

Intention to retain staff grade employees in the rubber research institute of sri lanka

E S Munasinghe* and J C Hapugoda**

* Rubber Research Institute of Sri Lanka, Dartonfield, Agalawatta, Sri Lanka

** The Open University of Sri Lanka, Nawala, Nugegoda, Sri Lanka.

Abstract

Though, being the nodal agency of research and development of the rubber industry, the Rubber Research Institute of Sri Lanka (RRISL) has been challenged to retain the right talents to direct the organization towards its strategic goals. Retaining productive workforce within the institute is the key factor amongst other resources in achieving competitive dimensions in a business venture of the rubber industry. Accordingly, this study was conducted to assess the intention to retain staff grade employees at the institute in terms of causal factors associated: compensation, recognition, work-life balance, working environment and career development. The moderating effect of mentoring between career development and employee intention to stay at the institute was also considered. A census survey was implemented for 153 staff grade employees of the institute and a self-administered structured questionnaire was directed to gather primary data from the respondents. The questionnaire was constructed covering data on two sections, viz. demographic details of the respondents and, the dependent, independent and moderator variables under the five-point Likert scale. Descriptive statistics were employed to classify the characteristics of the population whilst inferential statistics were used to identify the relationships between variables and then to test hypotheses. The results of this study confirmed that the intention to stay staff grade employees of the RRISL was at an unsatisfactory level, while all causal factors, compensation, recognition, work-life balance, working environment and career development contributed significantly and positively to the intention to stay employees at the institute. Further, mentoring behaved as a highly significant positive moderator between the relationship of career development and ultimately to the retention of employees.

Key words: achieving strategic goals, causal variables for retention, moderating role of mentoring

Introduction

The demand for natural rubber-based products has increased over the recent past in line with the increase in the living standards of humans. To cater to

the needs of future generations, the invention of new technologies related to the natural rubber industry is of utmost importance in the modern-day context. Rubber Research Institute of Sri Lanka

(RRISL) is the nodal agency having statutory responsibilities for the development of rubber industry-related technologies. The Government of Sri Lanka (GoSL) allocates consolidated funds ca. LKR 1 billion annually for research activities in the rubber sector (Corporate Plan of RRISL, 2021). It is expected to utilize those funds for the development of an economically viable, socially acceptable and environmentally sustainable rubber industry.

All human, physical and financial resources available at any organization are important for its success, amongst which the productive workforce is given the top priority. The organization can replace physical resources within a short period, but it is challenging to substitute skilled, qualified and dedicated human resources which are essential in achieving competitive dimensions of the business. Therefore, one of the main responsibilities of the management of an organization is to maintain the right quantity and quality of the workforce in order to achieve organizational goals. This can be fulfilled by setting up specific retention strategies that are aligned with the organizational vision, mission and objectives.

In particular, to provide essential and remarkable innovations for the rubber industry, the RRISL should be well equipped with competent employees in terms of scientific and administrative categories. However, the toughest challenge in the modern-day context is not limiting to refrain the correct talent but also retaining them for a long productive period for better success.

Problem statement

Informal discussions conducted with the key management personnel of the RRISL exposed that one of the burning issues in the institute is low retention of staff grade employees though they conduct routine practices for employee motivation such as recruitments, performance appraisals, promotions, training programmes, *etc.* The secondary information sources (Corporate Plan of the RRISL, 2018 & 2021) provided sufficient evidence for the above statement, decreasing trend of employee retention over the recent past. Accordingly, the overall retention rate of staff grade employees was 70% in 2018 and it further declined to 60% after three years, *i.e.*, in 2021 (Corporate Plan of the RRISL, 2018 & 2021). The problem was found severe in the research cadre with values of 49% and 38% in 2018 and 2021, respectively.

Based on the information, informal deliberations were carried out with the staff grade employees random basis, on their intention to retain in the institute in the future and work enthusiasm. The majority expressed that they are looking for alternative job opportunities and making plans with elsewhere. They mentioned common reasons for leaving, *i.e.* unattractive salaries, low recognition for their position within the institute, difficulties in work-life balance and uncomfortable working environment. The young generation mentioned specially that they concern their career development and proper mentoring was lacking mostly in the institute. The above scenario will create a vacuum in human

resources within the institute which affects badly the organizational performance, leads disorganized working environment and ultimately results in the collapse the future of the rubber industry in Sri Lanka

Research objectives

The objective of this study was to assess the factors associated with the intention to retain staff grade employees at the RRISL.

