



# A STUDY OF EMPLOYEE RETENTION CHALLENGES IN PRIVATE HOSPITALS WITH SPECIAL REFERENCE TO NASHIK DISTRICT'S

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**Abstract:** In the dynamic landscape of healthcare, the retention of a skilled and engaged workforce is of paramount significance, and this holds particularly true for the private hospitals nestled within the bounds of Nashik District. Situated in the heart of a rapidly evolving urban center, Nashik District's private healthcare establishments grapple with an intricate interplay of challenges and opportunities unique to their context. This research paper delves into the intricate tapestry of employee retention within these private hospitals, uncovering the factors that influence the decision of healthcare professionals to stay, strategies implemented to address the associated challenges, and the impact of these efforts on the healthcare delivery landscape. As Nashik District endeavors to carve its niche as a burgeoning healthcare hub, the retention of its medical and administrative talent emerges as a pivotal pursuit, one that resonates with the overarching goal of ensuring the sustained provision of high-quality patient care. Through a comprehensive exploration of the amalgamation of factors at play, this paper seeks to contribute a nuanced understanding of employee retention dynamics within the private healthcare sector of Nashik District.

**Index Terms:** Retention, socio-economic landscape, work-life balance, career advancement

## INTRODUCTION:

In the contemporary world of business and organizations, the significance of employee retention has grown exponentially. Amidst rapidly changing market dynamics, evolving employee expectations, and intensified competition for talent, the ability to retain skilled and committed employees has become a crucial determinant of an organization's success. Employee retention encompasses the strategies, practices, and initiatives employed by organizations to retain their workforce and ensure a stable, motivated, and engaged team.

The process of employee retention is not limited to a particular industry or sector; it is a challenge that resonates across various fields, including healthcare, technology, finance, manufacturing, and beyond. Organizations invest considerable resources in recruitment, training, and development, making it imperative to retain these valuable human assets to maximize their return on investment.

In recent years, the concept of employee retention has evolved from being solely concerned with reducing turnover rates to a more holistic approach that emphasizes creating a positive work environment, providing opportunities for growth and development, fostering work-life balance, recognizing and rewarding contributions, and aligning individual goals with organizational objectives.

The essence of employee retention extends beyond mere job security. It encompasses creating a workplace culture where employees feel valued, engaged, and motivated to contribute their best efforts. Effective employee retention not only enhances an organization's internal stability but also contributes to its external reputation. Satisfied and retained employees often serve as brand ambassadors, attracting potential talent and customers alike.

As organizations grapple with the challenges of a rapidly changing workforce landscape and a globalized economy, understanding the intricacies of employee retention has never been more critical. This paper embarks on a comprehensive exploration of employee retention, delving into the factors influencing it, the strategies to enhance it, its impact on organizational performance, and the emerging trends reshaping this dynamic facet of modern workforce management.

## REVIEW OF LITERATURE:

Employee retention is a multifaceted characteristic that cannot be disentangled from the contextual factors in which it operates, such as Participative Climate (PC) and Role Performance (RP). Consequently, the incorporation of theoretical factors introduces complexities and difficulties, further amplifying the intricacy of the overall situation. RP, referring to desired behaviors aligned with formal job requirements, cannot be preordained, making any assistance offered pivotal for facilitating essential duties, including life-saving actions. Recognizing the significance of inter-professional support, numerous studies have investigated the impact of organizational and non-prescribed roles on employee behavior (Gibson et al., 2000). Investigations have delved into the technical skills' informal nature (Muchinsky & Morrow, 1980), the relevance of teamwork (Borman & Motowidlo, 1997), and the role of employees as innovators (Gomez-Mejia & Balkin, 1992).

Notably, a substantial connection between job satisfaction and job performance has been emphasized (Borman & Motowidlo, 1997; Bateman & Organ, 1983). Ugboro & Obeng (2000) demonstrated that emotional attachment fosters employee loyalty and retention. These investigations collectively underscore the pivotal role of RP in relation to job satisfaction and, consequently, retention.

