CHAPTER - III

REVIEW OF LITERATURE

This chapter deals with the review of literature in connection with Industrial Relations and employee retention. There are numerous publications which have made significant contributions to the theoretical discussion. The review of literature pertaining to industrial relation as well as employee retention is discussed below:

The following important research studies have been carried out in this field. **K.G. Desai**\(^1\) conducted a comparative study of motivation of blue collar and white-collar workers of three industries located in Bombay and Kollapur cities in Maharashtra state. Adequate earnings, security in job and fair treatment of grievances were important motivators for both workers. Opportunities for advancement were considered to be more important to white collar workers than blue-collar workers.

**Saxena R.C.'s**\(^2\) study on industrial relations in selected units examined employment, earning and expenditure, the maintenance of personnel, attitude of the employees towards policies, the growth and development of labour

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\(^2\) Saxena, R.C. Industrial Relations in selected units, Research Programme Committee, Planning Commission, New Delhi, 1970.
movement and industrial relations in five selected industrial units representing four sectors of industrial activity viz, sugar, distillery, vanaspati and textile.

**Gangadhara Rao. M.**³ in his study entitled, "Industrial relations in Indian Railways", has investigated the personnel and union - management relations with special reference to post - independence period. The study analysed trends in employees’ remuneration, hours of employment, absenteeism, discipline, employees unions and leadership in Indian Railways.

**Ishwar Dayal and Baldev R. Sharma**⁴’s study on "Strike of Supervisory Staff in the State Bank of India” examined industrial relations situation in the State Bank and the events preceding the strike, the reasons for the strike, and described the immediate post - strike phase and the subsequent stage reconstruction of relationships between the management and the employee’s federation.

**Baldev R. Sharma**⁵ has conducted a study on “Organisational Determinants of Supervisory Management Relations in Corinthian Bank Limited.” A combination of three factors namely, style of management, monetary benefits & absence of disparities was found to explain 58 percent of

³ Gangadhara Rao, M., Industrial Relations in Indian Railways, Unpublished Dissertation submitted to the Andhra University for the degree of Doctor of Philosophy in Commerce, 1980
the variation in supervisory management relations. The said combination represented the best equation.

**Ramana Rao P. V.** made a study on "Industrial Relations in Andhra Pradesh State Electricity Board" and examined the nature of personnel and union management relations in the electricity board and explained why interests and attitudes of the management and labour came into conflict, how conflicts were resolved and how new problems would emerge in future.

**Baldev R. Sharma and Sundararajan P.S.** in their study on "Organisational Determinants of Labour Management relations in India" investigated factors determining labour management relations in 50 companies. Of the nine factors studied, the two included in the best equation scope for advancement and grievance handling were found to be the most critical determinants. Together these two factors accounted for 58 percent of the variation in labour management relations across the 50 companies.

**Menon P.K.S.** in his study on "Personnel Management in Banks" examined the procedures, practices and policies prevalent in personnel administration in banks in India. He identified that behind the facade of trade

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unionism the bullies influenced every facet of management whether it was collective bargaining, grievance procedures, disciplinary matters, departmental enquiries or employee managerial relations.

Baldev R. Sharma & Das G.S.'s\textsuperscript{9} study on "Organisational Determinants of Human Relations in the Banking Industry", identified advancement, welfare, money, recognition and appreciation as factors which constituted the best combination in explaining variation in supervisory - management relations in banks. These factors together contributed 78 percent variation in human relation in banking industry. It was also found that relationship between welfare and employer - employee was positive and improvement in one factor contributed to the improvement in the other.

Narasimha Rao V.L.'s\textsuperscript{10} study on "Determinants of Strike Activity in Major Industrial Units in Vishakapatnam", made an assessment of the strike activity among the employees in the selected units and identified the underlying causes thereof. It was found that strikes happened due to problems of adjustment in the union - management relations. Collective bargaining has reduced the scope for conflict in Vishakapatnam.

\textsuperscript{9} Baldev R.Sharma and G.S.Das, “Organisational Determinants of Human Relations in the banking industry, Indian Journal of Industrial Relations, Vol.16, No.4, April 1984, pp.513-530
Subba Rao. M\textsuperscript{11} in his study on, "Industrial Relations in Sugar Industry in Andhra Pradesh", conducted a delved deep into the problems of industrial relations in sugar industry, and identified the root causes of various problems and suggested suitable ways and means to solve the problems.

