

THE MODERATING EFFECTS OF EMPLOYEE GENERATION ON WORKPLACE RETENTION DURING THE COVID-19 PANDEMIC

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ABSTRACT

This study examined generation differences in employee retention during the COVID-19 pandemic between three generations – Gen Z, Gen Y, and Gen X. Specifically, this study investigated the effects of transformational and transactional leadership, corporate social responsibility, technology, autonomy and work–life balance (WLB), on employee retention, and explored generation differences in these relationships. To test proposed relationships, a voluntary survey was conducted via Amazon M-Turk in April and August 2020. Based on a sample of 495 U.S. workers, the analyses using multiple regression models showed that all six factors were significantly positively related to employee retention. We further found that most important factors affecting employee retention were different between generations. For Gen Z, the most important factor was transformational and transactional leadership. For Gen Y, transformational and transactional leadership, autonomy and WLB were the most significant factors. Meanwhile, Gen X valued transformational leadership, corporate social responsibility, autonomy and WLB the most. This research provides insights for managers on how to manage employee retention differently between generations.

Keywords: Leadership, corporate social responsibility, work–life balance, technology, autonomy

INTRODUCTION

Employee retention has been a major concern for managers and executives. Research conducted by Lee, Hom, Eberly, and Li (2018) found that 46% of Human Resource (HR) managers deemed employee turnover as their top concern and that replacing employees who quit can cost upwards of 200% of the annual salary – including the costs to recruit, hire, and on-board new employees. Personnel losses can disrupt service delivery, reduce firm performance, and demoralize the remaining employees (Lee et al., 2018). Replacing staffs is extremely costly, and as firms invest more and more into human capital, preventing unwanted turnover is critical for company success. Garg (2018) described employees as the most valuable asset of any organizations; therefore, it is in the long-term benefit of a firm to build up and nurture employees. Therefore, in this study, we seek to examine whether supervisor’s leadership styles (transformational and transactional), corporate social responsibility (CSR), technology, autonomy and work–life balance (WLB) affect

employee retention in the workplace, especially during the COVID-19 pandemic. Furthermore, we explore generation differences in these relationships during the COVID-19 pandemic.

Numerous studies have investigated the impact of leadership styles on employee retention. Most studies show that positive leadership behaviors – both transformational and transactional – have a negative relationship with turnover intention (Covella, McCarthy, Kaifi, & Cocoran, 2017; Gyensare, Kumedzro, Sanda, & Boso, 2017; Tian et al., 2020). For instance, Kleinman (2004) showed a positive relationship between positive leadership behaviors and employee retention, suggesting that positive leadership behaviors decrease an employee's desire to terminate voluntarily. Furthermore, another stream of research has also examined the positive impact of CSR on employee retention. Several studies supported that commitment to CSR lowers employees' intention to quit (Ghosh & Gurunathan, 2014; Ouakouak, Arya, & Zaitouni, 2019) and reduces voluntary turnover (Cohen, Cavazotte, da Costa, & Ferreira, 2017), especially in young professionals. Also, many articles have provided empirical evidence of the positive impact of technology on employee retention. The availability of modern technology, whether related to human resource management (HRM) (Nuru & Osman, 2013) or information technology (IT) in general (Haar & White, 2013), is an important factor in employee retention. Aruna and Anitha (2015) showed that technology is especially important for Gen Y employee retention.

Studies have also shown a positive relationship between autonomy and employee retention. Liu, Zhang, Wang, and Lee (2011) showed that the higher autonomy in an organization the lower likelihood of turnover. Other studies have shown autonomy to be a major factor in commitment to an organization and employee retention (Yumnam & Singh, 2019), especially among younger generations (Gohar, Bashir, Abrar, & Asghar, 2015). Other studies have also shown WLB to be an important factor affecting employee retention. For instance, studies by Deery and Jago (2013) and Chimote and Srivastava (2013) found that WLB has a positive impact on reducing turnover and increasing retention, and another study reported that WLB is especially important to younger professionals (Ahsan, Hossain, & Akter, 2016).

