

THE ROLE OF ORGANIZATIONAL COMMITMENT AND PAY SATISFACTION IN EMPLOYEE RETENTION

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ABSTRACT

This research investigates the relationship between organization commitment and its three dimensions Affective commitment, Continuance Commitment & Normative commitment and pay satisfaction, between pay satisfaction and Employee retention and between organizational commitment and Employee retention. The study investigates which of the two variable (organizational commitment and pay satisfaction) is more important in predicting Employee retention. A survey instrument was used and 211 participants responded and analyzed from one of the state-owned companies in Qatar. The study found that there is a significant relationship between all the study variables Pay Satisfaction, Organizational commitment, and Employee Retention. Surprisingly Continuance commitment was not significantly related to Job Retention while Normative Commitment was found significant with Employee Retention. Also Normative commitment Organizational Commitment was found better in predicting Employee Retention than Pay Satisfaction.

Keywords: Organizational commitment, Affective commitment, Normative commitment, Continuance Commitment, Pay Satisfaction, Job Satisfaction, Job Retention, Employee Retention, Turnover, intention to Quit, Intention to stay, Qatar, Expatriate

INTRODUCTION

Employee retention is one of the human resources practitioner's goal. Organizations deploy different strategies to maximize employee retention and minimize voluntarily turnover. Employee Retention is considered one of the important element of company's success. Human resource managers strive to retain their employees. Good Human resource managers consider employees as the organizational asset. They frequently use Human Capital instead of human resource to depict their importance. Retention of Human capital is well known to be associated with outstanding organizational performance. HR managers use different measures to avoid employee turnover and its cost. These measures include financial incentives and non-financial incentives. Financial incentives include salaries, benefits, bonuses, periodical raises ..etc. Non-financial incentives include employee engagement, enabling, job satisfaction, justice, motivations...etc. Organizational Commitment has been identified as a good indicator to predict Employee retention. Many studies have shown a strong association between both. Also pay satisfaction was studies with job retention however different outcomes have been realized from weak to strong relationship. It is not known if there is a mediating factor to be exist to determine pay satisfaction impact in Employee Retention. This research will study both Organizational commitment and pay satisfaction and their effect on the Employee Retention.

RESEARCH PROBLEM

Since the start of the new millennia (21 century), Qatar has gone unprecedented growth (double digits annually) in all economic sectors driven by the exploration and production of oil & gas (mainly gas). The vast revenue coming from the oil & gas sectors has led all other sectors to flourish and grow: Banking, Insurance Construction, Real Estate, infrastructure, Education, healthcare, hospitality ...etc. Qatar National vision 2030 (launched in 2008) has also set the direction of where Qatar wants to be in few decades. The government has exploited many options to build the capacity of its organizations to deliver the Nation's vision. Options include forming state owned companies with flexible decision making and Human Resource system like Qatari Diyar , Qatar Rail , Mowasalat ..etc, forming public companies listed in the stock market i.e Barwa , Woqood , Ijara, Masraf Alrayan....etc, using private sector to pursue some key development ie Power Plants ..etc. building capacities of all sectors has led to the creation of strong demand to human resources and talented professionals in the labor market locally and regionally. Organizations was competing to attract and retain its employees. Organizations used different approaches and strategies to ensure employees retention. One of the dominant strategies used during this era is compensation. Human resource managers often used to recommend to the decision makers to review and increase the compensation structure so to maintain their organization's competitiveness in the labour market and ensure employees retention. However, recommendations and initiatives related to employee engagement (employee commitment) were very minimal and it was not perceived superior.

RESEARCH OBJECTIVES

The scope of the study is to study one of the Qatar's state owned companies established recently to deliver a massive infrastructure program.

The objective of the study:

- 1) To study the relationship between pay satisfaction and employee retention
- 2) To study the relationship between organizational commitment and employee retention
- 3) To determine the overall relationship between organizational commitment, and pay satisfaction and investigate which one is more significant on job retention

SIGNIFICANCE OF THE STUDY

This study will benefit both academics and decision makers. There are little researches published to explore the relationship between employee commitment and employee retention, and also between compensation and employee retention in the Arab Gulf countries and in Qatar in particular. GCC countries is characterized by huge reliance on expat people to fulfil the needs of the labor market. in some countries more than 90% of the labour market is reliant on expats. It would be study this relationship in this part of the world to explore if there is any difference in findings from literature's one.