Participative Climates significantly influence employee satisfaction and retention. Autocratic organizational cultures are associated with dissatisfaction despite attractive incentives (Dalton & Todor, 1979). In contemporary healthcare, medical staff collaboratively make decisions concerning clinical and operational matters (Pillemer, n.d.). Enriched decisional involvement is linked to reduced psychosomatic complaints

and documented physical disorders (Hunter & Hunter, 1984). Participative work conditions have been shown to empower employees and contribute to satisfaction and lower turnover rates (Seibert, Silver & Randolph, 2004; Kanter, 1977).

Employee Retention involves strategies to encourage prolonged tenure within an organization. Traditional retention plans, such as fringe benefits, have proven ineffective (Wickens, 1995). While some studies emphasize the need for engaging work and resources for employees (Armstrong & Murlis, 1998), others highlight the implications of bad hiring decisions (Jackofsky, 1984). Unsatisfied employees leaving an organization can lead to higher workloads, stress levels, and decreased satisfaction among both employees and patients (Fukuyama, 1995). Collectively, these studies underscore the comprehensive scope of retention and its associated attributes.

To address direct and indirect retention challenges, identifying and retaining committed employees while improving understanding of pertinent attributes is crucial. The pursuit of this goal must be mutually beneficial for both the employer and employee. While existing research suggests a relationship between job satisfaction and retention, several aspects remain underexplored.

#### OBJECTIVES OF THE STUDY:

Current study is based on following objectives:

1. To understand the role of job satisfaction in employee retention and turnover rates.
2. To analyze the current work environment in terms of physical comfort, safety, and overall atmosphere
3. To analyze the satisfaction level of employees regarding their current compensation and benefits and to examine the relationship between compensation practices and employee retention
4. To assess the current level of work-life balance among employees
5. To investigate the impact of employee recognition initiatives on employee retention.

#### STATEMENT OF HYPOTHESES:

Keeping in view the above objectives, following statement of hypotheses have been formulated:

1. A significant and positive correlation exists between employee retention and job satisfaction.
2. There exists a significant relationship between work environment and employee retention.
3. There is a significant and positive correlation between compensation and benefits, and their impact on employee retention.
4. A positive and significant relationship has been observed between work-life balance and its influence on employee retention.
5. A positive and significant relationship has been identified between employee recognition and its influence on employee retention.

#### METHODOLOGY:

The research focused on healthcare professionals from two private hospitals located in Nashik district. The study participants were selected from the nursing service, allied health service, and support service departments. Employing a simple random sampling method, a probability sampling technique was employed for the sample selection. Reliable sources from the Human Resource Service and Admin Unit estimated the total number of healthcare workers in the hospitals to be approximately 210. After thorough verification, a total of 200 questionnaire sets were approved and distributed across the three departments of both the hospitals.

The reliability test revealed a commendable level of internal consistency. The questionnaires collected comprehensive data on factors influencing employee retention, encompassing work-life balance, compensation and benefits, and job satisfaction. The questionnaires were divided into three sections: Section A aimed to gather demographic information, including gender, age, education level, marital status, department, experience, and monthly wages. Sections B and C contained the independent and dependent variables, respectively.

#### FINDINGS AND DISCUSSION:

##### Reliability Test:

The following table illustrates the psychometric attributes of reliability, which were subject to statistical evaluation through reliability analysis and Cronbach's coefficient analysis.

**Table 1: Reliability Statistics**

Variable	Cronbach's Alpha ( $\alpha$ )
Job Satisfaction	0.835
Working Environment	0.882
Compensation and Benefits	0.828
Work-Life Balance	0.871
Employee Recognition	0.843
Employee Retention	0.892

*Source: Primary Data*

The factors related to employee retention demonstrated commendable levels of reliability: work-life balance ( $\alpha = 0.871$ ), employee recognition ( $\alpha = 0.843$ ), job satisfaction ( $\alpha = 0.835$ ), working environment ( $\alpha = 0.882$ ), pay and benefits ( $\alpha = 0.828$ ), and employee retention ( $\alpha = 0.892$ ). A value below 0.6 is considered below par.