The specific objectives were;

- a) To identify the level of employee retention in different staff grade categories
- b) To assess the factors influencing intention to retain employees at RRISL
- c) To assess the moderating effect of mentoring between career development and intention to retain staff grade employees
- d) To suggest appropriate strategies to the policymakers of the organization to improve employee retention

REVIEW OF LITERATURE

Intention to retain

Employee retention issues are emerging as the most critical workforce management challenges in the immediate future. Retaining good employees as valued assets who can be a source of competitive advantage is a critical task for an organization in its way of achieving long-term success (Kossivi, Xu and Kalgora, 2016). Employers are benefited with retaining suitable employees by overcoming additional direct costs associated with hiring,

recruiting and training whilst the hidden costs of missing deadlines, disorganized work schedules and clients' negative perception on the organizational image (Walker, 2001; Cloutier, Felusiak, Hill & Pemberton-Jones, 2015). Therefore, the identification and implementation of proactive approaches to develop effective employee retention strategies are worthwhile though it consumes time, money and resources (Hytter, 2007; Silva, 2014; Raj & Brinda, 2017).

Previous research emphasized that employee retention is not determined by a single issue but by a cluster of factors (Fitz-enz, 1990; Hom & Griffeth, 1991; Dhanpat, Modau, Lugisani, MaboJane & Phiri, 2018; Bidisha & Mukulesh, 2013; Kaur, 2017). Factors that are commonly cited are developmental opportunities and career guidance, job stress, compensation, recognition of work done, provision of challenging work, attractive working environment, relationships with colleagues, work-life balance and communication (Brown, *et al.*, 2002; Naqvi & Bashir, 2015; Christeen, 2015). The literature discusses three major theories on employee retention 1) Zinger Model, 2) Employee Retention Connection's Model (ERC's Model) and 3) Integrated System for Retaining Employees (Sultana Nazia & Bushra Begum, 2013; Sinha Chandranshu & Sinha Ruchi, 2012).

However, this study confined only to the literature on five factors affecting employee intention to stay in an organization, viz. compensation, recognition, work-life balance, working environment and career development.

Further, literature on the impact of mentoring as a moderator for career development is discussed.

Factors affecting the intention to retain

Compensation is the human resource management function that deals with financial and non-financial rewards individuals receive in exchange for performing organizational tasks (Ivancevich, 2004). Both direct and indirect monetary rewards are considered in financial remunerations where direct monetary rewards refer to the basic salary whilst indirect rewards extend to allowances, incentives, bonuses, overtime payments, *etc.* Non-financial benefits can be mentioned as medical, transportation, recreation, loan facilities, *etc.* provided by the organization. Many scholars revealed that the role of compensation is one of the strongest criteria that affects the employee decision to stay in an organization (Osibanjo, Adeniji, Falola & Heirsmac, 2014; Alzahrani & Shaddady, 2021, Milkovich and Newman, 2004).

Employee recognition is the acknowledgment of an individual or team's behaviour, effort and accomplishments that support the organization's goals and values (Ndungu, 2017). Recognition is categorized into two types: implicit and explicit rewards. An explicit reward is given in the form of salary and incentives while implicit rewards are given in the manner of appreciation, recognition and compliments (Aga Hutama Tirta &

Amelia Enrika, 2020). Appreciation, incentivization, positive reinforcement and emotional connect are the essential forms of recognition that creates a sense of ownership and improve employee intention to stay in the organization (Nonhlanhla Mngomezulu, Martin Challenor, Elias Munapo, Pfano Mashau & Christopher T. Chikandiwa, 2015). Abualrub and Al-zaru (2008) discovered that employee recognition is positively associated with the employee intention to stay in the organization and keeps employee morale and motivation at a higher level.

The literature defined an integrated conceptualization of work-life balance involving two key dimensions: engagement in work life and non-work life with minimal conflicts between social roles (Sirgy & Lee, 2018; Agha, Azmi & Irfan, 2017). Poulouse and Sudarsan (2017) explained indicators of work-life balance as work to personal life strains, personal life to work strains, work to personal life gains and personal life to work gains. Osman (2013), Shockley, Smith and Knudsen (2017) and Mita *et al.*, (2014), Subhasree and Misra, (2013) observed a direct positive relationship between work-life balance and intention to retain employees. Lobel and Kossek (1996) also revealed that work-life balance is positively correlated to employee intention to stay in an organization and moreover associated with increased productivity, organizational commitment and loyalty with higher levels of organizational performance, a win-win situation for employers and employees.