LITERATURE REVIEW

Organizational commitment

Organizational commitment has been a topic of an interest to the researcher and to the industry. The topic has been evolved and researched for the last 50 years (Sulaiman and Al-junaibi 2010). Since evolution, the topic has been researched and went through different phases of conceptualizing or to be more precise it has been tackled through different approaches (Sulaiman and Iles 2000a,b). There are four dominant approaches in the literature to conceptualize the organizational commitment namely in chronological order: Attitudinal Approach, Behavioural Approach, Normative Approach and the Multidimensional Approach (Sulaiman and Iles 2000a,b). Organizational commitment since its evolution in the management science has been defined widely and according to the different approaches above. Organizational commitment is defined as the combination of passion and loyalty felt by the individual towards his or her organization. It is not a passive loyalty but an interactive one aligning the behaviour of employee with his organizational goals (Mowday 1979). Organizational commitment can be defined as the mental and emotional tie between the employee and his organization which acts like a barrier for him to leave his company (Allen and Meyer 1996). Organizational commitment and job satisfaction are frequently used in the literature as they are closely related associated. They are inseparable when researched but they are not necessarily the same (Mowday & Steers, 1979). The distinction is that job satisfaction can happen while there is no organizational commitment. Job satisfaction is a direct relation between the job and employee while organizational commitment is the reaction of employee to his or her organizational values and goals. It can be argued that commitment has more element of job engagement while job satisfaction does not necessarily have. However for the purpose of this study it will be assumed that organizational commitment and job satisfaction are the same.

(Meyer and Allen 1991) reconceptualised the Organizational commitment from the distinction between behavioural and attitudinal to a three-dimensional concept. The affective commitment (AC), the continuance commitment (CC) and the normative commitment (NC). The affective commitment is related to the emotional ties between employee and his or her organization. When emotional ties established then the organizational goals becomes the employee's one. Affective commitment has a wide implication on employees and it will increase satisfaction of employees as a result of either equity fairness, consideration support and care provided by organization (Hawkins, W.D. 1998). Affective commitment is best explained by the desire to stay as a result of organizational treatment to the employee. Continuance commitment differs from affective commitment because it reflects the consequential loss as a result of leaving like losing benefits, pension or salary. Status and pay earned during many years in an organization will be sacrificed. Thus, employee may stay with a company not because of loyalty but because of worse alternative or no choice. The normative commitment refers to the moral obligation by the employee to his organization especially when the company invested in him or rewarded him in advance ie providing scholarship, internship or development program..etc. In such circumstances the barrier to the employee is avoiding disappointment by his organization about his leave. Many studies (Sulaiman and Al Obaidly 2011; Sulaiman and Aljunaibi 2010; Porter et al 1978; Mowday, et al.1979;Cohen 1993;Jaros et al 1993; Tee and Meyer 1993; Zeffane and Ferdinand 1995) have shown strong positive relationship between organizational commitment and job retention (intention to stay) or a negative relationship between commitment and turnover

(intention to quit). Firms spend a lot on job turnover especially in countries heavily depending on expats and foreigners workforce. Many studies (Sulaiman and Iles 2000a,b; Sulaiman and Al Kathairi 2013; Meyer et al 1989; Meyer et al 2002; Al-Qattan 1987; Saks 2006; Simpson 2009; Ibrahim and Al Falasi 2014; William and Anderson 1991) have shown organizational commitment impact job performance , organizational citizenship behaviours (OCB) and firms financial performance positively. It has shown that there is a positive relationship between commitment and performance. Firms do strive for success and outperformance. Firms do exist in the life of low margins, innovation, cut throat competition. It is not sustainable if they can not act and succeed. They can not succeed without their real asset (human capital). Thus, employee's satisfaction, commitment, loyalty and retention are all very important for practitioners as well as researches.

