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**IMPACT OF EMPLOYEE COMMUNICATION AND PERSON ORGANIZATION FIT ON
EMPLOYEE RETENTION**

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Abstract:

Retention is always better than Recruitment; if an organization is able to retain their workforce and high potential employees will lead to drastic reduction of its HR costs and can achieve the competitive advantage over their competitors in their respective industry. This research article primarily investigates the impact of Employee Communication and Person Organization Fit on Employee Retention Level in an Organization. Structured Questionnaire was deployed to contain Employee Communication Scale - ECS, Person Organization Fit Scale - POFS and Employee Retention Scale - ERS using Likert Scale. The sample of 125 was drawn from the employees across the industry over LinkedIn. The hypothesized relationships were then analysed using ANOVA, Regression Analysis in IBM SPSS. Results revealed a significant relationship between employee communication, person organization fit and employee retention strategies and also found that there is significant impact on employee retention.

Keywords: Employee Communication, Person Organization Fit, Employee Retention

Introduction

Employees today are completely different and they have plenty of better opportunities with them and they will resign sooner they get dissatisfaction. This is a real challenge for the employers in the employee retention process. However, employers should retain their employees, else they may not be able to compete with their competitors and retention is always better than recruitment. Further, employers should be aware and know how to attract candidates and retain employees.

To address the issue of employee retention, this article is to attempt to understand the effects of employee communication and person organization fit on employee retention. In order to create and enhance the perceived fit between the organization and the employee, the employee's values, work goals and future plans must be aligned with widely understood corporate culture and job requirements. Person organization fit is a typically interactionist concept, describing the interaction between a person and a job or organization. Employee communication is defined as communication transactions between individuals and/or groups of at various levels and within different domains with Specialization intended to design and transform organizations, implement plans and contribute to day-to-day operations. Without consistent and honest communication, employees worry about the future of the company and consider leaving the company. Thus, this article has examined the relationship and impact of employee communication, person organization fit on employee retention strategies.

Review of Literature

Employee Communication

According to Cloutier et al., (2015), if the communication process is efficient, the organization can retain its employees easily. Greater association of employees and gaining of an environment of openness and trust can be achieved through effective communication (Sinha & Sinha, 2012). Employees who believe that communication is fair enough are taking more responsibility in their day-to-day activities (Richard Andreson, 2019). Luthia, D. M., & Sathiamoorthy, M. V. (2021), emphasized requirement and purpose of employee communication virtually during crisis situations, and which leads to improved employee engagement level, level of employee retention, positive changes among employees' behaviour and attitudes towards their job and organization. For enhanced

employee engagement and for better trust, respective leaders must upskill their ability through effective communication strategies with internal stakeholders, i.e. employees. Krishnan, S.G., & Wesley, J.R., (2013) has proved that level of employee engagement is significantly predicted by employee communication. Prasetyo, Indra & Aliyyah (2021) also proved in their article that employee retention is positively predicted by organizational communication climate.

Person Organization Fit

Jin et al., (2018) mentioned that Person–Organization fit is the vital tool for employment relationship, and revealed that higher person-organization fit triggers employees' reduced turnover intentions. Esther Bahat (2020) has found that commitment and person - organization fit has significant relationships, where reduced turnover intention among employees can be attained with higher person-organization fit (Gould-Williams et al., 2015). Jehanzeb, K. & Mohanty, J. (2018) mentioned that organizational commitment, increased loyalty, decreased turnover and enhanced productivity are outcomes of person-organization fit. Sheeraz Shah & Mehlab Ayub (2021) reveals that Job satisfaction has a significant relationship with Person - Job Fit and Person-Organization Fit. Diwakar Singh (2019). Employees' contribution is inevitable to achieve organizational growth, profitability and innovations for organization's sustainable development.