The working environment is physical, socio-cultural and technical elements that are comprised in the work setting those impact workers (Msengei & Obwogi, 2015; Duffield, Roche, Blay & Stasa, 2010). Kyndt, Dochy, Michielsens and Moeyaert (2009) defined maintaining a learning and working climate for fostering a talented workforce as a good working environment. Many researchers emphasised a positive relationship between work environment and employee retention (Wells & Thellen, 2002; Luthans, Norman, Avolio & Avey, 2008).

Career development was defined as the total constellation of psychological, sociological, educational, physical, economic and chance factors that combine to shape the career of any given individual over a life span (Sears, 1982). Career development often includes coaching, mentoring, skills development, networking and career pathing and facilitated by basic human resource functions such as learning and development, talent management, *etc.* (McDonald & Hite, 2005; Wane, 2016). The literature emphasised that career development is one of the most critical factors that positively correlate with employee retention (Al-sharafi, Hassan & Alam, 2018).

Moderating role of mentoring

Mentoring is the process in which an experienced professional (mentor) helps less experience (mentee/protégé) with professional development (Daresh; 2003). It is a complex interactive process

which incorporates interpersonal or psychosocial task development, lifespan development and socialization (Johnson, Geroy & Griego, 1999; Johnson & Nelson, 1999). Hongryun Woo, Hyunhee Kim and Sangmin Park (2019) revealed a direct positive correlation between mentoring and the intention to stay in an organization whilst Collings, Swanson and Watkins (2014) emphasised the moderating role of mentoring between career development and employee retention.

Methodology

Design of the study

The study followed positivist philosophy, deductive approach and quantitative research design to assess the factors associated with the intention to retain employees of the RRISL. The research strategy was a self-administered structured questionnaire survey. The target population was the staff grade employees of the RRISL. As the total population was limited to 153 (Research staff - 28, Research support staff – 87 and Administration staff – 38), entire population was considered without deploying a sampling technique.

Hypotheses

Based on the objectives of the study, research hypotheses were developed to assess the associations between the independent variables and the dependent variable. Further, it involves identifying the moderating effect of mentoring as follows:

- H₁: Compensation has a significant positive impact on the intention to retain staff grade employees
- H₂: Recognition has a significant positive impact on the intention to retain staff grade employees
- H₃: Work-life balance has a significant positive impact on the intention to retain staff grade employees
- H₄: Working environment has a significant positive impact on the intention to retain staff grade employees
- H₅: Career development has a significant positive impact on the intention to retain staff grade employees
- H₆: Mentoring has a moderating effect on the relationship between career

development and the intention to retain staff grade employees.

Conceptual framework

The conceptual framework of this study was developed based on the existing literature on the relationship of independent variables: compensation, recognition, work-life balance, working environment and career development to the dependent variable of staff grade employee intention to retain in the RRISL. Further, moderating effect of mentoring on the relationship between career development and employee intention to stay in the institute is also included in the conceptual framework with the support of pertinent literature (Fig. 1).

