businesses. By understanding these predictors, organizations can implement strategies to enhance retention and mitigate the negative impacts of high turnover. Statistical predictors show how employee survey responses can

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translate into actionable measures by leadership to retain and reenergize the most valuable asset of any company: its employees. High turnover can disrupt business operations, lead to substantial costs related to recruitment and training, and result in the loss of organizational knowledge and decreased employee morale (Hom et al., 2021). These challenges underline the importance of effective retention strategies. Research has shown that recognizing and acting on employee dissatisfaction can substantially improve the bottom line by reducing costs associated with high employee attrition.

This chapter identifies aspects of employee retention, including the definition. Also, it delves into its importance, challenges, and strategies to improve it. The survey instrument and subsequent predictors of employee retention help organizations implement strategies to improve all aspects of employee perceptions in a more positive light. The survey instrument combats the problems of frequent employee turnover.

Definition of Employee Retention

Employee retention refers to an organization's ability to retain employees over a specified period. It involves a systematic effort to create and maintain a work environment that supports employees' continued employment with the company. Effective employee retention strategies are critical for maintaining a stable workforce, enhancing productivity, and ensuring the organization's success. The importance of employee retention has been increasingly recognized in recent years as companies face high turnover rates and the associated costs and disruptions.

Several keys to retaining employees differ by work setting and job functions, but many factors apply to all settings. The first is the work environment. A positive and supportive work environment is essential for retaining employees. This includes workplace culture, relationships with colleagues and supervisors, and physical working conditions. A conducive work environment helps employees feel valued and motivated, increasing their likelihood of staying with the organization (Hausknecht & Holwerda, 2013).

Another critical factor of employee retention is the opportunity for career development. Providing employees with professional growth and advancement opportunities is a significant factor in retention. Career development can include training programs, mentorship, and clear career progression pathways. Employees are more likely to stay with an organization that invests in their growth and offers them a clear path to advance their careers (Kwon & Rupp, 2022).

Of course, competitive compensation and benefits are crucial for retaining employees. Compensation should reflect the market rate and the employees' contributions to the organization. Benefits such as health insurance, retirement plans, and flexible working arrangements can also play a significant role in retention (Fletcher et al.,

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