

# The Consequences of Supervisory Support on Employee Retention in Rawalpindi, Pakistan

Anam Zafar

Army Public College of Management Sciences, Rawalpindi

## Abstract

An effective human resource management practices namely supervisory support, decentralized authority, appraisal system compensation, motivating environment, coaching, employee empowerment, training and development, are the main factor for the success of a firm on employee retention. In this study, we aim to study how employees regard importance of their supervisory support toward their retention. Quantitative data was collected using the non probability self administered questionnaire that consist of questions with 5-points Likert scales distributed to our samples of 42 individuals. By using a regression and correlation analysis, it is found that, coaching, motivating environment and decentralized authority are significant to employee retention. Base on the results, Decentralized authority is contributing more than 76%, coaching is contributing more than 82%, motivating environment is contributing more than 68% it means that coaching is highly significant object while concluding the supervisory support variables.

**Keywords:** Supervisory Support, Decentralized Authority, Motivating Environment, Coaching/Directing, Employee Retention.

## SUMMARY

### 1. INTRODUCTION

#### 1.1 Background of Study

The previous study considered factors of supervisory support like Performance evaluation, increased cognitive Function and Collaboration & Teamwork. Respondents tend to be biased in answering the questionnaire because the respondents were chosen from a single private organization. This may lead to inaccuracy and unreliability of the answer.

#### 1.2 Gap Analysis

We will conduct research on other variables like Motivating environment, Coaching, Decentralized responsibilities which needs to be discussed for further understanding of supervisory support. The area will be Rawalpindi because views of respondents may be different in different sectors of Pakistan. In dynamic working environment and changes of human force, retaining competent employee should be a vital issue in many organizations.

#### 1.3 Problem Statement

There are many retention practices implementation around the globe operated routinely by either small setups or big enterprise. Decentralized authority is the process in which the employees are involved in decision-making, are appreciated and provided proper training and support. Nowadays, many organizations are trying to delegate the decision-making process to the lower level employees. Employees often confused by management's decision to implement any organizational development activity as they might afraid of the criticism of these programs to their job security or even career prospect. Moreover, an untrained supervisor might misunderstand employee engagement as giving directives rather than coaching and support in managing subordinates' performance, hence undermines employees' participation in engaging critical decisions. In order to solve this problem, the study will investigate influence of decentralized authority, motivating environment, coaching on their retention.

#### 1.4 Scope of Study

This research paper has several limitations

- This study considered only few factors of supervisory support like authority, motivation and coaching, while other factors can also affect the employee retention in organizations.
- The sample size of the study is small which should be increased in order to understand the most important determinants at more generalized level.

#### 1.5 Significance of Study

This research objective is to provide better understanding in the relationship of effectiveness of Human resource practices on employee retention. It will provide useful information of relationship between employee retention and employee authority, coaching and environment. The purpose of this study will help readers to better understand the relationship of effective human resource practices on employee retention. It will also provide

range of solution toward employee retention. Hence, it enables many companies to identify what are the major factors to be used to retain their employees through better knowledge of the motivational aspect toward achieving job satisfaction.

### **1.6 Research Objectives**

- To determine the impact of supervisor support on employee retention
- To establish whether there is a relationship between motivating environment and employee retention, coaching and employee retention, supervisory support and employee retention.

### **1.7 In Text Reference Papers:**

- Human Resource Management Practices and Organizational Innovation: Assessing the Mediating Role of Knowledge Management Effectiveness in 2011
- Factors Affecting Employee Retention: A Comparative Analysis of two Organizations from Heavy Engineering Industry in 2012
- An Effectiveness of Human Resource Management Practices on Employee Retention in Institute of Higher learning in 2012

## **2. REVIEW OF LITERATURE**

### **2.1 Introduction**

Employee development programs cannot exist without a culture that supports them. Any effective program must have strong support from people in senior management positions, and these people must also serve as positive role models to subordinates (Zenger, Ulrich, Smallwood, 2000). Managers and supervisors take on a new role when an organization gets into the business of employee development. They must become coaches to help people manage their careers and support their development efforts. Schuler and Jackson (1987) defined HRM practices as a system that attracts, develops, motivates, and retains employees to ensure the effective implementation and the survival of the organization and its members. Managers actually go through a workshop called “Managing Career Development” to prepare them to work with employees under their career planning system (Herron and Simons, 1995). Coaching employees is valuable in helping them meet their goals, but it is also important for managers to simply show that they care. It is an intangible incentive that can make a big difference in employee motivation (Moses, 2000).