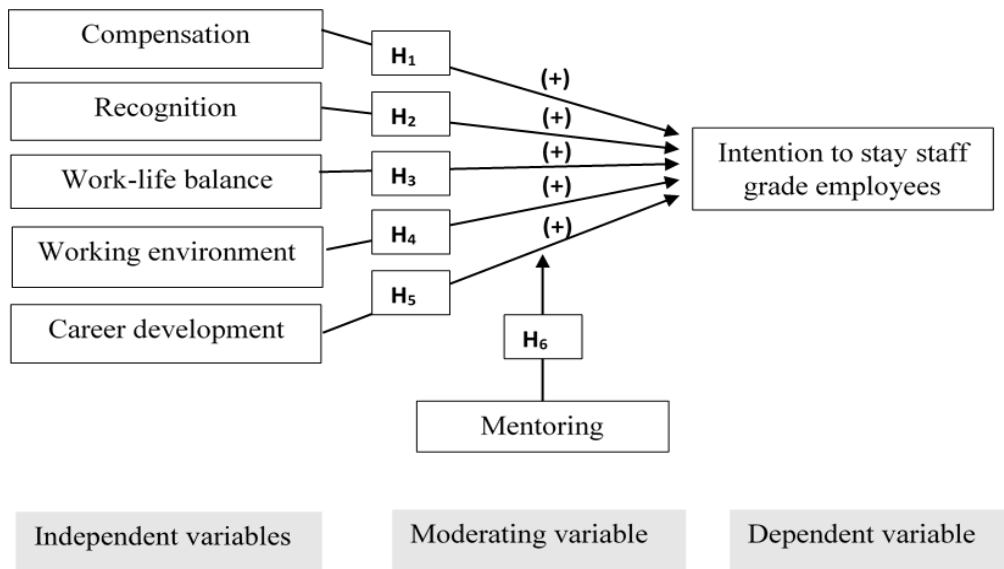


Fig. 1. The conceptual framework

Data collection

In order to investigate the information on the present situation of the organization, secondary data were collected from the Corporate Plans/Strategic Plans of the RRISL. A self-administered structured questionnaire survey was implemented as the instrument for primary data collection. The questionnaire was structured based on two sections, viz. section one on information on demographic details of the employees such as age, gender, marital status, educational qualifications, staff category, work experience, distance to the workplace from residence, *etc.* Section two was on the employee perception on independent variables such as compensation, recognition, work-life balance, working environment and career development. The dependent variable intention to retain employees and the moderating variable mentoring were also considered. Nominal scales were used to measure demographic variables whilst ordinal scales (five-point Likert scale) were applied to indicate the level of agreement or disagreement of independent, dependent and moderating variables. The five Likert scale indicated numeric values, viz. 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree.

Data analysis

Data analyses were conducted separately for two sections of the questionnaire. Section one which contained demographic information was presented with graphs to explain frequency distributions. Section two mainly

focused on the quantitative data of constructs; therefore, information on those was analyzed *via* descriptive and inferential statistics of SPSS. Descriptive statistics were used to identify means and standard deviations whilst inferential statistics were used to identify relationships among variables and to test hypotheses. The correlation coefficients and R-squared values were used to identify the strengths and variations of the relationships, respectively. In addition, the effect of moderating variable was also tested.

Reliability measurement properties

Data obtained from the questionnaire were verified with reliability tests by SPSS statistics and obtained Cronbach's Alpha Coefficient (α) of measurement scales. Cronbach's Alpha Coefficient of reliability represents the internal consistency of items within the dimensions of variables. Reliability was categorized as unacceptable, poor, questionable, acceptable, good and excellent with the values of <5, 5-6, 6-7, 7-8, 8-9 and >9, respectively.

Results and Discussion***Demographic profile of staff grade employees***

The staff grade employees are composed of three staff categories, viz. research, research support and administrative staff. Of those, the highest representation was done by research support staff with 57%. The administrative staff represented the second position with 25% whilst the lowest was occupied by the research staff (18%). Accordingly,

the institute would face difficulty in conducting research activities in the future if remedial actions are not taken to retain research staff.

The majority (47%) of staff grade employees of the RRISL belonged to the age group of 30 - 40 years. The second position was kept by employees over 50 years whilst the third was by the age group of 40 - 50 years with percentage values of 28 and 20, respectively. The lowest representation was shown by the employees below 30 years (5%) indicating the low level of retention in the young generation. Besides, having a high proportion of elderly employees over 50 years indicates future uncertainty if new recruitments would not be implemented at proper time.

The majority (71%) of staff grade employees were having experience within the institute below 15 years with the proportion of 38%, 18% and 15%, respectively for 5 - 10 years, <5 years and 10 – 15 years. Employees with experience over 15 years were limited to 29%. Further, only 29% of the staff grade employees were having working experience of over 15 years providing evidence for the high turnover experienced by the institute.

The highest proportion (45%) of the staff grade employees of the RRISL was graduates followed by diploma holders

(30%). Employees educated up to post-graduate level represented 19%, amongst 7% reached to PhD level. Employees having A/L qualifications were limited to 5% whilst only 1% represented other professional qualifications.

Staff grade employees living around 10km from the institute represented 33% of the total. The majority (38%) of the employees resided in the range 10 - 40 km whilst the rest 29% were living as far away as 40km. This confirms that the distance to the working place from the residence has not been considered in selecting the employment.

The staff grade category of the RRISL was female dominant with a proportion of 57% whilst male employees were 43% assuring no gender discrimination in recruitment. The majority (88%) of staff grade employees of the RRISL were married whereas the unmarried proportion kept at 12%.

Reliability statistics

In order to verify the internal consistency within the variables, reliability statistics were performed and Cronbach's Alpha Coefficient (α) of measurement scales was obtained. Cronbach's Alpha Coefficients obtained for each variable of this study were greater than 0.7 assuring the acceptability of information (Table 1).

Table 1. *The reliability statistics*

Variable	No. of Items	Cronbach's Alpha Coefficient (α)
Compensation	03	0.833
Recognition	04	0.796
Work-life balance	04	0.852
Working environment	03	0.720
Career development	04	0.866
Mentoring	03	0.807
Intention to stay	04	0.881

(Source: Survey Data, 2022)

Descriptive statistics of variables

The descriptive statistics of five independent variables, compensation, recognition, work-life balance, working environment and career development, moderator variable mentoring and dependent variable intention to stay in the organization were analysed in terms of mean and standard deviation of the Likert scales (Table 2).

