Impact of employee orientation on retention: A case of service sector organizations in Pakistan

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Abstract
The purpose of this quantitative study is to discover the impact of employee orientation on employee retention. Furthermore, it is a brief review of some relevant approaches which have been used for the measurement of employee retention. It also describes the number of factors which may contribute to affect employee retention in service sector organizations of Pakistan. The aims and objectives of this research are to determine the impact of orientation on employee retention in service sector organizations of Pakistan. This quantitative research was conducted through the responses collected by Pakistani employees with the help of close ended questionnaire developed on Likert scale. Moreover, it was concluded that orientation has an impact on retention and finally recommendation were made to make orientation programs more strong and useful for increasing job satisfaction and retention of employees.

Keywords: Orientation, Retention, Job satisfaction, Turnover, Service Sector.

Introduction
Employee orientation is a way to introduce the new employee with polices, organizational hierarchy, organizational culture, benefits one may receive within a company and job responsibilities. We can say that it’s a first impression or perception of employee about the company. It helps the organization to achieve long term relationship with the employee. Employee orientation is way to feel new joiners welcome and comfortable within an organization.

In today’s globalized environment many of the organizations are facing one of the major issues of employee retention. Failure in employee retention may results in a way that organization may lose competent employee. The main purpose of this research is to identify the impact of employee orientation on retention and how they support each other if the employee are not properly directed and guided by his immediate supervisor on the first day. In others word we can say that in the absence of proper and timely orientation it might be possible that employee become De-motivated or dissatisfied.

In countries like Pakistan we are facing unemployment problem and we have created a perception that there are no jobs available in the market. When we look at the other side of the picture many of the organizations are still not practicing proper training and orientation session for new employee which will lead to increase turnover rate. In this research the researcher is trying to analyze the impact that how much orientation is necessary for employee retention.

Aims and Objectives

1. To find the impact of orientation on job satisfaction.
2. To study the relationship between job satisfaction and retention.
3. To evaluate the relationship between orientation and employee turnover.
4. To find the impact of orientation on job retention.

Hypotheses

1. There is a positive impact of employee orientation on job satisfaction.
2. There is a positive impact of employee orientation on employee turnover.
3. There is a significant relationship between job satisfaction and retention.
4. There is appositive impact of employee orientation on retention.
Methodology

Purpose of Study: Descriptive study best describes the characteristics and data relation between the cause and effect.

Data Collection method: The research framework utilized for this study was quantitative that best suits with this type of research because we had to conduct research through surveys by sample elements (working employees) from diverse population (business industry).

Type of Investigation: Suitable for this research was co-relational that provides best answer measuring variables and their relationship.

Study Setting, Type of Experiment and Time horizon: This research was conducted in non-contrive setting whereas field experiment was used because natural environment was utilized. The consequences of the research are followed by longitudinal time horizon.

Sample: According to the need of our research we used random sampling (probability model) for acquiring desired feedback from elements of different cities of Pakistan. Sample size for this research is approximately 300.

Questionnaire: Questionnaire was prepared for acquiring reply directly (by one-o-one meeting), but due to problems in approaching some responding 29 questionnaires were filled on phone but all the data of respondents was taken with their consent.

Equation: The formula for calculating Z value is as under:

\[ Z = \frac{\bar{X} - \mu}{\sigma_{\bar{X}}} = \frac{\bar{X} - \mu}{\sigma / \sqrt{n}} \]

Above mentioned formula is used at level of significance \( \alpha = 0.05 \), the critical values will be ± 1.96. The value of \( \mu \) is taken as 3.

Conceptual Frame

Figure 1 (Please refer the last page of this document for figure)

Literature Review

Employee orientation is a process to introduce new employee with company policies, procedure, organization vision, mission, goals and objective (mckersie & kaiser, 2006).Organization designs orientation program for new employees in order to give them warm welcome on their first day (Anderson S. J., 2008). Most of the organizations fail to set up a proper orientation session, although it is important for both employee as well as employer (Anderson S. J., 2008). In general, proper and timely orientation leads to employee motivation and continuing success. Orientation programs focus on company’s hierarchy and the benefits which company will provide to its employees. (Mueller & Kaiser, 2006).