While there has been a lot of research on the subject of employee retention, few studies have examined the effect of all six factors – transformational and transactional leadership, CSR, WLB, autonomy, and technology – on employee retention. Furthermore, no study has examined the impact of these six variables on employee retention for different generations, especially during the COVID-19 pandemic, which has motivated our current study. In this study, to fill this gap in the management literature, we investigated the generational differences in the impacts of transformational and transactional leadership, CSR, technology, autonomy and WLB on employee retention in the workplace during the COVID-19 pandemic.

LITERATURE REVIEW AND HYPOTHESES

Leadership and Employee Retention

Gyensare and his co-authors (2017) discussed the relationship between transformational leadership and voluntary turnover intention in the public sector. A cross-sectional survey was used to draw samples of full-time employees from a large public sector organization in Ghana, where the employee turnover rate was staggeringly high. The results of their analysis showed a negative

relationship between transformational leadership and employee turnover intention. Specifically, the higher the transformational leadership score, the less likely an employee would leave voluntarily a position in the public sector. Similarly, Tian and colleagues (2020) investigated the effect of transformational leadership on employee retention at small- and medium-sized enterprises (SMEs). Using the sample of 505 employees from Chinese SMEs, they showed that transformational leadership positively influenced employee retention through employee's organizational citizenship behavior (OCB). Meanwhile, Kleinman (2004) examined the relationships between leadership behaviors – both transformational and transactional – and staff nurse retention to determine what leadership behaviors contribute most to staff nurse retention. In the study, the author found that transactional leadership, specifically active management by exception, had a significantly positive effect on staff nurse retention. An interesting finding from the study was that nurse managers perceived that they demonstrated a high frequency of transactional leadership behaviors, but staff nurses did not agree, which suggests the disparity in perceptions between managers and employees. Therefore, based on the existing literatures suggesting the positive relationship between positive leadership behavior (transformational and transactional) and employee retention, we hypothesize that both transformational and transactional leadership are positively related to employee retention.

Hypothesis 1: Manager's transformational and transactional leadership are positively related to employee retention.

Corporate Social Responsibility and Employee Retention

Ghosh and Gurunathan (2014) examined the effect of CSR on employees' intention to quit an organization. Their analysis revealed that when an employee perceives being a part of an organization that likes to give back to a large society, this signals that the organization has values and norms that satisfy the employee's need for a meaningful existence. Therefore, CSR perceptions encourage employees to stay with the company and lower their intention to quit. Cohen et al. (2017) investigated whether CSR is an attraction and thus retention factor for young professionals in Brazil. The results of the survey suggested that CSR was significantly related to the likelihood of trainees leaving the company voluntarily, regardless of their satisfaction with salary, growth opportunities, and alignment of interests with the work performed. This finding especially with young professionals is important because experts report a loss of up to 50% of trainees due to voluntary turnover before they start to bring results after expensive training programs. Similarly, Ouakouak and colleagues (2019) explored the direct and indirect effects of internal and external CSR practices on employee organizational citizenship behavior and the intention to quit among 664 employees working in the banking sector in Kuwait. Their study found a negative relationship between perceptions of CSR and employees' intention to quit. Therefore, CSR reduces employees' intention to quit and can be considered an important factor for employee retention. Overall, based on the literature, we hypothesize that employee's perception of CSR is positively related to employee retention.

Hypothesis 2: Employee's perception of CSR is positively related to employee retention.

Technology and Employee Retention

Aruna and Anitha (2015) investigated the role of technology in retaining employees, especially for Gen Y workforce because Gen Y is commonly considered as the “Net” generation. Using the data from 100 Gen Y employees at three different levels of an IT company, the results of the study showed that technology in the work environment, both in terms of level and availability, played a crucial role in retaining Gen Y employees. It is because Gen Y employees are easily frustrated with old technology and are more likely to stay if they are provided with updated technology and systems. This is reasonable, given that Gen Y grew up with greater access to technology and is more prone to taking “digital” breaks from work. Nura and Osman (2013) also studied the relationship between technology, specifically HRM technology, and employee retention. The results showed a significant relationship between modern technology based HRM and employee retention. This is because modern HRM technology can reduce the time, energy, and costs incurred, resulting in fewer complaints and conflicts between employers and employees. Furthermore, Haar and White (2013) examined the role of IT in employee retention. In their study, three IT dimensions were used – IT knowledge, IT operations, and IT. They found that high IT objects enhanced a firm’s entrepreneurial capability, leading to greater retention benefits by almost 10%. This is because high levels of IT hardware and software can provide a better workplace for employees, suggesting the importance for firms to commit physical IT resources to their workforce. In sum, existing literature suggests us to hypothesize that the availability of modern IT at companies is positively related to employee retention.