Of the three dimensions considered for the compensation, the highest mean value, 3.0, was reported from the non-financial benefits whilst the lowest value, 2.3, was from indirect financial benefits. The mean values of all four dimensions assessed on the variable recognition were below 3 and ranged from 2.5 – 2.8. Similarly, all the mean values of the dimensions of work-life

balance remained between 2.6 – 2.9. In terms of the working environment, the highest mean value, 3.0, was reported from the dimension of technical aspects and the lowest 2.5 from physical conditions of the working place. The mean values of all four dimensions of the variable career development were found between 2.0 – 2.4. The means of three dimensions of the moderating variable mentoring were below 2, the highest was reported from mentoring for task achievement (1.8) whilst the lowest was from mentoring for socialization (1.5). The mean values of the dimensions of dependent variable intention to stay was ranged between 2.4 – 2.8.

Table 2. *Descriptive statistics of variables*

Construct	Dimension/indicator	Mean	Std. Deviation
Compensation	Direct financial benefits	2.523	1.0827
	Indirect financial benefits	2.307	0.8757
	Non-financial benefits	3.013	1.0821
Recognition	Appreciation	2.797	1.0219
	Incentivization	2.595	1.0224
	Reinforcement	2.575	0.8788
	Emotional connect	2.503	0.9114

Intention to retain employees

Construct	Dimension/indicator	Mean	Std. Deviation
Work-life balance	work to personal life strains	2.908	0.9758
	personal life to work strains	2.810	1.0244
	work to personal life gains	2.791	0.9777
	personal life to work gains	2.673	1.0376
Working environment	Physical conditions	3.026	1.0384
	Socio-cultural features	2.797	0.8457
	Technological aspects	2.516	1.0457
Career development	Coaching and mentoring	2.431	0.9512
	Career counselling	2.327	0.8723
	Training	2.183	0.9420
	Talent Management	2.065	0.9366
Mentoring	Task development	1.824	0.7790
	Lifespan development	1.621	0.7522
	Socialization	1.536	0.6980
Intention to stay	Intention to stay	2.837	1.0542
	Work with enthusiasm	2.712	1.0430
	No recent job search	2.425	0.9645
	Establishment arrangements	2.732	1.0196

(Source: Survey Data, 2022)

Inferential statistics of variables

The inferential statistics of this study was confined to testing hypotheses and deriving estimates of regressions and correlations.

Correlation analysis

The Pearson's coefficients (r) were used to measure the strengths and the directions of the associations among variables. The consequences of the correlation analysis are presented in Table 3.

According to the correlation matrix, all the independent variables; compensation, recognition, work-life balance, working environment and career development showed a highly

significant positive correlation ($r > 0.8$, $p < 0.001$) with the dependent variable of intention to stay at the RRISL. Amongst, the strongest correlation was observed between the compensation and the employee intention to stay in the institute with a value of 0.936. The second highest correlation was reported by the independent variable working environment followed by the work-life balance with the coefficient values of 0.881 and 0.853, respectively. The coefficients of the correlations between the independent variable recognition and career development and the dependent variable intention to stay in the institute were 0.820 and 0.

Table 3. *Correlations between independent variables: compensation, recognition, work-life balance, working environment and career development with the dependent variable of employee intention to stay at the RRISL*

		Compensa tion	Recogniti on	Work- life Balance	Working Environm ent	Career Developm ent	Intention to Stay
Compensation	Pearson Correlation	1	.794**	.802**	.872**	.806**	.936**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
Recognition	Pearson Correlation		1	.775**	.768**	.742**	.820**
	Sig. (2-tailed)			.000	.000	.000	.000
Work-life Balance	Pearson Correlation			1	.804**	.715**	.853**
	Sig. (2-tailed)				.000	.000	.000
Working Environment	Pearson Correlation				1	.788**	.881**
	Sig. (2-tailed)					.000	.000
Career Development	Pearson Correlation					1	.811**
	Sig. (2-tailed)						.000
Intention to Stay	Pearson Correlation						1
	Sig. (2-tailed)						

** . Correlation is significant at the 0.001 level (2-tailed)

Regression analysis

A multiple linear regression analysis was implemented to estimate the relationship of the model that exists between the dependent variable of employee intention to stay of staff grade employees and five independent variables. The statistical measure R-squared was used to represent the proportion of the variance for a dependent variable that is explained by the independent variables. Further, the R value referred how well the regression model explains the observed data and predictions. The

results of the multiple linear regression analysis done are shown in Table 4.