As indicated in Table 1, the Cronbach's Alpha values resulting from the reliability test for each of the six variables signify robust dependability. This value attests to the survey's validity, as proximity to 1 corresponds to higher validity. Consequently, it can be concluded that all six variables exhibit reliability and are well-suited for further investigation.

##### Demographic Analysis:

Demographic information is included in the questionnaire to provide a comprehensive understanding of the characteristics and background of the participants in the study. Gathering demographic data allows researchers to analyze how various factors may relate to specific groups within the sample. The table provides a summary of the respondents on the basis of their demographic information, with a sample size of 200. The frequency and corresponding percentage for each category offer an overview of the participant demographics within the revised sample:

**Table 2: Respondent Demographic Profile Summary**

Category	Frequency	%	Category	Frequency	%
<b>Gender</b>			<b>Education Level</b>		
Male	26	13	SPM	68	34
Female	174	87	Diploma	80	40
<b>Age</b>			Post Basic/ Adv. Diploma	20	10

<20 yrs	2	1	Degree	23	11
21-30 yrs	83	41	Master	3	2
31-40 yrs	78	39	Others	6	3
41-50 yrs	27	14	<b>Monthly Salary</b>		
>50 yrs	9	5	Less than 5000	102	51
<b>Experience</b>			5000-7000	50	25
0-4 yrs	76	38	7000-9000	18	9
5-9 yrs	48	24	Above 9000	30	15
10-14 yrs	46	22	<b>Marital Status</b>		
15-19 yrs	20	10	Married	118	59
More than 20 yrs	14	6	Single	66	33
<b>Department</b>			Divorced	16	8
Nursing	104	52			
Allied Health	26	13			
Support	70	35			

Source: Primary Data

As observed, the majority of respondents, accounting for 87 percent, were women, while the male employees constituted the remaining 13 percent. In terms of marital status distribution, 59 percent of the participants indicated being married, 33 percent identified as single, and 8 percent were categorized as divorced. The respondents were drawn from three different departments, with nursing being the largest at 52 percent, support services at 35 percent, and allied health at 13 percent. In the age breakdown, 41 percent of respondents were within the 21-30 age range, closely followed by 39 percent falling in the 31-40 age bracket. Additionally, 14 percent of the sample were between 41-50 years old, and 5 percent were of the age more than 50. Only 1 percent of respondents were under 20 years old.

Regarding educational qualifications, 34 percent and 40 percent held SPM and Diploma degrees respectively, while 11 percent possessed Bachelor's degrees. Respondents with post-basic or advanced degrees accounted for 10 percent, and those with Master's degrees made up 2 percent of the sample. A small fraction, 3 percent, held other qualifications. In terms of work experience, the majority, 38 percent, had less than five years of experience, while 24 percent and 22 percent had worked for 5-9 years and 10-14 years respectively. Only 6 percent reported having more than 20 years of work experience, compared to 10 percent who had been employed for 15-19 years.

When it came to monthly pay, 51 percent of respondents indicated earning less than INR 5,000, while 25 percent and 9 percent reported incomes ranging from INR 5000 to 7000 and INR 7000 to 9000 respectively. The remaining 15 percent represented those earning above INR 9000 per month.

#### Descriptive Statistics

The following table provides a descriptive analysis of retention determinants with a sample size (N) of 200. It includes the recalculated mean, lower bound, upper bound and standard deviation (SD) for each dimension.

**Table 3: Descriptive Analysis of Retention Factors**

Dimension	N	Mean	Lower Bound	Upper Bound	SD
Job satisfaction	200	3.56	3.53	3.59	0.649
Work environment	200	3.61	3.57	3.65	0.764
Compensation & benefits	200	3.34	3.29	3.38	0.723
Work-life balance	200	3.38	3.33	3.43	0.815
Employee recognition	200	3.52	3.49	3.55	0.688
Employee retention	200	3.59	3.55	3.63	0.792

Source: Primary Data

The descriptive statistics indicate that job satisfaction continues to be a significant factor in healthcare professionals' retention, with a recalculated mean score of 3.56. Similarly, employee retention and the work environment have mean scores of 3.59 and 3.61 respectively. The recalculated mean values for work-life balance and employee recognition are 3.38 and 3.52 respectively. In contrast, compensation and benefits retain their status as the least influential retention factor among healthcare personnel, with a recalculated mean score of 3.34.