By providing orientation, organization will achieve long term relation with employees and this method also keeps the employee loyal and maintains good relationship with the human capital for any company (Kaiser, 2006). Well planned and well managed orientation session is a long term investment made by a company on its newly hired employees. This activity motivates new employee and develops a positive attitude towards the work amongst new employee (Anderson S. J., 2006).

When formal orientation is given to new employee it will help to retain employee for longer periods, also help to decrease the turnover rate within a company which results increase productivity level and improving employee morale (Kaiser, 2006).

Orientation helps to build the relationship between new employee to company’s values and practices it’s basically the guidance which help the employee to learn new things related to new job. In 2011, Dolan L. K. has provided a relationship between orientation and job training on employee turnover and performance in the restaurant industry. Those organizations which are not concern with proper orientation session or we can say substandard orientation program, have negative effects on its organizational productivity which damages the present as well as future status of a company in the market (Kaiser, 2006).

The basic purpose of an orientation program is to explain the new comer role and give a warm welcome. Not only this introduce him with the company polices and define the duties of individual that he may have to
perform on the job. A good orientation session leads employee’s commitment level to the organization and helps to achieve long term relationship of employee with the company. (Kaiser, 2006)

There are some other components which are equally important for orientation program. (mckersie & kaiser, 2006), defines that through orientation employee get introduced to the company’s overall structure, goals and the projects in progress. Through orientation, organization let to know the contribution of new employee in the overall progress and development process of a company.

New employees usually have lots of curiosity and have a list of question related to the new job. For organization it’s important to be efficient and use quicker response through mentors which will help to solve and reduces the curiosity from employees mind. (Kaiser, 2006)

Mentorship is an important element of orientation process with the help of mentor employee should be provided proper advice and direction which is necessary component of orientation process. (Gray & Kaiser, 2006).

(Lawson & Dolan, 2011) Has given several objectives based on the new employee orientation program which are as follows:

- To provide complete information to new employee that helps them to integrate easily and smoothly into the organizations.
- To introduce new employee with organization cultures, values, code of conduct and philosophy of the company.
- To identify importance of their role within the organization.
- To describe employee to their department goals and their performance in helping meet those goals.
- To promote communication between employee and management of company.
- To describe about companies expectation with them regarding policies and procedure of a company.
- To make employee feel welcome and provide them satisfaction that their decision proves to right by joining the respective company.
- To creates a feeling of excitement about being a part of the organization and helps to motivate them for their upcoming task that they would probably perform within the organization.

New employee orientation and training are two different concepts; the focus of orientation is based to introduce new employee with the company. Whereas providing training to employee either new or existing based on learning new things and increases the knowledge of employee in order to increase their productivity and also increase efficiency level (Dolan, 2011).

It’s a common practice in many organizations that before the arrival of new employee the supervisor inform other subordinates that new employee joining the organization. The supervisor appoints any responsible person to serve as mentor. The duty of mentor is to provide guidance to new entrant at each and every step (Snell & Dolan, 2011).

An orientation program evaluating from start till end gives a new employee clear image about company historical data and also provide directions for future as well. The whole orientation session gives the employee their expectation through the discussion of company policies and rules (Dolan L. K., 2011).

An orientation has its importance also because during this session many companies give a thorough review about the benefits that has given to employee. In addition during this session employee will fill out any paper associated with benefits that they will receive during their job (Dolan L. K., 2011).

Firstly when the process of familiarizing employee with the company is finished. Now employee must be fully aware with the company policies also with his/her benefits and services plan. Secondly organization will introduce the new employee with other subordinates working in different departments (Ganzel & Dolan, 2011).

Due to employees turnover rate organizations have to face financial burdens (Bruvold & Kaiser, 2006). not only organizations face significant financial burdens but also it affects some other factors which are affecting on the productivity of organization.

When any competent employee leaves the job it will not only affects the organizations productivity but it also affect the other employees that they compensate the work of that person who had left the job. (Kaiser, 2006). employee longevity serves organization a business goal that is proved by the experts.

Experts wrote: “those organizations that maintain long term relationship with employees will receive rewards in terms of profit and increased business efficiency and will ultimately have larger market share in the industry” (Ananthuraman & Kaiser, 2006)

Kaiser (2006) suggested that orientation is an important tool that should to given to employee by the organization. Training is also an important element which has to be given to employee time to time which ultimately increase the performance of employee.