Hypothesis 3: Availability of modern IT is positively related to employee retention.

Autonomy and Employee Retention

Liu et al. (2011) examined the relationship between autonomy orientation, autonomy support, and voluntary turnover. The results of the study showed that managers that allowed a greater degree of autonomy orientation and provided increased autonomy support to their employees significantly reduced the likelihood of voluntary turnover. Similarly, the study done by Gohar and colleagues (2015) examined the effect of job autonomy on organizational commitment, which subsequently led the likelihood of leaving a company. Using 299 respondents from public sector universities, their results proved a highly significant relationship between job autonomy and organizational commitment, suggesting that with increased autonomy, employees become more committed to their company and are less likely to leave voluntarily in favor of competitors. The study came across an interesting discovery that public sector university employees tended to be younger, and 65% of the participants were 35 years old or younger, suggesting that the results of this study apply more to younger generations. Meanwhile, Yumnam and Singh (2019) examined the relationship between autonomy and employee retention in private life insurance companies in India. The findings the study supported that autonomy was a major factor in increasing employee retention. Overall, based on the existing literature, we hypothesize that job autonomy is positively related to employee retention.

Hypothesis 4: Job autonomy is positively related to employee retention.

Work–life Balance and Employee Retention

WLB has received substantial attention in recent years. For instance, Deery and Jago (2013) discussed the need to retain talented staff in the hospital industry and found WLB as a successful turnover management practice. Specifically, in their study, eleven scholarly journals were reviewed for the WLB theme, and the findings suggest WLB as a key variable in the issue of employee retention. Furthermore, they found that the impact of WLB is greater for productive employee, which is crucial to firm’s sustained competitive advantage, and for hospital industry, where heavy workloads and emotional exhaustion lead to voluntary turnover. In addition, Chimote and Srivastava (2013) investigated the benefits of WLB from both the perspective of employer and employees. From an employer perspective, they examined whether WLB reduced turnover and increased retention. By using data for the study collected using a structured questionnaire, they found that innovative WLB policies enable organizations to attract and retain job applicants and reduce employee turnover. Ahsan and colleagues (2016) examined the relationship between WLB, age, and employee retention in the pharmaceutical industry in Bangladesh, where it is difficult to retain key employees due to employees migrating to competing organizations every six years, on average. Their findings suggest the need for WLB to ensure employee retention. Furthermore, they found that impact was greater for young employees (below 35) than older employees (above 35), suggesting that this impact varies significantly depending on the generation. Interestingly, there was no significance depending on the gender, suggesting that WLB was important to both the male and female group of employees. Therefore, extant literatures make us to hypothesize that employee’s perception of WLB is positively related to employee retention.

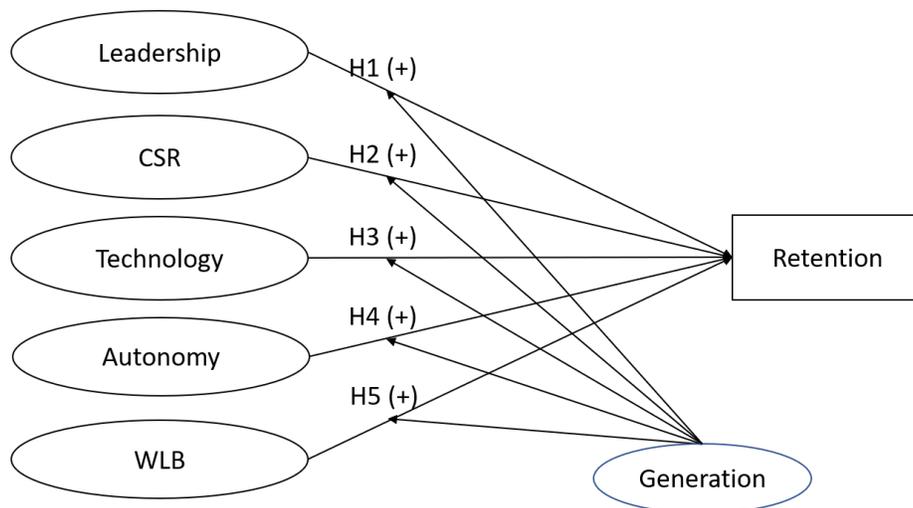
Hypothesis 5: Employee’s perception of WLB is positively related to employee retention.