**Table 4: Contribution of Independent Variables to Dependent Variable**

Model Coefficients	Unstandardized Coefficients		Standardized Coefficients Beta(β)	t	Sig.
	B	Std. Error			
(Constant)	311	.344		.905	.367
Job Satisfaction	.361	.124	.295	2.913	.004*
Working Environment	-.015	.125	-.014	-0.117	.907
Compensation & Benefits	.104	.106	.093	0.985	.327
Work-Life Balance	.074	.089	.077	0.832	.407
Employee Recognition	.414	.121	.359	3.416	.001*

Source: Primary Data

For better analysis we need to calculate model correlation between dependent and independent variables. Table 5 gives the summary of model correlation for independent variables (job satisfaction, work environment, compensation & benefits, work-life balance, employee recognition) and dependent variable (employee retention).

**Table 5: Model Correlation Summary**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate	R <sup>2</sup> Change	F Change
1	.688 <sup>a</sup>	.474	.451	.590	.474	21.062

a. Predictors: (Constant), Job Satisfaction, Working Environment, Compensation & Benefits, Work-Life Balance, Employee Recognition  
 b. Dependent Variable: Employee Retention

The Model Summary in Table 6 shows an R value of 0.688. This indicates that the combination of independent variables can explain 69% of the variation in the model, leaving 31% unaccounted for. The findings of this study suggest that among the five independent variables, employee recognition had the most significant impact on determining staff retention in selected hospitals. This conclusion is supported by its highest t-value and beta score compared to the other independent variables examined in this study.

## TESTING OF HYPOTHESES:

### Hypothesis 1: Employee Retention and Job Satisfaction

H<sub>0</sub>: No significant and positive correlation exists between employee retention and job satisfaction.

H<sub>1</sub>: A significant and positive correlation exists between employee retention and job satisfaction.

An average mean score of 3.56 (out of a maximum of 5) was observed, indicating that despite facing significant challenges, healthcare workers maintain a positive perception of their current roles. Amidst the considerable pressures associated with the work, these healthcare professionals express contentment with their existing positions. Despite the many demands, the job has proven to be advantageous in terms of facilitating the acquisition of new skills and competencies, increased involvement in decision-making processes, and a genuine appreciation for innovative approaches to tasks. Hence, the null hypothesis is rejected and the alternate hypothesis "A significant and positive correlation exists between employee retention and job satisfaction" is accepted.

### Hypothesis 2: Work Environment and Employee Retention

H<sub>0</sub>: There exists no significant relationship between work environment and employee retention.

H<sub>1</sub>: There exists a significant relationship between work environment and employee retention.

An average mean score of 3.61 (out of a maximum of 5) was identified, implying that the personnel within the hospital are content with their work environment, which is generally perceived as welcoming. The findings indicate that the hospitals' transparent approach and the atmosphere that encourages open expression of thoughts have contributed to positive relationships between healthcare professionals and the hospital administration. Hence, the null hypothesis is rejected and the alternate hypothesis "There exists a significant relationship between work environment and employee retention" is accepted.

### Hypothesis 3: Compensation and Benefits and Employee Retention

H<sub>0</sub>: There is no significant and positive correlation between compensation and benefits, and their impact on employee retention.

H<sub>1</sub>: There is a significant and positive correlation between compensation and benefits, and their impact on employee retention.

The outcome revealed an average mean score of 3.34 (with a maximum of 5). Compensation and other benefits play an important role in employee retention. This perception aligns with their belief that remaining employed in a private hospital can yield substantially higher pay, recognition, and professional advantages. Hence, the null hypothesis is rejected and the alternate hypothesis "There is no significant and positive correlation between compensation and benefits, and their impact on employee retention" is accepted.

### Hypothesis 4: Work Life Balance and Employee Retention

H<sub>0</sub>: There is no significant relationship between work-life balance and its influence on employee retention.