### **2.2 Supervisor Support**

Considering the important role of supervisors as agents of the organization (Levine, 1965), supervisor support is recognized as the most critical source of work-based support for reducing stress, and increasing positive attitudes and behaviors (Carlson 1999). Researchers have reported that supervisor support may increase affective commitment (Casper, Harris, Taylor & Wayne, 2011) and job satisfaction (Belau, 1981), and may decrease role conflict, role ambiguity (Carlson & Perrew, 1999) and psychological stress (Baker, Israel, & Schurman, 1996; Glass & Estes, 1997). Furthermore, employees who perceive high supervisor support are likely to demonstrate high job-related performance, since these employees have adequate resources to perform their work (Shanock & Eisenberger, 2006). Moreover, those employees who receive high supervisor support tend to increase their efforts to exceed their responsibilities, in return for the benefits provided by their supervisors. As a result, empirical findings indicate that supervisor support is positively related to in-role and extra-role performance (Shanock & Eisenberger, 2006)

### **2.3 Employee Retention:**

In literature, retention has been viewed as “*an obligation to continue to do business or exchange with a particular company on an ongoing basis*” (Zineldin, 2000). Studies have also indicated that retention is driven by several key factors, which ought to be managed congruently: organizational culture, communication, strategy, pay and benefits, flexible work schedule and career development systems (Logan, 2000). The list of retention factors and literature review is not meant to be exhaustive of all possible theories or variables related to employee retention and turnover (Griffeth et al., 2000). Increasing numbers of organization mergers and acquisitions have left employees feeling displeased from the companies that they work and haunted by concerns of overall job security. The literature on employee retention clearly explains that satisfied employees who are happy with their jobs are more devoted for doing a good job and look forward to improve their organizational structure.

### **2.4 Motivating Environment:**

Management theory and practice has traditionally focused on extrinsic motivators. While these are powerful motivators, by themselves they are no longer enough—intrinsic rewards are essential to employees in today’s

environment (Thomas, 2000). Nowadays motivational issues are more complex because of the wealth and opportunity so many employees have enjoyed. Over the long haul, people need intrinsic rewards to keep going and to perform at their peak (Thomas, 2000). Workers have been forced to take more responsibility for their own careers, going where the work is rewarding and where they can develop skills that will guarantee their employability, in whatever organization (Hall and Associates, 1996). Talented workers have more choices than ever before, and are likely to leave if not satisfied with their employer or job content. Organizations now find themselves competing to attract and retain workers on the basis of the meaningfulness of their jobs.