Pay satisfaction

Pay satisfaction evolved with evolvement of equity theory (Adam 1963). Pay satisfaction defined as how individual perceive his financial compensation (rewards and benefits) compared to his efforts and compared to his peers. The equity theory suggests that there three possibilities to perceive the financial compensation and rewards. The first perception of individual is that the financial reward/compensation is more than the efforts exerted and the outcome generated by him. The second perception is that reward and efforts/job performance are equal. The third perception is that the financial reward/compensation is less than individual performance and efforts. All the perceptions are by the individuals (employee about him or herself). It is not by the organization or third party. According to the equity theory there will be a reaction by the individual towards any perception where in the first case the reaction will be in the sense of guilt which will trigger motivation and stimuli the employee to exert more efforts to return the balance. In the second case, which is the optimal case where the equity is achieved and the reaction will be stability and stressless situation for the individual. In the third case the reaction will be in terms of stress, demotivation and withdrawal behavioural (Singh and Loncar 2010 ; Greenberg 1987,1990;Huseman et al 1987 ,). Many studies have confirmed that the pay satisfaction is a multi-facet construct however the number of facets are argued and concluded differently (Carragher 1991; Scarpello et al 1988; Heneman et l 1988; Heneman and Schwab 1985). The literature shows that compensation or Financial compensation, reward or financial rewards and pay are used widely in the literature and for the purpose of this study they will be all assumed the same. Pay satisfaction, as per Schwab 1985, have 5 facets : pay level, raises , benefits , pay structure and the administration of the pay system. Pay level corresponds to the salary and wage. Raises refers to salary increment and raises. Benefits corresponds to its coverage and exclusion. Pay structure corresponds to the pay scale system. The administration of pay corresponds to the policies and procedures and criteria that determine the level of pay and raises. Also, it reflects the transparency of the pay related administration. Pay satisfaction has been widely studied in the literature and compared with job satisfaction. Many studies have shown that job satisfaction is more significant than pay satisfactions in predicting job retention or turnover. However, in different cultures and contexts or different organizational setups or jobs it was not the case and it was vice versa. The literature is short to test the relationship between the Continuance commitment and the pay satisfaction and the pay satisfaction as a mediator factor in predicting job retention through continuance commitment.

Job retention

Job retention or employee retention refers to the maximizing the time that employee to remain with a firm or an organization. Retention is a bout how and what activity by organization to be adopted to encourage employees to remain with them (Bidish and Mukukush 2013).

Research studies have used Job retention , employee retention , intention to stay as synonym to the same subject. Turnover, intention to quit and withdrawal are all antonyms for retention and used as well in the studies to approach the same subject. Organizational commitment with its factors in relation to job retention has been researched widely by many researchers (Sulaiman & Al junaibi 2010 ; Sulaiman and alobaidli 2012 ; Vandenberg and Tremblay 2008; DeConinck and Stilwell 2004; Griffeth and Gaertner 2000; Jaros 1997; Lum et al 1998). Studies have shown that the impact on organizations is great. Job retention saves a lot of cost and efforts to organizations. There are different costs associated with employee turnover : cost of leave ie exit , administration cost..etc , cost of replacement as a result of searching , selection and recruitment of substitute, and cost of induction like training and development ...etc. Studies have shown no universal agreement on the relationship between organizational commitment and job retention. Some studies have shown there are relationship between organizational commitment and turnover (Meyer et al 1993 ; Modway 1982). Some other studies found strong negative correlation between organizational commitment (its facets AC & CC) and intention to quit (Sulaiman and aljunaibi 2010). However , Other studies have shown no significant or moderate relationship between AC , CC and turnover (Meyer and Allen 1991;1997;Sulaiman 2002;Marchiori and Heneken 2004). Also studies have shown that the relationship between pay satisfaction and job retention is not universally agreed. Some studies have shown strong relationship between both and some others have found no any. The factors of Pay satisfaction have been examined in many studies with turnover and the conclusion were variant. Pay raises has been found to be significantly and positively associated with retention (Trevor et al 1997). (Baron et al 2001) found the administration of pay and especially transparency is highly affecting the retention.

Past researches have shown limited studies about the role played by factors of the organizational commitment and pay satisfaction in job retention. (Vandenberg and Tremblay 2008) have studied the same in 2 samples from a pharmaceutical company and respondents from many other companies. However , the study recommended and encouraged repeating the studies in many different context to better understand the causality relationship and confirm the findings . it suggested also different occupations could have impact of the overall relationship between organizational commitment, pay satisfaction and turnover. (Sulaiman and Iles 2000a and Sulaiman and Aljunaibi 2010) argued that many studies which have been done in a western context could be not applicable and suitable for Arab culture and context. There are a number of studies in the organizational commitment and turnover in the Arab context (sulaiman and Iles 2000a,b; Al Qattan 1987 ; Yousuf 2000 , 2002, 2003) however to the best of knowledge of the researcher this is the first time that multidimensional factors of organizational commitment , pay satisfaction and job retention is studied together and its relationship in Qatar which is heavily relying on non citizen workforce in one hand and in the context of Arab culture.

RESEARCH METHODOLOGY

In this section the methodology and procedure used in the study will be reviewed and presented:

Sample

The research is focused on one of the state-owned company established to deliver one of the Major infrastructure projects in the state of Qatar. The headcount of this organization at the time of survey was 386 full time employees. 246 questionnaires were randomly distributed across all company's levels and departments. 211 responses were returned with a response rate of 86%.