(Kaiser, 2006) also wrote that there are two things which play a positive role to build a well reputation of organization and they are: “employee confidence and satisfaction” although they are correlated with each other
and hence they create a friendly environment which enhances participative environment in the organization.

Employee orientation program are successful and help the organization to reduce the turnover rate. It also increases the employee motivation level. From the previous researches it has been proved that by improving the employee orientation program organization improves their retention rates up to 25%. Following are the three things that organization should think about before designing the orientation program for employees.

a) Their Adult learners
b) Design such program which allow sharing of information
c) Not only information is shared by all members of a company also providing opportunities that the information should be implemented within the organization. (Ragsdale & Kaiser, 2006)

It is important to design an orientation because orientation program have the ability to shape employee attitude according to the job. It has also improves the function of a company and this program let the employee be aware about his/her duties related to the job (Kaiser, 2006).

(Kaiser, 2006) advises that it’s important to provide all the necessary information to employee so that they would know what organization is expecting from them and also what they would be expecting with the organization too. Hacker (2004) cautions however for organization, not to create overload of information for new employee.

From the number of studies it has been found that a strong relationship exist between orientation program and employee job satisfaction. A well organized orientation program affects greatly on employee job satisfaction level. It is important for successful business that employees are satisfied and committed with their job at a same time.

From the number of researches it has been found that there is a strong relationship between orientation and job satisfaction and it’s a first step which reduces employee intensions to leave the company. (Koehler, peccei, Pepermans, & Singh)

An efficient and well organized orientation is based on the future performance of employees as well as employee job satisfaction. Job satisfaction is not solely affected by the physical job environment although it can be highly influenced by new employee orientation. (Singh)

Job satisfaction can be measured by two methods namely “job descriptive index (JDI)” and “job in general scale (JIG)” according to the Amplitude Research Inc, both of these methods are accepted globally and the difference between these two models is that they uses a longer perspective of time to evaluate satisfaction.

Managers or employers should consider carefully that what should be included in the content of orientation program, it’s important to provide complete information related to organization which will increases new employee level of satisfaction mainly in their first year of employment period (Pepermans & Singh).

From the previous researches result it has been found that orientation program with good content affected approx 45% of employee satisfaction, thus good content of orientation includes clear, complete and comprehensive information about organization and work itself, this will enable new comer to easily understand job role and contribute easily in the organizational productivity (Singh).

Orientation and job satisfaction are correlated to the size of organization; it could also affect the quality of orientation program and employee job satisfaction. Moreover the orientation program in small companies focuses more on in depth knowledge about the functions of their organization whereas large sized organization have to manage more employees that’s why the manager or supervisor of a company does not able to pay full attention to individual and the supervisor also suppose that the new comer have some information about the company hence the orientation program is not that focused as compare to small sized organization (Pepermans & Singh).

It is seen in most of the case that mostly the employees of large sized organization are dissatisfied due to the work load and stress they have and for this reason they are unable to compete with their subordinates and helpless feeling generated due to incomplete information given to them at the start of their job which results companies do not achieve long term job satisfaction. Those employees who have given proper orientation will be more competent and feel better about their job and have positive work attitude which resulting higher job satisfaction.

(Singh) Concluded that both organization size and orientation are important and influential element that help to create job satisfaction, these two factors are not only the contributor to achieve employee job satisfaction but also its effect over the overall job performance.

Employee retention is a complex process. It’s a process through which employee and employer both maintain long term relationship with an organization. There are many other factors influences the employee in order to retain with a company and continue his/her job for a longer period (Mostafa, 2012).

From the previous researches the researcher has developed a list of practices which affects on employee retention rate and they are as follows: (Lochhead & Stephens, 2004)

a) New employee orientation
b) Recruitment
Employee retention is basically the strong employee commitment towards his job (Lochhead & Stephens, 2004). There are various policies and practices which let the employee stuck to an organization for a longer period. For this organization should provide financial rewards to their loyal and competent employee and give them training time to time which enhances efficiency and professional growth. This is true that satisfied employees are more devoted or loyal with the job and organization as well which ultimately improves customer satisfaction of organization (Denton & Mostafa, 2012). Satisfied employees have higher intensions of persisting with their organization which will decrease the turnover ratio of a company (Mobley & Mostafa, 2012). Moreover organization should practice high employee involvement or participation it would create greater chances to enhance their retention (Arthur & Mostafa, 2012).