The model summary of the regression analysis, the R-value of the model has kept at 0.957 whilst the adjusted R-squared value was 0.913. The ANOVA table indicated that the model is significant at $p < 0.001$ with F value of 320.07. In addition, the coefficient table specified those regression coefficients of all independent variables; compensation, recognition, work-life balance, working environment and career development were statistically significant ($p < 0.05$).

Intention to retain employees

The highest unstandardized coefficient, 0.542, was reported for the relationship of compensation with the employee intention to stay whilst the second and third highest were found for work-life

balance and working environment with values of 0.212 and 0.146, respectively ($p < 0.05$). Regression coefficients of recognition and career development were 0.099 and 0.071, respectively at the significant level < 0.05 (Table 4).

Table 4. Regression coefficients of the relationships between independent variables; compensation, recognition, work-life balance, working environment and career development with the dependent variable of employee intention to stay at the RRISL

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.957	.916	.913	.25429	.916	320.065	5	147	.000
Model	Sum of Squares			df	Mean Square	F	Sig.		
1 Regression	103.480			5	20.696	320.065	.000		
Residual	9.505			147	.065				
Total	112.985			152					

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	-.159	.081		-1.954	.053	-.320	.002
Compensation	.542	.057	.538	9.449	.000	.429	.655
Recognition	.099	.050	.087	1.993	.048	.001	.197
Work-life balance	.212	.048	.201	4.436	.000	.118	.307
Working environment	.146	.060	.133	2.458	.010	.029	.264
Career development	.071	.048	.064	1.472	.043	-.024	.166

According to the above information, the relationship between the dependent variable; staff grade employee intention to stay in the RRISL and the independent

variables of compensation, recognition, work-life balance, working environment and career development can be summarized as follows:

$$\begin{aligned} \text{Intention to stay} &= -0.159 + 0.542 (\text{Compensation}) + 0.212 (\text{Work-life balance}) \\ \text{staff grade employees} &+ 0.146 (\text{Working environment}) + 0.099 (\text{Recognition}) \\ \text{of the RRISL} &+ 0.071 (\text{Career development}) \end{aligned}$$

The contribution of the independent variable to the dependent variable was indicated by the standardized coefficient. Amongst the independent variables considered in the study, the highest contributor was compensation with a value of 0.538 whilst the lowest was career development (0.064). Work-life balance, working environment and recognition have contributed to the intention to stay by 0.201, 0.133 and 0.087, respectively.

Moderating effect

The regression analysis conducted to identify the moderating effect of

mentoring on the relationships between the independent variable career development and the dependent variable employee intention to stay at the RRISL was found significant. The model summary of the regression analysis indicated R value of the model was kept at 0.906 whilst the R-squared value was 0.822. The ANOVA table specified that F value of 229 was significant at $p < 0.001$. Further, R-squared change explained that the relationship between the independent and dependent variable was modified by the moderating variable mentoring by 0.0066 (Table 5).

Table 5. *Moderating effect of mentoring on the relationships between independent variable career development and the dependent variable employee intention to stay at the RRISL*

	R	R-sq	MSE	F	df1	df2	p
	0.9066	0.8220	0.1350	229.2866	3.0	149.00	.0000

	coefficient	SE	t	p	LLCI	ULCI
constant	1.0897	.2679	4.0678	.0001	.5603	1.6190
Career development	.0107	.1236	.0863	.9313	.2550	.2336

	coefficient	SE	t	p	LLCI	ULCI
Mentoring	.6370	.1778	3.5833	.0005	.2857	.9882
Int_1	.1337	.0569	2.3498	.0201	.0213	.2462

Int_1 : Career development x Mentoring

Test(s) of highest order unconditional interaction(s):

		R2-chng	F	df1	df2	p
Career development	X	0.0066	5.5218	1.00	149.00	.0201
Mentoring						

Hypotheses Testing

The five hypotheses tested for the impact of independent variables of compensation, recognition, work-life balance, working environment and career development on the dependent variable of intention to stay at the RRISL

found highly significant ($p < 0.001$). Further, the hypothesis on the moderating effect of mentoring on the relationship between career development and intention to stay in the institute also showed strong significance ($p < 0.001$) (Table 6).