The approval from company's management has been taken before the questionnaire and it was confirmed to all respondents that the responses will be anonyms and it will be used for study and research purposes. Also, researcher agreed for the confidentiality and non-disclosure of the name of company. Thus, for the purpose of the study the coded name for the organization to be used is Eagle.

Instrument

A self-administered questionnaire was used for the research. The questionnaire was designed to measure different variables of the study. The questionnaire consists in four sections and it was translated to Arabic so it was having two languages option to fill in by respondents for convenience. The first section to collect general and demographic information of the participants ie (Gender, Nationality, Age groupetc). The second part consists of 13 questions to measure the pay satisfaction with its 4 dimensions Heneman & Schwab (1985) namely: Level, Benefits, raises and structure as suggested and adopted from (Heneman & Schwab (1985). The third part of the questionnaire consists of 12 questions to measure the job retention as suggested and adopted from (Sulaiman and Aljunaibi 2010). The fourth part of the questionnaire consists of 15 questions to measure the organizational commitment with its three dimensions affective commitment (AC) , Normative Commitment (NC) and continuance commitment (CC) as suggested and adopted from (Sulaiman and Iles 2000b).

Variables and measures

The researcher used the "Employee retention" as the dependent variable and "pay satisfaction" and "organizational Commitment " as the independent variable .

Job retention was measured using unidimensional scale consisting of 12 items adopted from (Sulaiman and Aljunaibi 2010).

Organization commitment was measured multi-dimensional scale consisting of 15 items adopted from (Sulaiman and Iles 2000b). 7 items to measure Affective commitment factor (AC) and 2 items to measure Normative Commitment factor (NC) and 6 items to measure Continuance Commitment factor (CC). The questionnaire was designed using Likert five point scale which ranged from "very Dissatisfied" to "very satisfied" for pay satisfaction and from "strongly agree" to "strongly disagree" for organizational commitment.

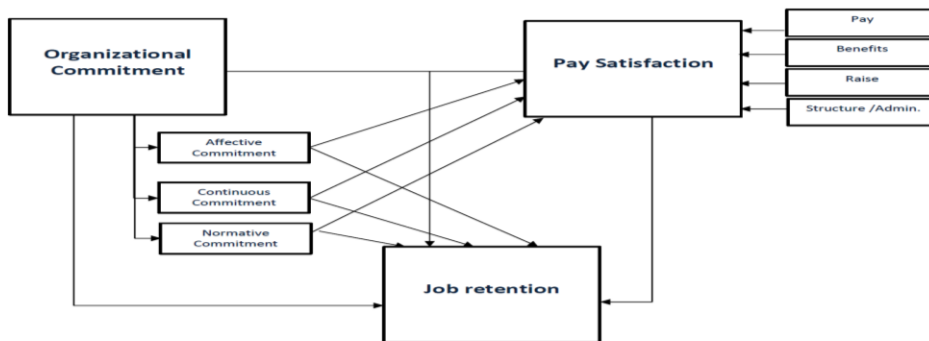
Demographic Data was measured using 8 items (Gender, Nationality, Age , Education Level , Years in organization , years in job , Marital status and job level). The questionnaire is attached in the appendix for ease of reference.

Hypotheses

Past researches have examined tested the relationship between affective commitment and job retention and between continuance commitment and job retention and it was found in both cases are positively related (Sulaiman and Aljunaibi 2010). Also, studies have shown positive relationship between affective commitment and between continuance commitment with pay satisfaction (Vandenberghe and Tremblay 2008). Pay satisfaction can affect positively organizational commitment indirectly and through continuance commitment. Pay satisfaction has also a positive relationship with job retention (Lum et al 1998). Thus the hypothesis can be developed as follow :

- H1a: Affective commitment will be positively related to Employee retention
- H1b : Normative commitment will be positively related to Employee retention
- H1c: Continuance commitment will be positively related to Employee retention
- H2a: pay satisfaction will be positively related to affective commitment
- H2b: pay satisfaction will be positively related to Normative Commitment
- H2c: pay satisfaction will be positively related to Continuance Commitment
- H3: pay satisfaction will be positively related to Employee retention
- H4: organizational commitment will be positively significant with pay satisfaction
- H5: organizational commitment will be positively significant with pay Employee retention
- H6: organizational commitment is more significant than pay satisfaction to explain job retention

Fig.1 The Study Model



DATA ANALYSIS AND DISCUSSION

The researcher used statistical package (SPSS) to analyse the data. Data entry followed a standard procedure. 48 items were coded and entered in the software. Some missing data were

found in the questionnaire and it was defined in the SPSS before the analysis and the summary of it is in the appendix.