Baldev R. Sharma's\textsuperscript{12} study entitled, "Not by Bread Alone - A study of Organisational Climate and Employer - Employee Relations in India", examined the determinants of employer - employee relations in 51 public sector and private sector industrial units in India. Grievance handling and objectivity were the two dimensions of organisational climate together explained 83 percent of variation in supervisory - management relations. Advancement and grievance handling were the two most critical factors influencing labour - management relations. In public sector units, participation and objectivity were the determinants of labour -management relations.

Baldev R. Sharma and Venkataratnam.C.S.\textsuperscript{13} in their study on "Organisational Climate and Supervisory - Management Relations in ISPAT - NIGAM", found that grievances handling, recognition and participate

\textsuperscript{11} Subba Rao, M. Industrial Relations in sugar industry in Andhra Pradesh, Thesis submitted to the Andhra University for the degree of Doctor of Philosophy in Commerce, 1995
\textsuperscript{12} Baldev. R. Sharma: "Not by Bread Alone : A study of organisational climate and employer – employee relations in India", Shri Ram centre for Industrial Relations and Human resources Publication, New Delhi, 1986
management were the dimensions of organisational climate determining supervisory - management relations in that unit.

Subba Rao. A.V.\textsuperscript{14} in his study entitled, "Labour Management Co-operation and Conflict in the Indian Steel Industry - A Tale of the Two Sectors", examined the comparative level of labour management co-operation and conflict in public sector Bokaro Steel Plant and private sector Tata Steel Plant. Collective bargaining, recognition of trade unions, closer association of employees with management and workers participation was the aspects studied.

Khandekar. N.C.\textsuperscript{15} in his study on “Multiple Unionism in Banks” investigated the multiple unionism, the growing inter – union rivalry, its continuing implications for the managements of the banks, the unions of officers and employees. The study focused on the factors influencing unionisation, the causes of multiplicity of Unionism and the consequence of multiplicity of unions. Leadership struggle, styles, political affiliations, management policy and regional feelings were some of the issues highlighted in the study.


Joseph Stanley's\textsuperscript{16} study on “Workers Participation in Management in India in Selected Public and Private Sector Undertakings”, examined the influence of socio-economic factors of individuals on the participative bodies, the assessment on impact of participation in the organisation and also identified the problems faced by members of participative bodies. The working of the participative committees was quite satisfactory. Lack of legislative framework and lack of training and education were the two main problems of participation.

Rama Rao. K.\textsuperscript{17} in his study entitled "Labour - Management Relations in Cotton Textile Industry in Andhra Pradesh", examined the various causes for conflicts between labour and management in the cotton textile industry in Andhra Pradesh and suggested measures to minimise conflicts and enable labour and management in cotton textile industry in Andhra Pradesh to establish a better understanding and greater mutual co-operation between them.


Rama Prasadha Rao's study on "Human Factor in Municipal Services: A Study of Selected Municipalities in Coastal Andhra", focused on the socio-economic background of municipal personnel and to analyse the method of recruitment, training and development in municipalities. Monetary emoluments and benefits of municipal personnel, job motivation and job satisfaction of employees were also examined. Union - management relations among municipal employees were also studied.

Aruna Manikdy and Jacob Manikdy's study on "Meaning of Working: A Study of Bank Employees" was an investigation based on a cross-cultural study by an international team. This study on Indian bank organisations has provided a tested methodology that can be tried out in organisation’s specific situations. It was found that what individuals come to think of working is influenced more by their work experience than age or educational background. The priority factors like pay and security were prominent among all respondents and more so among younger employees and lower level of management.

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Shaik Mohamed’s study on "Professional Management and Organisational Effectiveness" identified the determinant of professional management, evaluated the organisational effectiveness of sample units from growth and profit dimensions and analysed the relationship between the professional management and organisational effectiveness. The study was conducted in electrical manufacturing industry consisting of public sector and private sector units in Tiruchirappalli district. External relations and managerial participation emerged as the best combination and strongest determinants of professional management. Among the different measures of effectiveness, growth effectiveness score was predominant. Effectiveness increased from small scale to large - scale units, which had professionalisation.