Employee Retention

Preventing an organization's potential employees from leaving is the primary objective for employee retention (James & Mathew, 2012). Ibrahim Abdulai Sawaneh & Fatmata Kanko Kamara (2019) mentioned that organization success can be achieved through better policies on employee retention; and also it is inevitable for reducing cost of organization. Krishnan, S.G., et al (2017) argued that employees intention of quitting is influenced by perceived person-environment fit. Shumaila Naz, Cai Li, Qasim Ali Nisar (2020) study found that person-organization fit is a significant mediator while predicting employee retention. Melissa Ford-Colin (2022) revealed that employee retention strategies are significantly increasing profitability in small to medium sized organizations. P S Nethravathi and Aithal (2021), proved that employee retention techniques facilitates the significant increase in the organizational effectiveness. Mumtaz Ali Menon and Rohani sallah (2018), suggested that a higher level of attention towards Person-organization fit will result in decreased turnover rate. S. Roopavathi & K.Kishore (2020) mentioned that Employee retention would take commitment and time of employers, but it yields greater level of return on investment in the end. Khalid, K., & Nawab, S. (2018) Higher turnover cost ends in major failures while achieving objectives of an organization due to the issues related to employee retention.

Objectives of the study

- To analyze Person Organization Fit, Employee Communication and Employee Retention strategies across gender, age, occupational status, qualification and experience.
- To measure the impact of person organization fit, employee communication on employee retention strategies.

Methodology

This study is a descriptive research study using convenience sampling techniques to collect primary data consisting of a sample size of 125 among the employees of the manufacturing industry in Bengaluru through questionnaire. Questionnaire has been framed using three Employee Communication (6 items) adopted from Krishnan & Wesley (2013), Person Organization Fit (5 items) Shah, S., & Ayub, M. (2021) and Employee Retention (11 items) Khalid, K., & Nawab, S. (2018). The collected data were analyzed using Descriptive Statistics, ANOVA and Regression Analysis.

Hypothesis of the study:

H1: Person Organization Fit, Employee Communication and Employee Retention strategies significantly differ across gender, age, occupational status, qualification and experience.

H2: Employee communication and Person Organization fit are predicting employee retention strategies.

Profile of the respondents:

Profile of employees are scattered as follows gender (Male 63% and Female 37%); Age group (Less than 25 years old is 7%, 25 years – 30 years is 57%, 30 years – 35 years is 13% and above 35 years is 23%); Organization status of employees (Technical level employees are 27%, Supervisor level employees are 40%, Managerial level employees are 23% and top level management employees are 10%); Educational Qualification (Undergraduate level of educated employee are 63% and post graduate level of educated employees are 37%); and experience (87% of employees are having less than 5 years of experience, 3% of employees are having 5-10 years of experience and 10% of employees are having more than 10 years of experience).

Data Analysis and Interpretation

Descriptive Statistics:

Table 1: Descriptive Statistics of Dependent and Independent Variables

Variables	Statements	Mean	Min	Max	SD
Person Organization Fit	I feel my values fit this organization and current employees in this organization	4.10	3	5	0.548
	I think values & personality of this organization reflect my own values & personality	3.97	2	5	0.718
	The values of this organization are similar to my own values	3.97	3	5	0.669
	I feel my personality matches the image of this organization	4.07	3	5	0.640
	My values match those current employees to this organization	3.97	2	5	0.765
Employee Communication	Communication in my company is usually open and forthright	3.90	2	5	0.607
	Supervisor does a good job of communicating information to all.	3.80	2	5	0.714
	I am kept well informed about what the company is doing	3.87	3	5	0.776
	I am able to speak up & challenge the way things are done in the company	4.00	3	5	0.643
	Management encourages employee suggestions	3.83	3	5	0.648
	I often get news from grapevine	3.47	3	5	0.629
Employee Retention Strategies	Are you satisfied with your current job?	3.83	3	4	0.379
	Are you satisfied with the facilities provided by the organization?	3.83	2	5	0.791
	How do you rate the infrastructure and equipment provided?	3.67	2	5	0.922
	To what extent do you feel that quitting the present job will give you a satisfied job	3.77	3	5	0.728
	What is your opinion on the working environment?	3.77	3	5	0.568
	What did you like most about this company?	2.67	1	4	0.758

Interpretation: The descriptive table shows the mean value and standard deviation of various statements of employee communication, person organization fit and employee retention based on the perception among the employees (respondents)

Analysis of Variance

H1: Employee Communication, Person Organization Fit and Employee Retention strategies significantly differ across gender, age, occupational status, qualification and experience.