Table-1

	Sex	Marital Status	Education	Age	Org. Tenure	Job Tenure	Job Level	Nationality
Male	163							
Female	48							
Married		176						
Unmarried		35						
Less than High school			3					
High School			5					
College Degree			19					
Graduate Degree			76					
High Diploma			10					
Masters or Above			98					
Less than 25				4				
25-35				59				
36-46				106				
47-57				34				
58 or Above				8				
< 2 years					68			
> 2 years					134			
One year or Less						24		
2-7						90		
8-13						44		
14-19						32		
20years or Above						19		
Seniro Level							54	
Middle Level							102	
Lower Level							53	
Qatari								25
Non-Qatari								185
Total	211	211	211	211	202	209	209	210

Table 1 above shows a descriptive statistic about the sample. some of the respondents missed to fill in some of the demographic questions and that's why the total subjects are different for different questions however the analysis was done for 211 cases. Most of the study subjects are males 77.2% and around 22.8% are females. Most of the study sample are married 83.5% versus unmarried of 16.5%. The majority of the sample are graduate or above representing 87.2% of the total subjects.

Table 2 below shows Non parametric test χ^2 was done between "Nationality" and "pay benefit afctor" and it was significant = 0.014. This means Qatari and Non Qatari value the pay benefit differently.

Also a χ^2 test between “Age” and “normative commitment” and it was significant at 0.04. This means the age is important factor when deciding to stay or to leave the company.

Also it was found that the χ^2 between “Age” and “pay structure” is significant at 0.02. this means that satisfaction and perception of transparency and administration of pay is different for different age groups.

Table -2

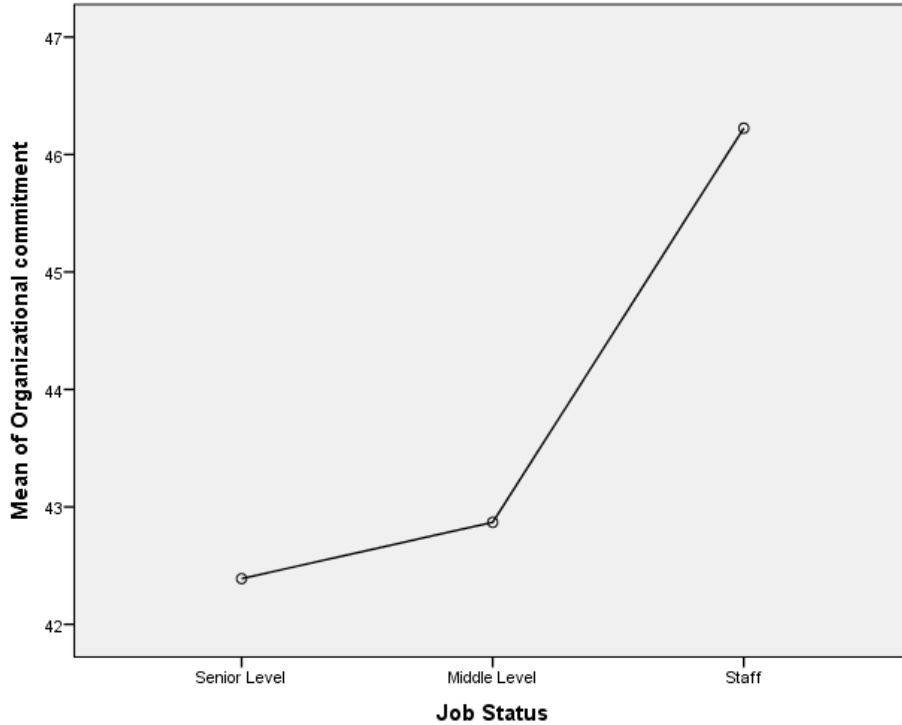
Variable	Pearson χ^2	Asymp. Sig. (2-sided)
Nationality X Pay Benefit Factor	41.808	0.014
Age X Normative commitment Factor	42.315	0.04
Age X Pay Structure Factor	95.961	0.02

One way Anova Test was run between ”NC”, ”CC” ”OC” and “job Status” which was found significant at (0.038, 0.009 ,0.015) respectively which means there is a significant difference between job levels about their decision to stay or leave the company. Posthoc test carried for the three job level groups in the study and it was found that staff level is different from senior and medium level in terms of the NC,CC and OC.

Staff level is significantly different from medium and senior management in Normative commitment “NC” at sig. (0.016,0.035) respectively.