Giri D. V. 's study on "Industrial Relations in the Printing Industry of Orissa: A Case Study of Cuttack", found that industrial relations in the commercial printing industry of Cuttack was in an unorganised, fluid and morbid state. Neither the employers nor the workers gained in this sector. The government intervened only when conflicts arose and when the intervention

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was sought. Two external factors namely, the product market and the government virtually shaped the industrial relations system.

**Sivaprakasam. P’s**\(^\text{22}\) study entitled "Personnel Management in Central Co-operative Banks in India - Policies and Practices" examined the personnel management policies and practices in central co-operative banks and employees' attitudes towards personnel policies and their job satisfaction.

**Umesh C. Patnaik's**\(^\text{23}\) study on "Quality of Work Life in Public Sector Banks: An Empirical Study" examined how far the satisfaction of human needs, according to the priority given, acted as motivational factor in determining the quality of work life, and also in which type of needs of bank employees were highly dissatisfied. Material needs, career success needs social needs, security needs, and esteem needs were assessed in relation to jobs and work places of the executives and non-executives of different public sector banks in Berhampur City.

**Aruna Manikdy's**\(^\text{24}\) study on: "Women Executives in Banks: A Profile" focused on women executives’ self-image, their locus of control, interactions with subordinates and family background. The study aimed at understanding


women executives from banks as persons, managers and leaders. It also aimed at drawing up, their profile in relation to certain aspects as person-centered traits of, education and organisational culture realities.

**Khan. F.H's**图书 study on, "Human Resource Development in Banks" found that for human resources development in banks, training, placement, effective appraisal system, job rotation, development of healthy attitudes, employee satisfaction, leadership and morale were the aspects required to be concentrated. It was stated that creating HRD climate in the branch, developing a family culture in the branch, grievance handling and maintaining good relations with employees were necessary for improving HRD climate in banks.

**Ramesh Kumar M.N.'s**图书 study on "Personnel Management in Banks" examined the recruitment and selection policies and procedures in Warangal District Central Co-operative Bank, analysed the training courses offered and the executive development programmes, and also the promotion policies and lines of promotion that were available in central co-operative banks.

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Kesar Singh Bhangoo's\textsuperscript{27} study on "Dynamic of Industrial Relations" examined the growth and structure of trade unions, workers participation in trade unions and correlates of union participation, the existing industrial relations scene in cotton textile industry in the state of Punjab. Also the role of workers, trade union leaders, management and government officials to maintain peaceful relations between labour and management were examined and policy recommendations to achieve industrial peace were offered.

Jacob Manikdy's\textsuperscript{28} study on "Changing Employment Relations in Banking: The Emerging Role of Management" investigated the banking industry and the impact of globalisation on banks, employment relations between bank unions and management, changes in the orientations in employment relations, the emerging role of management with a view to developing complementary industrial relations process in banks. The use of this approach could bring about an effective blend of human relations and industrial relation.

\textsuperscript{27} Kesar Singh Bhangoo: "Dynamics of Industrial Relations", Deep & Deep Publications, New Delhi, 1995.

Gani. A and Riyaz Ahmed’s\textsuperscript{29} “Equality Correlates of Work Life - An Analytical Study” conducted in Hindustan Machine Tool, a central public sector undertaking located in Jammu and Kashmir examined at empirical level various components and correlates of quality of work life. These were combined in four categories: working environment factors, relational factors, job factors and financial factors. The study unfolded a grim story of the economic and living conditions of workers. The results drew attention to the fact that adequate financial returns from the job, besides desire for job security, better working conditions and advancement opportunities continued to be the major consideration in employees working lives.

Neelu Rohmetra's\textsuperscript{30} study on "Human Resource Development in Commercial Banks in India" has investigated into the HRD practices in two banks namely State Bank of India and the Jammu and Kashmir Bank Ltd.

The components of HRD system identified in the study were: manpower planning, training, appraisal system, job rotation, role analysis exercises, quality circles, career system, welfare system, human resource information system and research in human areas. HRD climate in SBI was far more


conducive than that in J & K Bank. Several factors such as career development opportunities, good working condition, team work, good union, management relations were responsible for this.