METHODOLOGY

Research Framework

Based on the hypotheses that we discussed, we suggest the research framework, as shown in Figure 1.

Figure 1. Research Framework for the Study of Employee Retention



Sample Data and Questionnaire

Survey data were collected using Amazon Mechanical Turk. To participate in the survey, workers were required to satisfy two conditions: they had to be employed and aged from 18 to 55 years. The survey was first run for a week in the third week of April 2020 and received 220 responses. It was run a second time for a week in the fourth week of August 2020 and received 350 responses, resulting in 570 valid responses in total for the two survey runs. Nine responses were deleted due to repeat responses, and 24 were deleted due to multiple missing values, which decreased the total valid responses to 537. Furthermore, 42 responses were deleted because of poor response quality. Poor responses were identified using the reverse codes. After removing the poor responses, we were left with 495 usable and valid sample cases for this research.

Measures

Established measures were used for all our variables, and unless otherwise noted, responses to all items were made on 7-point Likert-type scales, ranging from 1 (strongly disagree) to 7 (strongly agree).

Leadership Variables

Transformational and transactional leadership are independent variables for this study. Following Vera and Crossan (2004), we measured transformational leadership along four dimensions: charismatic leadership, inspirational motivation, intellectual stimulation, and individualized consideration. Transactional leadership was measured along two dimensions: contingent reward and active management by exception. In total, we used 18 items as follows.

Transformational leadership variable. The charismatic leadership dimension included (1) My leader makes everyone around him/her enthusiastic about assignments; (2) I have complete faith in my leader; and (3) My leader encourages me to express my ideas and opinions. The inspirational motivation dimension included (1) My leader is an inspiration for us; (2) My leader inspires loyalty to him/her; and (3) My leader inspires loyalty to the organization. The intellectual stimulation dimension included (1) My leader's ideas have forced me to rethink some of my own ideas, which I had never questioned before; (2) My leader enables me to think about old problems in new ways; and (3) My leader has provided me with new ways of looking at things that used to be a puzzle for me. The individualized consideration dimension included (1) My leader gives personal attention to members who seem neglected; (2) My leader finds out what I want and tries to help me get it; and (3) I can count on my leader to express his/her appreciation when I do a good job. Cronbach's alpha for this scale was .963.

Transactional leadership variable. The contingent reward dimension included three items: (1) My leader tells me what to do if I want to be rewarded for my efforts. (2) There is close agreement between what I am expected to put in as group effort and what I can get out of it; and (3) Whenever I feel like it, I can negotiate with my leader about what I can get from what I accomplish. Management by exception – active dimension included three items: (1) My leader asks me no more than what is absolutely essential to get the work done; (2) It is all right if I take initiative, but my

leader does not encourage me to do so; and (3) My leader only tells me what I have to know to do my job. Cronbach's alpha for this scale was .710.

Corporate Social Responsibility Variable

CSR – an all-encompassing term for the economic, legal, ethical, and discretionary expectations that society has of organizations – served as another independent variable in this study. Following Woo (2013), we measured CSR along five dimensions: human rights and labor; and those related to the environment, economy, product responsibility, and society. The environment-related dimension included three items: (1) Taking care of water, energy, and material use; (2) Minimizing pollution when producing products or services; and (3) Investing to protect the environment. Human rights and labor-related dimensions included three items: (1) Protect human rights at workplaces; (2) Allow freedom of labor unions and forbid discrimination; and (3) Clarify health care benefits for employees. The product responsibility-related dimension included two items: (1) Clearly label/explain products/services for customers and (2) Care for customer complaints. The society-related dimension included two items: (1) Invest to develop local community welfare and (2) Avoid corruption in business. The economy-related dimension included two items: (1) Provide company financial information to the public and (2) Consider the indirect impact of marketing programs on society. Cronbach's alpha for this scale was .901.