Staff level is significantly different from medium and senior management in Continuance commitment “CC” at sig. (0.01,0.004) respectively.

Staff level is significantly different from medium and senior management in Organizational commitment “OC” at sig. (0.01,0.009) respectively. When comparing the mean in Graph 1 below of OC for the three job levels we found Lower Level/Staff have a higher mean compared to others (46 versus 43 and 42.5). this means that lower level have more organizational commitment compared to medium and senior management.

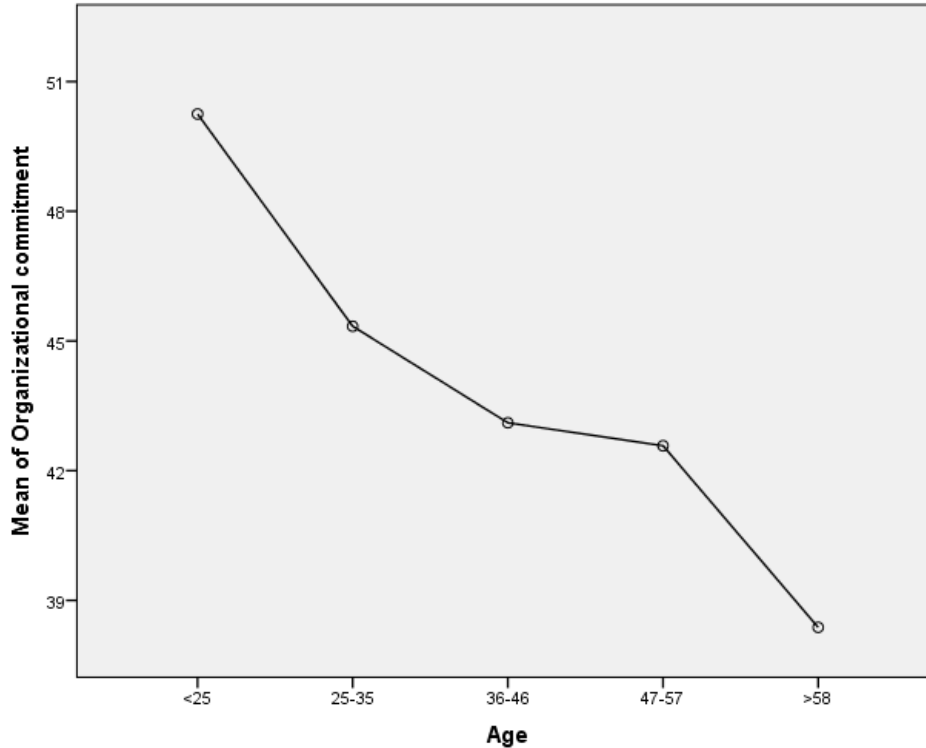


Graph-1

One way Anova Test was run between "NC","CC" "OC" and "Age" which was found significant at (0.004, 0.004 ,0.024) respectively which means there is a significant difference between Age about their commitment the company. Posthoc test carried for the five Age groups in the study and it was found that oldest Age group > 58 years is different from other age groups. Oldest Age group is significantly different from all other age groups in Normative commitment "NC" at sig. (0.008, 0.00 , 0.006 , 007) respectively ordered from youngest to oldest.

Oldest Age group is significantly different from (<25 years , 25-35 years and 36-46 years) in Continuance commitment "CC" at sig. (0.002,0.004 and 0.031) respectively.

Oldest Age group is significantly different from (<25 years and 25 – 35 years) in Organizational commitment "OC" at sig. (0.009,0.013) respectively. When comparing the mean in Graph 2 below of OC for the oldest age group > 58 years we found age groups (<25 yers and 25-35 years) have a lower mean compared to others (38 versus 50 and 45). this means that oldest age group has lower organizational commitment than youngest 2 age groups.



Graph-2

The above could be explained because oldest age group have the longest career prior to this relatively newly established company (5 years) and this group is accepting and prepared mentally they are close to the retirement age thus their organizational commitment does not make any difference to their future.

Table 3 below shows the reliability tests. All α values are greater than 0.7 which indicates consistency. This means the questions combined under same factors or variables measuring the same thing (Saunders et al., 2012)

Table -3

	Pay Level	Pay Benefit	Pay Raise	Pay Structure	Pay Satisfaction	AC	NC	CC	Organizational commitment	Employee Retention
Cronbach's α	0.945	0.877	0.837	0.83	0.929	0.818	0.84	0.79	0.833	0.791

A principal component analysis (PCA) was conducted on the 13 items scale of pay satisfaction with rotation (varimax) Appendix-b. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis, KMO= 0.892 and all KMO values for individual items were $>.829$, which is well above the accepted limit (Field,2009).Bartlett's test of sphericity $\chi^2= 1550$, $P=.000<.001$. Indicating that correlations between items were sufficiently large for Principal Component Analysis (PCA). An initial analysis was run to obtain eigenvalues for each component in the data. Three components had eigenvalues over Kaiser's criterion of 1 and in combination explained 74.5% of the variance.