**Mani Arun Nandhi's** study entitled "Leadership Behavior Pattern - A Comparative Study of Female and Male Officers in the Banking Sector" examined how women behaved in leadership positions, how well they performed in their managerial roles and explored the relationship between selected job and biographical variables and their leadership behaviors and effectiveness. The results of the findings were then compared with those of the men in managerial positions to the Indian public sector banks.

**Das. H.** in his study on "Trade Union Activism - Avoidable or Inevitable?" has examined the trends of strikes and lock-outs in the pre-liberalisation period and post-liberalisation period. Militancy in trade unionism, constant wage spiral, growing anciliarisation, declining trade union membership, multiplicity of unions, and union rivalries were the highlights of the study. The present situation was the outcome of factors such as declining trade union membership, poor finance, influence of policies, dominance of

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outside leadership for effective negotiations, multiple subscription of union membership, inter and intra union rivalry arising out of multiplicity of unionism. These were all structural reasons.

Balasubramanian, A.G.'s\textsuperscript{33} study entitled "Certain Considerations in the Weightage for Promotions: An Analysis of Agreements in Banks", explored the existing weightage schemes in eight banks and tried to bring out some of the problems and issues in determining a proper weightage scheme.

Factors like range restriction, stipulation of minimum, off setting of weights, the number of components, and their inter-linkages were explored. These issues have been raised at an analytical or conceptual level and required empirical verification. The effect of each of the policy changes also needed to be checked out in actual practice.

Md. Musharaf Hossain's\textsuperscript{34} study entitled "Job Satisfaction of Commercial Bank Employees in Bangladesh: A Comparative Study of Private and Public Sectors" was designed with a view to investigate the satisfaction of Commercial Bank employees and its consequences on related issues. The results revealed that the public sectors bank employees were in a better

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position in terms of their job satisfaction than the private sector employees. The executives were more satisfied than the non-executives. Job satisfaction had significant positive correlation with performance but significant negative correlation with job stress and propensity to quit the job. Job satisfaction had the highest positive contribution to performance.

Bank employees perceived their job as highly stressful irrespective of their rank and status in the organisation. Moreover, banking employees in Bangladesh were highly dissatisfied with their salary, lack of fair promotional opportunity, low job status and absence of recognition for good work. Finally some recommendations are made to improve the situation to provide better quality of services to the customers.

A. Gani and Farooq A. Shah\textsuperscript{35} in their study on “Correlates of Organisational Climate in Banking Industry”, in Kashmir provided an adequate description of the concept, constructs, determinants and correlates of organisational climate. The study indicated that the banking industry as a whole had a poorly perceived organisational climate and that the situation in the private sector banks was worse than that in the public sector banks. Further, as compared to workers, the officers found their organisational

climate relatively better. Certain measures aimed at improving the organisational climate and the overall effectiveness of the organisation have also been suggested.

A.M. Mohamed Sindhasha’s\textsuperscript{36} study on “Employment Relations in Public and Private Sector Banks in Select Districts of Tamil Nadu”, was confined to collective employment relations. In fact it deals with the relations between employees and management at the higher level on the one hand and individual employment relations. On the other this implies the relations between superiors and sub-ordinates at the branch level. The factors influencing collective employment relations and individual employment relations were identified. The relationship between the socio-economic characteristics of the respondents and employment relations in commercial banks has been studied with a view to identifying the factors influencing employment relations.

Rezaul Hua\textsuperscript{37} in his study titled “Industrial Relations in India” analyzed the present scenario of Indian Industrial Relations equitable. The industrial relations should be considered as an essential part of management systems and techniques and not as a discipline or activity apart from management. The

\textsuperscript{36} Dr. A.M. Mohamed Sindhasha: A Ph.D thesis titled “Employment Relations in public sector and private sector banks in selected districts of Tamil Nadu” was submitted to the Bharathidasan University in the year 2002

\textsuperscript{37} Journal of European Industrial Training, Volume 22, Numbers 2 – 4, April 2006, pp 125 – 136
study analyzed the industrial relation in India as equitable. This report scrutinizes the three main approach (economic rationalism, civil libertarianism and equal employment opportunity and social justice too. Further, the study identified the equity of Indian industrial relation such as child labour, cross culture management, trade union wage discrimination and individualism.