Table 6. Summary of the hypotheses tested between independent, moderating and dependent variables of staff grade employees of the RRISL

Hypothesis	Status	Level of significance
H ₁ : Compensation has a significant positive impact on the intention to stay staff grade employees	Accept	Significant at $p < 0.001$
H ₂ : Recognition has a significant positive impact on the intention to stay staff grade employees	Accept	Significant at $p < 0.001$
H ₃ : Work-life balance has a significant positive impact on the intention to stay staff grade employees	Accept	Significant at $p < 0.001$
H ₄ : Working environment has a significant positive impact on the intention to stay staff grade employees	Accept	Significant at $p < 0.001$
H ₅ : Career development has a significant positive impact on the intention to stay staff grade employees	Accept	Significant at $p < 0.001$
H ₆ : Mentoring has a moderating effect on the relationship between career development and the intention to stay staff grade employees	Accept	Significant at $p < 0.001$

H₁: Compensation has a significant positive impact on the intention to retain staff grade employees.

Ranging mean values between 2.3 - 3.0 evidenced that the average perception of staff grade employees on monetary and non-monetary benefits received from the institute was kept neutral or disagree. Besides, the standardized coefficient of regression revealed that compensation was the highest contributor (54%) in determining employee decision to stay in the institute. Further, compensation was identified as the variable having the strongest positive correlation with a

coefficient value of 0.936 ($p < 0.001$). Accordingly, H₁ is accepted and determined that the main cause for the low retention of staff grade employees in the RRISL is non-inspiring compensation prevailed in the institute. This finding is consistent with the studies which have been conducted so far to identify the impact of compensation on employee intention to stay in an organization. Almost all of the research have reported that compensation kept a significant positive correlation with employee retention (Osibanjo *et al.*, 2014; Skinner, 2012; Davies *et al.*, 2001;

Milkovich & Newman, 2004). The validity of such concepts was also tested under the Sri Lankan scenario and found that attractive remuneration packages have positively contributed to the decision of employee retention (Wijesiri *et al.*, 2019; Maduwanthi, Jayasooriya & Wijesuriya, 2020).

H₂: Recognition has a significant positive impact on the intention to retain staff grade employees.

The mean values obtained for appreciation, incentivization, reinforcement and emotional connect by the superiors of the institution remained between 2.5 – 2.8 indicating that employee perception of the recognition given through was at the disagree level. The standardized coefficient of regression revealed that the recognition is contributing by ca. 9% to employee decision on stay in the institute. Further, recognition has a strong positive correlation with the intention to stay in the institute (coefficient of 0.820 at $p < 0.001$). Accordingly, H₂ is accepted and determined that the low level of recognition has strongly contributed to the low retention of staff grade employees in the RRISL.

This result is in line with the outcomes of previous studies conducted to assess the impact of compensation on employee intention to stay in an organization. Those studies have explained that there was a significant positive correlation between the two variables (Abualrub & Al-zaru, 2008; Nonhlanhla Mngomezulu *et al.*, 2015; Aga Hutama Tirta & Amelia Enrika, 2020). Similar outcomes were reported by Weerasinghe, Senawiratne and Dedunu (2017) in Sri Lanka.

H₃: Work-life balance has a significant positive impact on the intention to retain staff grade employees.

The mean values of the four items considered under the independent variable work-life balance were in the range of 2.6 – 2.9, depicting the lower-level perception of staff grade employees on the same. In detail, there were no special gains achieved to the personal life from the employment and vice versa. Nevertheless, no distinctive strains were made by the employment to the personal life and other way round. However, the standardized coefficient of regression showed that the work-life balance contributed by 20% to the employee decision on stay in the institute. Further, work-life balance has shown a strong positive correlation with a coefficient value of 0.853 ($p < 0.001$). Accordingly, H₃ is accepted and low-level work-life in the staff grade employees was identified as a significant causal agent for the low retention of staff grade employees in the RRISL.

Many researchers have concluded similar results emphasizing the positive correlation between work-life balance and employee intention to stay in an organization (Poulose & Sudarsan, 2017; Osman, 2013; Shockley *et al.*, 2017).

H₄: Working environment has a significant positive impact on the intention to retain staff grade employees. The mean values obtained for the three items considered under the independent variable working environment remained between 2.5-3.0. Amongst the items, employee perception of the physical conditions of the working place was found neutral whilst that for the

sociocultural environment and technological aspects were kept at disagree level. The standardized coefficient of regression revealed that the working environment is contributing by 13% to employee decision on staying in the institute. Further, work-life balance showed a strong positive correlation with the intention to stay in the institute (coefficient of 0.881 at $p < 0.001$). Accordingly, H_4 is accepted and determined that the lower-level working environment has strongly contributed to the low retention of staff grade employees in the RRISL.