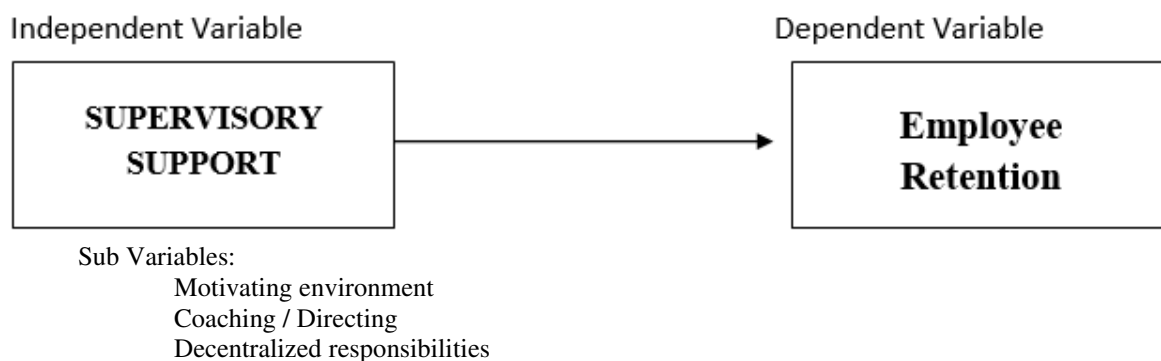
## 2.5 Decentralization

There is no question that decentralization, to move authority and responsibility to lower levels of hierarchy, has been very popular the last decades. This promotion of decentralization can be seen both in the private and the public sector. Decentralization means different thing to different people. There are many definitions of decentralization brought out by different scholars. However, all of them convey the same meaning. Work (2002) and Cheema and Rondinelli defined decentralization *as the devolution of responsibilities for management, planning, and resource raising and allocation of responsibilities*. When HRM functions and structures are decentralized, existing routine patterns must be reorganized, as roles and accountability are transferred. Decentralization thus strengthens the need for capable staff and increases the importance of capacity-building programmed. Proponents of decentralizing responsibilities to managers assert that decentralization increases the efficiency and effectiveness of HRM and public administration in general. Decisions can be taken faster, recruitment be tailored to the specific needs of the organization, less complex procedures are needed. In addition, effectiveness is increased, because decentralization increases the manager's discretion, thus enabling him to recruit, evaluate, offer incentives, promote, suggest training needs and communicate directly (Demmke, 2006:7-8). The success of decentralization also seems to depend on the skills of managers and HR professionals to carry out their task and responsibilities. Thus, greater autonomy and decentralization of responsibilities require considerable investment in management qualifications at all levels. It is important to combine decentralization efforts with additional management training to provide the professional skills that are crucial for managing in a decentralized environment. Fairness and equity are another important issue to be considered (Demmke, 2006:7-8).

## 2.6 Coaching/Directing

Various studies provide an understanding of the coaching behaviors being used by line managers, what they involve and the extent to which they are being adopted. (Graham et al 1994) conducted a study involving sales representatives rating their managers on the use of eight coaching skills identified by (Schelling 1991). The study proposes that the skills that most significantly represent good coaching include clear communication of expectations, providing accurate feedback, offering suggestions when working alongside staff and developing warm relationships with employees. Since the late 1980s, the concept of 'manager as coach' has received much support (Evered et al 1989). Whitmore (2004) present coaching as an integral part of a manager's role that demonstrates a progressive and contemporary approach to leading a team.

## 2.7 Theoretical Framework



## 2.8 Hypothesis

- H1.** Supervisory Support is positively associated with Employee Retention
- H2.** Decentralized authority is positively associated with Employee Retention
- H3.** Motivating Environment is positively associated with Employee Retention
- H4.** Coaching/Directing is positively associated with Employee Retention

### 3. RESEARCH METHODOLOGY

#### 3.1 Population and Sample

The study will be conducted as supervisory support on employee retention by satisfying them with coaching, motivation and authority. The sample area will be random companies of Rawalpindi and employees will be selected that are directly assisting to their managers. 40 Respondents were selected for filling the questionnaire.

#### 3.2 Survey Procedure

Distributing individually at different companies of Rawalpindi.

#### 3.3 Validity and Reliability

Questionnaire technique will be used for collecting data and it will be adopted from previous researches. SPSS tool help in measuring the results of data collected from telecom industry and different test will be applied for evaluating the effects of variables. The Cronbachs alpha of job satisfaction questionnaire items is more than acceptable and recommended value 0.50 by Nunnally (1970) and 0.60 by Moss et al. (1998). This displays that all the 12 items were reliable and valid to measure the retention of employees.

#### 3.4 Research Question

- What is the impact of coaching on employee retention?
- Does a talent management lead to employee retention?
- What is the impact of decentralized authority on employee retention?

#### 3.5 Data analysis Plan

Descriptive statistics (e.g. frequencies and percentages) was used to describe the data in summary form. R-Square test was used to measure the association between the variables. Correlation analysis was also carried out to test the relationship between rewards, job satisfaction and employee retention. The level of statistical significance was measured at  $p < 0.05$ .

#### 3.6 Measuring Instrument

##### Questionnaire

Name: \_\_\_\_\_ Company: \_\_\_\_\_  
 Age  Under 30 years  30-49 years  50 years an over

##### Coaching and Directing

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
My goals are defined to be reached					
Supervisor is at my disposal when I am facing professional difficulty					
Supervisor provide adequate support and resources to meet objectives					

##### Motivating environment

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Training skills are given due weight age in career growth					
My work help me in professional growth					
My company recognise my work and give rewards					

**Decentralized Authority**

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I have the opportunity to determine how I do the job. _					
I take appropriate action without waiting for approval.					
Manager trust me with information that is not widely available to employees					

**Employee retention**

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I plan to make this office my own career					
I feel a lot of loyalty to this office					
This is the best office for me to work for					

**4. Results**

**4.1 Hypothesis Testing**

**4.1.1 Supervisory Support with Employee Retention**

According to the result of the study Supervisory Support (SS) has a significant positive association with Employee Retention (ERM) with  $R = 0.84$  and  $P = 0.00$  that means the SS contributes more than 84% to ERM. It means that as one variable increases in value, the second variable also increase in value. These results accept the hypothesis 1.