Availability of Modern IT Variable

Availability of modern IT is an independent variable in this study. Following Nambisan, Agarwal, and Tanniru (1999), we measured this variable using three items: (1) I have easy access to new technologies in the workplace; (2) I am permitted to use new technology; and (3) I am capable of experimenting with new technology, as necessary. Cronbach's alpha for this scale was .885.

Autonomy Variable

Autonomy is another independent variable in this study. Following Hackman and Oldham (1980), we used three items to measure autonomy: (1) I have significant autonomy in determining how I do my job; (2) I can decide on my own how to go about doing my work; and (3) I have considerable opportunity for independence and freedom in how I do my job. Cronbach's alpha for this scale was .937.

Work–Life Balance Variable

WLB is the independent variable for this study. We measured WLB using five items from the balance dimension of Brett and Stroh (2003) as follows: (1) I feel that my job negatively affects my psychological well-being; (2) I feel that my job negatively affects my physical health; (3) I feel tension about balancing my responsibilities; (4) I feel that I should change something about my work to balance my responsibilities; and (5) I feel that personal commitments interfere with my job. Cronbach's alpha for this scale was .902.

Employee Retention Variable

Retention is the dependent variable for this study. We defined the retention as the employee's intention to stay in the workplace. We measured employee retention using three items from Armstrong-Stassen and Schlosser (2008). The study measured the employee's intention to stay at the workplace with three items as follows: (1) Barring unforeseen circumstances, I would remain in this organization indefinitely (2) If I were completely free to choose, I would prefer to continue working in this organization (3) I expect to continue working as long as possible in this organization.

Generation Variable

Multiple definitions of Gen Z have been used in numerous studies on employees. For instance, Dhopade (2016) defined Gen Z as employees born between 1993 and 2011, while other studies defined Gen Z as employees born between 1995 and 2015 (Kasasa, 2020), born between 1996 and 2010 (Brown, Shallcross, & Stuebs, 2019), or born between 1997 and 2013 (Schroth, 2019). To summarize, most studies suggest that Gen Z employees were born between 1993 and 1997 and thus, it appears reasonable for the purposes of this study to use a middle value to define the beginning birth year of Gen Z. Therefore, we used the middle value, 1995, and as of August 2020, employees were categorized into three generations as follows: (1) Gen Z - 18 to 24 years old, (2) Gen Y - 25 to 39 years old, and (3) Gen X - 40 to 55 years old.

Regression Model

To test hypotheses, comparing between different generations, we used a subsample analysis instead of a two-way interaction design. This approach is preferable because it reduces the possibility that noise will be introduced into the model (Stone-Romero & Anderson, 1994). Furthermore, this study built an employee retention model using regression analysis. It employed a multiple regression models with employee retention as the dependent variable, and transformational leadership, transactional leadership, CSR, technology, autonomy and WLB as the independent variables. The multiple regression model is as follows:

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon_i$$

where Y_i = Employee Retention
 X_1 = Transformational Leadership
 X_2 = Transactional Leadership
 X_3 = CSR
 X_4 = Technology
 X_5 = Autonomy
 X_6 = WLB
 ε_i = error terms

STATISTICAL RESULTS

Sample Description

Table 1 shows the demographic characteristics of the respondents by each generation. Table 2 details the gender demographics of the survey respondents.

Table 1. Age Demographics

Generations	Frequency	Percentage
Z (18-24)	120	24.2
Y (25-39)	278	56.2
X (40-55)	91	18.4
Boomers (56-)	6	1.2
Total	495	100.0

Table 2. Gender Demographics

Gender	Frequency	Percentage
Male	247	49.9
Female	241	48.7
Prefer not to respond	7	1.4
Total	495	100.0

Descriptive Statistics and Correlation Analysis

Table 3 shows the descriptive statistics and correlations among the dependent variable and six independent variables for the entire survey respondent population (N = 495). Employee retention was found to be significantly correlated with transformational and transactional leadership, CSR, WLB, technology, and autonomy ($p < 0.01$).