A desk project done by SWOT Analysis of marketing at IIPM Gurgoan entitled on the “Industrial Relations Problems in an Automobile Industry” identified the factors that lead to labour unrest at a factory and the impact of such incidents. The case study focuses on the Industrial Relation problems faced by Honda Motor Cycle & Scooters India (HMSI). The study discussed the various reasons which led to the dispute between the management and employees of HMSI. The study elaborates the incidents, which led to the strike at the company that resulted in HMSI workers being severely beaten up by the police. Labour strike and the management's inability to deal with it effectively had resulted in huge losses for the company due to the fall in the production level at the plant. In addition to this, the company also received a lot of negative publicity as newspapers and TV channels gave wide coverage to the violence of the action.

The study highlights the growing number of instances of clashes between the employees and the management of companies in India, which is
often guided by external parties such as trade unions and political parties. It also highlighted the growing number of instances of clashes between the employees and the management of companies in India, which is often guided by external parties such as trade unions and political parties.38

Venugoplan39 in his thesis entitled “Industrial Relations in the Public and Private Enterprises in Kerala” examined the nature and causes of disputes, the role and involvement of employees, trade union leaders and management personnel in disputes, union management relations involvement of employees in trade union activities and the performance of the settlement machinery. The study covers a decade from 1996 to 2005. The study identified that the economic benefits like wages, bonus and allowances provided to employees in the public and private enterprises in Kerala were not sufficient, which were the causes of the disputes in these sectors. The workload is another cause of dispute in the public and private enterprises in Kerala. Violation of agreement is an important cause of disputes in the public sector. The existing union management relationship is found to be moderate. The study also revealed that the conciliation and negotiation were the most preferred and usually used form of dispute settlement in both the private and public sectors.

38 A Complete study of Industrial Relations at Hero Honda Gurgoan, September 2009
39 A Ph. D thesis on “Industrial Relations in the Public and Private Enterprises in Kerala” was submitted to the University of Kerala by Venugoplan in the year 2007.
Ram Reddy\textsuperscript{40} in his research study entitled “Industrial Relations in India: A Study of the Singareni Collieries” aimed at identifying the factors which were responsible for the adverse labour management relations in Singareni and to suggest suitable remedies. The study also aims to evaluate the industrial relations policy of the Government and the processes evolved by it. The researcher ascertains the effectiveness of the various preventive processes adopted in Singareni for establishing harmonious labour management relations and the causes for their failure. The study identified the root causes of strikes in Singareni and suggests suitable measures for minimizing the industrial unrest.

T.N. Kapoor\textsuperscript{41} in his research study entitled “A study on industrial relations and its effectiveness” aimed at identified that Industrial Relations should be understood in the sense of labour management relations as it percolates into a wider set of relationship touching extensively all aspects including wages, welfare and social security, service conditions, supervision and communication collective bargaining etc., attitudes of parties and governmental action on labour matter.

\textsuperscript{40} A Ph. D thesis on “Industrial Relations in India: A Study of the Singareni Collieries” was submitted to the Osmania University by Ram Reddy in the year 2006.

\textsuperscript{41} Paper presented by T.N. Kapoor “A study on Industrial Relations and its effectiveness” pp 241-249
R.A. Lester⁴² “Industrial Relations” observes in his study that Industrial Relations involve at workable solutions between conflicting objectives and values between incentive and economic security, between discipline and industrial democracy, between authority and freedom, between bargaining and co-operation.

According to A.S. Mathur⁴³ problems of human relationship arising from the sale of services for a wage and working on the premises of employers under their control form the subject matter of industrial relations.

C.B. Kumar⁴⁴ in his study identified that Industrial Relations are broadly concerned with bargaining between employers and trade unions on wages and other terms of employment, the day to day relations, within a plant also constitute one of the important elements and impinge on the broader aspects of industrial relations.

The Encyclopedia Britannica⁴⁵ explains that the concept of industrial relations has been extended to denote the relations of the State with employees, workers and their organizations. It includes individual relations and joint consultation between employers and work people at their work place,

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⁴² R. A. Lester “Industrial Relations”, 2003, Macmilan India Limited, New Delhi


⁴⁴ Paper presented by C. B. Kumar “Industrial Relations in India” pp.223-236

⁴⁵ A Research Study had been conducted by Encyclopedia Britannica on “A Study about the Industrial Relations in the Indian Industry”
collective relations between employers and their organizations and trade unions and the part played by the State in regulating these relations.