**4.1.2 Decentralized Authority with Employee Retention**

According to the result of the study Decentralized Authority (DAM) has a significant positive association with Employee Retention (ERM) with  $R = 0.76$  and  $P = 0.00$  that means the DAM contributes more than 76% to ERM. It means that as one variable increases in value, the second variable also increase in value. These results accept the hypothesis 2.

**4.1.3 Motivating Environment with Employee Retention**

According to the result of the study Motivating Environment (MEM) has a significant positive relationship with Employee Retention (ERM) with  $R = 0.68$  and  $P = 0.00$  that means the MEM contributes more than 68% to ERM. it means that as one variable increases in value, the second variable also increase in value. These results accept the hypothesis 3.

**4.1.4 Coaching/Directing with Employee Retention**

According to the result of the study Coaching/Directing (CM) has a significant negative relationship with Employee Retention (ERM) with  $R = 0.82$  and  $P = 0.00$  that means the CM contributes more than 82% to ERM. This means that as one variable increases in value, the second variable increases in value. These results accept the hypothesis 4.

**4.2 Regression Analysis**

**4.2.1 Employee Retention with Decentralized Authority, Motivating Environment, Coaching/Directing**

According to the model summary, there is significant relation of Supervisory support and Employee retention at  $P = 0.000$ , which proves **H1**.

The R value had gain 0.84, which is 84 percent. The value of R square with value of 0.70 which is 70% represented the significant contribution of the independent variables toward dependent variable. This means that 70% of dependent variable employee retention can be explained by independent variable. The independent variable refers to include Decentralized authority, motivating environment and coaching.

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	DAM, MEM, CM <sup>b</sup>		Enter

a. Dependent Variable: ERM

b. All requested variables entered.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.840 <sup>a</sup>	.706	.683	.37040

a. Predictors: (Constant), DAM, MEM, CM

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.525	3	4.175	30.430	.000 <sup>b</sup>
	Residual	5.213	38	.137		
	Total	17.738	41			

a. Dependent Variable: ERM

b. Predictors: (Constant), DAM, MEM, CM

#### 4.2.3 Correlation Analysis

There is significant relationship of following variables:

- Decentralized Authority (DAM) with Employee Retention (ERM) that is P = 0.00 which proves H2.
- Motivating Environment (MEM) with Employee Retention (ERM) that is P = 0.000 which proves H3.
- Coaching/Directing (CDM) with Employee Retention (ERM) that is P = 0.000 which proves H4.

Correlations

		CM	MEM	DAM	ERM
CM	Pearson Correlation	1	.707**	.847**	.826**
	Sig. (2-tailed)		.000	.000	.000
	N	42	42	42	42
MEM	Pearson Correlation	.707**	1	.825**	.687**
	Sig. (2-tailed)	.000		.000	.000
	N	42	42	42	42
DAM	Pearson Correlation	.847**	.825**	1	.767**
	Sig. (2-tailed)	.000	.000		.000
	N	42	42	42	42
ERM	Pearson Correlation	.826**	.687**	.767**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	42	42	42	42

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

## 5. CONCLUSION

From the result of this study, it is clear that Motivating environment, Coaching, Decentralized responsibilities lead to employee retention. It is also however very clear that supervisory support also results in employee retention. Therefore this study concludes that empowering the employees and coaching are very important dimensions when comes to employee retention. Employees also consider their happiness when making the decision to stay with an organization. The outcome illustrates that employee rewards alone do not result in job satisfaction among employees yet environment, coaching and empowerment is a key factor when it comes to employee retention. Therefore, it is very important for management to develop a retention strategy that addresses employee authority power and directing them as major factors. This retention strategy should make an organization a great experience. Whenever an employee resigns, reasons for leaving the organization are known.

## 6. Limitation

This research paper has several limitations

- This study considered only few factors of supervisory support like authority, motivation and coaching, while other factors can also affect the employee retention in organizations.
- The sample size of the study is small which should be increased in order to understand the most important determinants at more generalized level.

## 7. Recommendation

In future, the light should shed on other variables like job satisfaction, rewards, training and empowerment, organizational commitment, which need to be discussed for further understanding of employee retention. There should be proper guidelines for achieving the goals and one should monitor the performance of employees for achieving successfully the goals or targets because it influences the employee retention in any organization.



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