Table 3. Descriptive Statistics and Correlations for All Data (N = 495)

	Mean	SD	N	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) Retention	4.731	1.844	495	1						
(2) TF Leadership	4.751	1.445	495	.643**	1					
(3) TS Leadership	4.406	1.098	495	.473**	.667**	1				
(4) CSR	5.021	1.114	495	.490**	.646**	.475**	1			
(5) Technology	5.409	1.398	495	.431**	.483**	.398**	.476**	1		
(6) Autonomy	5.070	1.506	495	.473**	.529**	.375**	.403**	.456**	1	
(7) WLB	4.633	1.622	495	.245**	.218**	-.112*	.136**	.184**	.265**	1

* $p < 0.05$, ** $p < 0.01$. TF and TS stand for transformational and transactional.

Table 4 shows the descriptive statistics and correlations among the dependent variable and six independent variables for the Gen Z data only (N = 120). Employee retention was found to be significantly correlated with transformational and transactional leadership, CSR, technology, autonomy ($p < 0.01$), and WLB ($p < 0.05$).

Table 4. Descriptive Statistics and Correlations for Gen Z (N = 120)

	Mean	SD	N	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) Retention	4.275	2.015	120	1						
(2) TF Leadership	4.762	1.477	120	.667**	1					
(3) TS Leadership	4.313	1.069	120	.539**	.662**	1				
(4) CSR	4.859	1.154	120	.527**	.663**	.455**	1			
(5) Technology	5.175	1.520	120	.477**	.507**	.451**	.486**	1		
(6) Autonomy	4.969	1.533	120	.521**	.632**	.421**	.453**	.588**	1	
(7) WLB	4.538	1.515	120	.187*	.241**	-.069	.153	.128	.383**	1

*p < 0.05, **p < 0.01

Table 5 shows the descriptive statistics and correlations among the dependent variable and six independent variables for Gen Y data only (N = 278). Employee retention was found to be significantly correlated with transformational and transactional leadership, CSR, WLB, technology, and autonomy (p < 0.01).

Table 5. Descriptive Statistics and Correlations for Gen Y (N = 278)

	Mean	SD	N	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) Retention	4.815	1.708	278	1						
(2) TF Leadership	4.754	1.422	278	.683**	1					
(3) TS Leadership	4.502	1.120	278	.522**	.682**	1				
(4) CSR	5.090	1.079	278	.475**	.652**	.509**	1			
(5) Technology	5.397	1.364	278	.433**	.534**	.426**	.538**	1		
(6) Autonomy	5.110	1.437	278	.442**	.510**	.325**	.385**	.387**	1	
(7) WLB	4.536	1.692	278	.182**	.124*	-.226**	.048	.168**	.171**	1

*p < 0.05, **p < 0.01

Table 6 shows the descriptive statistics and correlations among the dependent variable and six independent variables for the Gen X data only (N = 91). Employee retention was found to be significantly correlated with transformational and transactional leadership, CSR, WLB, technology, and autonomy (p < 0.01).

Table 6. Descriptive Statistics and Correlations for Gen X (N = 91)

	Mean	SD	N	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) Retention	5.084	1.907	91	1						
(2) TF Leadership	4.810	1.483	91	.565**	1					
(3) TS Leadership	4.275	1.077	91	.306**	.654**	1				
(4) CSR	5.053	1.165	91	.495**	.614**	.395**	1			
(5) Technology	5.703	1.308	91	.325**	.358**	.301**	.296**	1		
(6) Autonomy	5.055	1.712	91	.507**	.489**	.478**	.388**	.477**	1	
(7) WLB	4.998	1.532	91	.519**	.532**	.287**	.391**	.252*	.406**	1

*p < 0.05, **p < 0.01

Regression Analysis

The results of the regression model for the entire dataset were statistically significant ($R^2 = .463$, $R^2_{adj} = .457$, $F [6, 488] = 70.207$, $p < 0.01$). The model showed no serious multicollinearity (condition index < 30 , $VIF < 5$). Transformational and transactional leadership, technology, autonomy, and WLB were found to be significantly related to retention ($p < 0.05$), and CSR, marginally significantly related to retention ($p = 0.062$).