The above test confirms the pay satisfaction is multidimensional with at least 3 components. The scree plot shows that 4th component could be added and Further criteria could have been

imposed on loading to extract however due to the time constraints the initial analysis is sufficient for the purpose of the conclusion of multidimensionality of pay satisfaction (Hennerman & Schwab 1985). The results shows that factor 1 is combining Pay Level and Pay Benefit together, Factor 2 represents Pay Structure/Administration and Factor 3 represents Pay Raise Factor. Also a principal component analysis (PCA) – Appendix-C was conducted on the 12 items scale (3 items were deleted to increase reliability) of organizational commitment with rotation (varimax). The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis, KMO= 0.827 and all KMO values for individual items were >.711, which is well above the accepted limit (Field,2009).Bartlett’s test of sphericity $\chi^2= 992$, $P=.000<001$. Indicating that correlations between items were sufficiently large for Principal Component Analysis (PCA). An initial analysis was run to obtain eigenvalues for each component in the data. Three components had eigenvalues over Kaiser’s criterion of 1 and in combination explained 63.3% of the variance. The results suggests that Factor 1 represents Affective Commitment with seven items, Factor-2 represents Normative Commitment with 2 items and Factor-3 represents Continuance Commitment with 3 items. All Factors loading are more than 0.5.

The above test confirm the organizational components is multidimensional with 3 components (sulaiman and Iles 2000a,b; Myer and Allen 1991).

Table 4 shows Pearson correlations coefficients as computed from the SPSS for all variables with its dimensions.

Table 4 Correlations

	Pay Benefit Factor	Pay Raise Factor	Pay Structure Factor	Affective commitment Factor	Normative commitment Factor	Continuance Commitment Factor	Pay Satisfaction	Organizational commitment	Retention
Pay Level Factor	.656**	.558**	.603**	.169*	0.099	0.081	.862**	.160*	.201**
Pay Benefit Factor		.407**	.580**	.217**	0.009	0.07	.797**	.157*	.280**
Pay Raise Factor			.644**	.387**	.245**	.235**	.791**	.393**	.279**
Pay Structure Factor				.348**	.220**	0.12	.883**	.316**	.414**
Affective Commitment Factor					.434**	.267**	.347**	.843**	.551**
Normative commitment Factor						.462**	.211**	.718**	.162*
Continous Commitment Factor							.169*	.698**	0.031
Pay Satisfaction								.330**	.375**
Organizational commitment									.397**

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

To confirm or reject hypothesis researcher used the above Correlation Tests between variables with its significant.

The results show affective commitment have significant relationship with Employee and the correlation coefficient is 0.551. Also, Normative commitment have significant relationship with Employee Retention and the correlation coefficient is 0.162. surprisingly the Continuous commitment has shown no significant Relationship with Employee Retention ($p > .05$)

Pay satisfaction have a significant relationship with AC, NC and CC and the correlation coefficient is (0.347, 0.211, 0.169) respectively.

Pay satisfaction have a significant relationship with Employee Retention and the correlation coefficient is 0.375. Pay satisfaction have a significant relationship with organizational commitment on and the correlation coefficient is 0.330. Organizational commitment have a significant relationship with Employee Retention and the correlation coefficient is 0.397. Thus all hypothesis H1a,b , H2,a,b,c , H3 and H4 are accepted hower the H1c is rejected and this will be explained later.

To test for the last hypothesis the researcher run the multiple Regression test for pay satisfaction and organizational commitment as independent variables and Employee Retention as dependent variable. The result showed there is no Multicollinearity $VIF = 1.11$ and that the F value is 22.207 highly significant. , the “R” value is 0.489 and the adjusted “R²” is 22.9%. this means that the Pay satisfaction and organizational commitment can explain up to 22.9% of variance in Employee Retention. Also it can be shown from the table that “t” value of 8.178 is highly significant . Moreover looking at coefficient , β weight for organizational commitment is 0.287 and β weight for pay satisfaction is 0.192 which confirms the hypothesis of the study that the organization commitment is more significant than pay satisfaction in predicting the Employee Retention. It is also to be mentioned that regression was done for each independent variable separately and it was found both independently are highly significant and the F-value for pay satisfaction regressed against Employee Retention is 23.397 with adjusted R value is 0.375 and adjusted $R^2 = 13.5\%$. the F-value for organizational commitment regressed against Employee Retention is 53.538 with adjusted R value is 0.397 and adjusted $R^2 = 15.3\%$ (Appendix)

This means that both variables combined organizational commitment and pay satisfaction can better predict the Employee Retention.