Table No: 2 Customized ANOVA Table

Variables	F	P-value	Hypothesis
Employee Communication	83.5729	0.000000	Accepted
Person Organization Fit	88.3133	0.000000	Accepted
Employee Retention Strategies	57.6602	0.000000	Accepted

Interpretation: Employee Communication (p value is 0.0000 > 0.05; F value is 83.5729 > 2.56), Person Organization Fit (p value is 0.0000 > 0.05; F value is 88.3133 > 2.56) and Employee Retention Strategies (p value is 0.0000 > 0.05; F value is 57.6602 > 2.56) are significantly differ across gender, age, occupational status, qualification and experience of employees at 0.05 significance level. Hence, Hypothesis 1 is accepted., i.e. Employee Communication, Person Organization Fit and Employee Retention strategies significantly differ across gender, age, occupational status, qualification and experience.

Regression Analysis:

H2: Employee communication and Person organization fit are significantly predicting employee retention strategies.

Table No: 3 ANOVA

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.136	2	6.068	210.267	.000 ^b
	Residual	4.069	122	.029		
	Total	16.206	124			
a. Dependent Variable: Employee Retention Strategies						
b. Predictors: (Constant), Person Organization Fit, Employee Communication						

Table No: 4 Model Summary

Model Summary				
Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	.865 ^a	.749	.745	.16988
a. Predictors: (Constant), Person Organization Fit, Employee Communication				

Table No: 5 Coefficient

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.314	.164		1.920	.057
	Person Organization Fit	.433	.062	.431	7.032	.000

	Employee Communication	.453	.056	.500	8.156	.000
a. Dependent Variable: Employee Retention Strategies						

Interpretation:

Employee Communication and Person Organization Fit are reliably and significantly predicting Employee retention strategies since, p value is $0.000 < 0.05$ & F Value is $210.267 > 2.56$ at 0.05 significance level. Employee Communication and Person Organization Fit are highly predicting 74.9% (R Square value is 0.749) of Employee Retention strategies. The proposed predictive model has been tested through the following regression equation:

$$y = \alpha + \beta_1 * X_1 + \beta_2 * X_2$$

Employee Retention Strategies (y)
 = Constant(α) + β_1 * Person Organization Fit (X1) + β_2 * Employee Communication (X2)
 Employee Retention Strategies (y)
 = 0.314 + 0.433 * Person Organization Fit + 0.453 * Employee Communication

Employee communication (p value is $0.000 < 0.05$) and person organization fit (p value is $0.000 < 0.05$) are significantly predicting the employee retention strategies in any organization. Employee Communication is the main predictor (t = 8.156) of employee retention strategies and followed by person organization fit (t = 7.032). Hence, hypothesis 2 is accepted., i.e. Employee communication and Person organization fit are significantly predicting employee retention strategies.

Discussions and Conclusion

Overall, this study contributes to the literature by clarifying the relationship between employee communication, person organization fit and employee retention. This study found that employee communication and person organization fit are the significant predictor of employee retention and employee communication is the highly significant predictor of employee retention followed by person organization fit. Further this study revealed that employee communication, person organization fit and employee retention significantly differ across gender, age, occupational status, qualification and experience of the employees. Though this study has proven the model is significant, this also has two limitations, i.e. 1) implications of the results would not be applicable across all the industries and 2) this study was limited only to examine the relationship among employee communication, person organization fit and employee retention. Future researchers can focus on person job fit, person group fit, job satisfaction, person supervisor fit on employee retention. Employers should focus on a high level of transparency in employee communication in all levels of the organization and also employers should ensure better person organization fitness right from the recruitment process, human resource planning, training and development, performance management system, etc..

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