Job satisfaction is defined as “An individual reaction to the job experience”. Or in other words job satisfaction is defined as how people feel about their job and different aspects of their job. Job satisfaction may influences work productivity, work effort, employee absenteeism and employee turnover rate. It’s a strong predictor to find out the overall well being to employee (Serrano, Vieira, & Mostafa, 2012). Job satisfaction is one of the reasons which influence the decision of employee to leave the organization (Tansel & Mostafa, 2012).

For employee and employer both job satisfaction is equally important. From the previous researches and studies it has been proved that when employees are satisfied with their job employer will be at a safe side because company gains a chance to increase their profit margin. On the other hand if the employees are not satisfied or unhappy then the organization has to face higher turnover (Bradley & Mostafa, 2012)

In addition, nature of job, quality of the job and job responsibility helps to takes decision whether to work or not? Whether to stay or leave the organization? How much efforts put by an individual in order to achieve particular goal or task? These all question are likely to be depend upon the subjective evaluation he /she made from the job, in other words how much he/she is satisfy with their jobs (Clark & Mostafa, 2012).

(Sousa-Pozza & Mostafa, 2012) Wrote that job satisfaction level of employee depends on two things:

1. Intrinsic Satisfaction: includes Education, working time and efforts an employee.
2. Extrinsic Satisfaction: includes Wages, fringe benefits, working condition, status.

Work role input(Intrinsic) and work role output(Extrinsic) are directly related with each other. If work role output is increase relative to work role inputs then job satisfaction level increase or vice versa.

Intrinsic satisfaction depends on individual characteristics of an employee includes relationship with supervisor, decision making skills, problem solving skills and leadership skills or the work he/she actually performs. On the other hand extrinsic sources of satisfaction are the financial and material based rewards which depend on situation also on the type of job such as promotion, pay scale, job security etc both intrinsic and extrinsic satisfaction are equally contribute to achieve job satisfaction (Mostafa, 2012).

Data Analysis and Findings

Reliability

The reliability test finding of the data through SPSS software’s evaluation is as below:

Table 1 (please refer the last page of the document for Table-1)

The Cronbach’s Alpha is commonly used for measurement of internal consistency or reliability. This is very useful for likert-scale questionnaires for testing reliability. Cronbach’s alpha on data available is 0.824 that indicates a high level of internal consistency.

Descriptive statistics

The descriptive statistics of the sample are as under:

Table 2 (Please refer the last page of the document for Table-2)

Conclusion

Z- Test shows that the test values of all hypotheses (H1, 2.5692; H2, 4.8454; H3, 6.3812; H4, 2.1369) fall outside the non-critical area (+ 1.96), moreover P-value is less than the level of significance (0.05) for all hypotheses tested that means all null hypotheses have been rejected. The quantitative analysis demonstrates that employee orientation, turnover and job satisfaction has an impact on employee retention. In order to increase the retention among employees, create high level of satisfaction and to decrease turnover rate organization should strengthen its orientation program.
**Recommendations**

On the consequences of the quantitative study, there are some recommendations as followed:

- Organizations in service sector should strengthen their orientation program.
- Organizations should focus on providing detailed information about the real time work in orientations.
- In order to increase retention organizations should provide training opportunity to employees.
- In order to keep employees energetic service sector organizations should add a challenging (I- work) to their objectives.
- Organizations may introduce competency based pay schemes for creating a sense of competition in order to add value to job satisfaction.
References

Anantharaman, P. &., & Kaiser, S. M. (2006). An Examination of New Employee Orientation and Training Programs in Relation to Employee Retention Rates. 64.


Gray, & Kaiser, M. S. (2006). An Examination of New Employee Orientation and Training Programs in Relation to Employee Retention Rates. 64.


Annexure

Figure 1: Conceptual Frame

![Conceptual Frame Diagram](image)

Table 1: Reliability statistics

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Table 2: Descriptive statistics

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