Similar consequences were found in the previous studies conducted to assess the impact of the working environment on employee intention to stay in an organization. Spence *et al.* (2009), Guchait and Cho (2010) and Wells and Thellen (2002) emphasized that a conducive working environment has shown a significant positive correlation with the employee intention to stay in an organization.

H_5 : Career development has a significant positive impact on the intention to retain staff grade employees.

This indicated the employee perception of the career development provided through mentoring and coaching, counselling, training and talent management by the superiors of the institution shown at the disagree level with the mean values ranging from 2.0 – 2.4. The standardized coefficient of regression revealed that career development is contributing ca. 6% to the employee decision on stay in the institute. Further, recognition has a strong positive correlation with the

intention to stay in the institute (coefficient of 0.811 at $p < 0.001$). Accordingly, H_5 is accepted and determined that the low-level of career development has strongly contributed to the low retention of staff grade employees in the RRISL.

This result is in line with the outcomes of previous studies conducted to assess the impact of career development on employee intention to stay in an organization. Those studies have explained that there was a significant positive correlation between the two variables (Rolfe, 2005; Arnold, 2005; Herman, 2005). Similar outcomes were also reported by Velnampy (2009) in the Sri Lankan context.

H_6 : Mentoring has a moderating effect on the relationship between career development and the intention to retain staff grade employees.

Employee perception of mentoring, in terms of task achievement, lifespan development and socialization found disagree/strongly disagree evidenced with mean values between 1.5 – 1.8. The moderating effect of mentoring on the relationship between the independent variable career development and the dependent variable employee intention to stay at the RRISL was found positively significant at $p < 0.001$. Accordingly, H_6 is accepted and confirmed that mentoring modifies the relationship between two variables by 0.0066. Comparable situations were observed in the previous studies conducted by Hongryun Woo *et al.* (2019) and Collings *et al.* (2014).

Conclusions and Recommendations

Conclusions

The conclusions of the study can be summarized as follows:

The intention to retain staff grade employees of the RRISL is at an unsatisfactory level.

All causal variables examined such as compensation, recognition, work-life balance, working environment and career development have shown significant positive impacts on the outcome variable of intention to retain staff grade employees of the RRISL.

Mentoring acts as a significant positive moderator between the relationship of career development and the intention to retain staff grade employees of the RRISL.

Limitations

The study focused on only five widespread independent variables and a moderating variable. However, several other factors may be involved in the employee decision on the intention to stay in an organization. Further, information collected through the survey was based upon the self-perceptions of the employees which were directed by many personal reasons. Sometimes, it may ultimately result in incorrect interpretation and hence consider a limitation of the methodology.

Implications and recommendations

The scope of the study was to identify the level of employee retention at the RRISL and assess the factors associated with employee intention to stay at the institute. The findings of the study have revealed that the intention to retain staff

grade employees at the RRISL was at the unsatisfactory level and associated factors were strongly and positively correlated to the same. Therefore, policymakers or decision-makers of the institute are being suggested introducing good retention strategies at the organizational level. However, being a government organization and authorization given to the management of the institute limited, implementation of such initiatives would be a challenging task.

Out of the tested variables, compensation has contributed over 50% to employee decision on stay; however, the existing laws and regulations of the government have restricted further implications or modifications to the existing schemes. However, demand-driven contracts can be practiced in collaboration with the private sector organizations for extra remuneration.

Recognition plays an important role; hence, some initiatives are required such as awards and certificates for special achievements to improve employee recognition at the institute level. This should be achieved by improving leadership qualities by giving appropriate recognition to the employees. Work-life balance is a new demanding criterion; hence, handling employees on case special basis is essential in retaining the new generation. Common amenities such as childcare, welfare, medical and recreation, transport, *etc.* could be provided by the institute to improve the work-life balance. As employees are more concerned about the working environment, it is suggested to enhance

the facilities in terms of physical, environmental, social and technological aspects at the basic level. Further, it is worth assuring an advanced career path towards individual level development as well as organizational success. Revision of organization structure would facilitate more horizontal arrangements to secure close contact with supervisors. Being a research institute, mentoring plays a significant moderating effect on career development, especially on young researchers, hence the establishment of a proper mentoring scheme as an effective retention strategy is proposed.

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- Address for correspondence:* Dr (Mrs) Enoka Munasinghe, Principal Research Officer, Adaptive Research Unit, Rubber Research Institute of Sri Lanka, Dartonfield, Agalawatta, Sri Lanka.
e-mail: enokamunasinghe@yahoo.com