Ratan Sen\textsuperscript{46} in his compendium entitled “Industrial Relations in India: Shifting Paradigms” is a comprehensive study of industrial relations in India, covering new topics like organizational communication, knowledge workers and their management, voluntary retirement schemes, quality circles and analysis of collective agreements.

Sarosh Kuruvilla\textsuperscript{47} in his study entitled “Change and Transformation In Asian Industrial Relations” has identified that industrial relations systems change due to shifts in the constraints facing those systems, and that the most salient constraints facing IR systems in Asia have shifted from those of maintaining labor peace and stability in the early stages of industrialization, to those of increasing both numerical and functional flexibility in the 1980s and 1990s. The evidence to sustain the argument is drawn from seven “representative” Asian IR systems: Japan, South Korea, Singapore, Malaysia, the Philippines, India, and China. We also distinguish between systems that have smoothly adapted (Singapore, Malaysia, and the Philippines) and systems that have fundamentally transformed (China and South Korea), and hypothesize about the reasons for this difference.

\textsuperscript{46} Ratan Sen, “Industrial Relations in India: Shifting Paradigms”, 2003, Macmilan India Limited, New Delhi
\textsuperscript{47} Industrial Relations Journal Volume 24, Number 4, June 2006, pp. 124
Sen Gupta and Anil K Sett\textsuperscript{48} in their Research study titled “Industrial Relations Law, Employment Security and Collective Bargaining in India: Myths, Realities and Hopes” examines the debate on reforms in industrial relations law in India, needed to support its economic liberalization programme. Analyzing a distinctively Indian experience of state intervention in industrial relations, it concludes that the thrust of the reform should be towards entrusting union recognition and promotion of dispute settlement to an authority that is independent of the state executive.

Shenoy P.D\textsuperscript{49} in his edited compendium titled “Globalization: Its impact on Industrial Relations in India” identified the new system of international economic relations in the field of investment, production, trade, finance or technology. It identifies the current relevant subject of globalization and its impact on industrial relations and labour market institutions and also organized and unorganized workers. The study also discusses at length the impact of globalization on the informal economy covering inter alia the size and characteristics of the informal sector along with various steps taken by both Central and State Governments to improve the economic lot and social security status of the informal sector workers.

\textsuperscript{48} Industrial Relations Journal Volume 31, Number 2, June 2000, pp. 144-153(10)

Ashraf U Kazi and Peter Townsend\textsuperscript{50} in their working paper titled “Analysis and Examination of the Employment Relations in India” analyzed the employment relations in India and examine the application and suitability of these laws that are still valid after several decades of their enactment. This working paper attempts to make a study of employment relations in India, which affect one of the world’s largest work forces. The study concluded that participation of workers in the settlement of disputes and maintenance of peace and harmony in the workplace is seen as an innovation in employment relations in India.

Atif Anis\textsuperscript{51} and others in their article “employee retention relationship to training and development: A compensation perspective” analysed the Employee retention is a critical aspect for every company regarding competitive advantage because human resource is the most critical asset of today’s modern world. Other resources can be arranged effortlessly but to get efficient and retain talented human capital is the most difficult task. Therefore, organizations are now more focused towards employee retention. Organizations use different HR techniques for retention. Our main emphasis is on compensation packages after employee training and

\textsuperscript{50} Journal of European Industrial Training, Volume 25, Numbers 2 – 4, April 2007, pp 125 – 136
\textsuperscript{51} AtifAnis, Ijaz Ur Rehman, Abdul Nasir and Nadeem Safwan, employee retention relationship to training and development: A compensation perspective” African Journal of Business Management, Vol.5 (7), 4\textsuperscript{th} April, 2011, pp.2679-2685
development practices for retention purposes. We will also see how a relaxed work environment will help in the retention of employees. For this purpose, we conducted this study in Lahore and collected data from corporate groups. The numbers of respondents in our study are 330. For analysis we used the structural equation modeling technique with the use of AMOS 18.0. In this study, we used compensation as the mediating variable between the training and retention of employees. Results reveal that retaining employee’s long term, after their training and development has been completed, without increasing their compensations is not as favorable as when compensation is increased to reflect the completion ability to apply their field related skills and capabilities.