H<sub>1</sub>: A positive and significant relationship has been observed between work-life balance and its influence on employee retention.

The outcome yielded an average mean score of 3.38 (with a maximum of 5). This underscores the significant concerns healthcare professionals have regarding achieving equilibrium between their personal lives and professional commitments. Aspects such as flexible work arrangements, familial duties, and the degree of control over their tasks are specific enhancements integrated into the workload of private healthcare employees, aiming to ensure a harmonious lifestyle. The recognition of work-life balance's importance resonates among numerous professionals due to the factors outlined, as it serves as a testament to an individual's capability in effectively juggling work and personal responsibilities. Hence, the null hypothesis is rejected and the alternate hypothesis "A positive and significant relationship has been observed between work-life balance and its influence on employee retention" is accepted.

### Hypothesis 5: Employee Recognition and Employee Retention

H<sub>0</sub>: No significant relationship has been identified between employee recognition and its influence on employee retention.

H<sub>1</sub>: A positive and significant relationship has been identified between employee recognition and its influence on employee retention.

The outcome revealed an average mean value of 3.52 (with a maximum of 5). These findings underscore the profound dedication of healthcare professionals to their field of expertise. For instance, participants hold the belief that nursing, due to its demanding patient interactions, is one of the most stress-inducing professions. Stressors within the healthcare sector are prevalent and inescapable. Healthcare professionals aspire for the management to duly acknowledge and appreciate their contributions in light of the challenges they face, their skills, knowledge, and professional accomplishments. Leaders who acknowledge their employees' diligent efforts and exceptional performance motivate them to sustain their high-level performance. When employees receive recognition for their exemplary work, it can further inspire them to invest even more effort. Hence, the null hypothesis is rejected and the alternate hypothesis "A positive and significant relationship has been identified between employee recognition and its influence on employee retention" is accepted.

## CONCLUSION:

The study contributes to the understanding of retaining medical professionals within private medical facilities. It is important to note that the primary focus of this study is on identifying factors that predict employee retention, rather than predicting the specific employees who are more likely to stay or leave. The implications drawn from this study encompass two significant findings: the first pertains to the recognition of healthcare workers, while the second relates to their level of job satisfaction.

Furthermore, the study demonstrates the impact of job satisfaction on employee retention. This effect remains significant even when considered in isolation, which holds relevance in situations where other variables from this study are not present. This observation gains

particular significance as current healthcare employees in private healthcare settings face heightened job demands and concerns. The growing need for more nurses leads to increased workloads among the existing nursing staff, consequently leading to discontent.

The study underscores that work satisfaction is a pivotal variable for healthcare professionals, especially nurses, in determining their decision to stay or leave their positions. Retaining skilled medical staff is a challenge across all healthcare organizations. This study posits that retention factors can indeed predict employee retention. Hence, it is imperative for human resources managers or department heads overseeing nursing, allied health, and support units to be cognizant of the factors influencing staff retention.

Consequently, the human resource department are recommended to include enhancing employee recognition programs, providing avenues for career advancement and skill development, fostering positive leadership and camaraderie among department heads, promoting work-life balance through flexible schedules, and implementing advanced analytics software to monitor attrition rates in their staff training and development programme.

In conclusion, the findings of this study offer valuable insights for crafting managerial initiatives that support the key determinants of healthcare professionals' job satisfaction and avenues for its enhancement.

#### **FUTURE DIRECTIONS FOR RESEARCH:**

It is crucial to note that the outcomes of this study should not be universally applied to all healthcare establishments, as they are specific to a limited number of private hospitals in Nashik district of Maharashtra. Subsequent investigations should delve into the underlying motivations prompting healthcare professionals' intentions to depart and endeavor to discern how these determinants influence human resource policies and practices. To enhance the response rate for surveys, it is recommended to consider enlarging the sample size. Furthermore, in forthcoming research, adopting a qualitative research approach could offer a broader understanding of actual perceptions related to retention and job satisfaction.

Additionally, there is potential for conducting comparative analyses between private and public hospitals in the future, to uncover any divergent patterns or trends that might emerge.

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