Table-5 Multiple Regression Results for Pay satisfaction , Organizational Commitment and Employ Retention

Model Summary		R	R Square	Adjusted R Square	Std. Error of the Estimate	
1		.489 ^a	0.24	0.229	6.102	
Model Anova		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1653.747	2	826.873	22.207	.000 ^b
	Residual	5250.08	141	37.235		
	Total	6903.826	143			
Model Coefficients		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	24.865	3.04		8.178	0
	Pay Satisfaction	0.192	0.054	0.272	3.52	0.001
	Organizational commitment	0.287	0.067	0.33	4.26	0

a. Dependent Variable: Retention

b. Predictors: (Constant), Organizational commitment, Pay Satisfaction

The study results confirm to the previous studies about the relationship between organizational commitment and its dimensions AC and NC and job retention (sulaiman and Iles 2000a,b; Al Qattan 1987 ; Yousuf 2000 , 2002, 2003) where there is a significant relationship between both variables . Also the pay satisfaction has been found to be significantly related to the Employee retention and in conformance with previous studies (Vandenberghe and Tremblay 2008). For the Continuance Commitment , when referring to the past studies the researcher found some studies have confirmed the relationship between Continuance commitment and Employee Retention is not significant (Balassiano & Salles, 2012; Faloye, 2014; Taing et al., 2011; Vandenberghe, Panaccio, & Ayed, 2011). This means the employees pf this organization is willing to leave the company without any fear of not finding a replacement job. (Ahmadi 2011) claimed that encouraging Continuance commitment is not desirable because of morale issues.

CONCLUSION AND RECOMENDATIONS

In conclusion, the study has proved empirically the importance of the organizational commitment and its factors in the retention of the employees of the organization. The normative commitment measurement was found to be reliable in this study and has a significant relationship with both organizational commitment and employee retention. The affective committee of employees is very desirable behavior because it is linked to good performance and

it reduces voluntarily absenteeism where employee will obey good organizational citizenship behaviors. Normative commitment also has a positive relationship to job performance and keeps employees attached to their organization. The continuance commitment is an arguable behavior where some studies argued that higher continuance commitment is poorly related to job performance and it might be sometimes unethical to encourage and advance such commitment in an organization while other studies advocated the continuance commitment and its positive outcome and consequence. In this study the continuance commitment has shown no significant relationship with employee retention and this is not necessarily negative thing as far as other commitment are highly significant with employee retention and this could be interpreted as a loyalty by the employee because they want and desire to but not because they ought to. In fact, some studies suggested to reduce the continuance commitment because its negative relationship with performance. The study has confirmed the multidimensionality of organizational commitment and pay satisfaction confirming to previous studies (Sulaiman and Iles 2000a,b). Interestingly it has been found here in this study that organizational commitment is following a negative relationship with age unlike most of the past studies which has shown a linear or U-shape relationship with age. The explanation to this is that the study group is highly educated and most of them are expatriate who holds senior executive roles where at this age they are mentally prepared for retirement where the association with organization is most probably transient from their perspective. Also from organization perspective it might be perceived that it is not feasible to invest in advancing such commitment for the oldest age group but it should be very important to address it in the middle age group. The Pay benefit one of the pay satisfaction factors which has a positive relationship with employee retention and it was found differently perceived by nationality. Pay structure factors, its administration, consistency, and transparency is perceived differently by different age group thus it is very important for HRM's to maintain very competitive and transparent Pay structure to enhance pay satisfaction. Pay satisfaction together organizational commitment is better in predicting employee retention and this is confirming to previous studies in this aspect. Also, Organizational commitment is more important than pay satisfaction in predicting Employee Retention. The limitation of this study is that it was made for one organization and it is cross sectional one where a causal relationship cant be assessed thus it is recommended that this study to be repeated in the future years to determine the causality. Also, since Continuance commitment is not significant related to job retention it would recommended to study continuance commitment as a case study for this organization and the performance factor from self and supervisor/organization perspective to determine underlying factors and potential different relationships in such context and such demographic mix. Also, the organizational justice to be recommended for a study for the same reason just cited for this population.

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