The results of the regression model for the Gen Z data set were statistically significant ($R^2 = .496$, $R^2_{adj} = .469$, $F [6, 113] = 18.524$, $p < 0.01$). The model showed no serious multicollinearity (condition index < 30 , $VIF < 5$). Transformational leadership was found to be significantly related to retention ($p < 0.05$); transactional leadership, only marginally significantly related ($p = 0.084$); and CSR, technology, autonomy, and WLB not statistically significant.

The results of the regression model for the Gen Y data set were statistically significant ($R^2 = .504$, $R^2_{adj} = .493$, $F [6, 271] = 45.901$, $p < 0.01$). The model showed no serious multicollinearity (condition index < 30 , $VIF < 5$). Transformational leadership, transactional leadership, autonomy, and WLB were found to be significantly related to retention ($p < 0.05$), while CSR and technology factors showed no statistical significance.

The results of the regression model for the Gen X data set were statistically significant ($R^2 = .468$, $R^2_{adj} = .429$, $F [6, 84] = 12.292$, $p < 0.01$). The model showed no serious multicollinearity (condition index < 30 , $VIF < 5$). Transformational leadership, autonomy, and WLB were found to be significantly related to retention ($p < 0.05$); and CSR, marginally significantly related ($p = 0.095$). Transactional leadership and technology factors showed no statistical significance. Table 7 summarizes the results of the four regression models.

Table 7. Regression Model Results

	All Data	Gen Z	Gen Y	Gen X
Dependent Variable	Retention	Retention	Retention	Retention
Constant	-1.077 (.380)	-1.971 (.811)	-.740 (.481)	-.126 (.936)
TF Leadership	.489 (.072)***	.488 (.163)**	.544 (.090)***	.399 (.172)*
TS Leadership	.183 (.081)*	.314 (.180)#	.286 (.100)**	-.288 (.194)
CSR	.139 (.074)#	.199 (.160)	.026 (.094)	.282 (.167)#
Technology	.110 (.054)*	.137 (.118)	.047 (.068)	.046 (.134)
Autonomy	.157 (.050)**	.125 (.131)	.124 (.060)*	.292 (.115)*
WLB	.128 (.042)**	.060 (.102)	.145 (.049)**	.272 (.121)*
R^2	.463	.496	.504	.468
Adjusted R^2	.457	.469	.493	.429
F	70.207	18.524	45.901	12.292
Observations	495	120	278	91

$p < 0.10$, * $p < 0.05$, ** $p < 0.01$. The standard errors of the regression coefficient estimates are reported in parentheses.

DISCUSSION

Impacts of Transformational and Transactional Leadership on Employee Retention

The evidence supports Hypothesis 1 at the entire, Gen Z, and Gen Y data sets. For these populations, both transformational and transactional leadership was found to be positively related to employee retention and these results are all significant ($p < 0.05$). For Gen Z population, transformational leadership is significantly and positively related to employee retention ($p < 0.01$), whereas transactional leadership is marginally and positively related to employee retention ($p < 0.10$). For Gen Y population, both transformational ($p < 0.01$) and transactional leadership ($p < 0.05$) are positively related to employee retention. For Gen X population, however, only transformational leadership is significantly and positively related to an employee retention ($p < 0.05$), while transactional leadership is not significant related to employee retention in spite of its significant correlation ($p < 0.05$) in the entire data set. In sum, these results are partially in line with previous studies that support the claim that transformational and transactional leadership has a positive impact on employee retention (Covella et al., 2017; Gyensare et al., 2017). Also, the results from the Gen X data are also consistent with the literature that shows no conclusive evidence of transactional leadership as a significant antecedent affecting employee retention (Kleinman, 2004). Overall, the results indicate that regardless of age, leadership is an important antecedent affecting an employee's intention to remain in an organization. Furthermore, considering that this survey was conducted during the pandemic, significant results of both transformational and transactional leadership suggests that leadership variable is not affected by the pandemic.

Impacts of Corporate Social Responsibility on Employee Retention

The evidence supports Hypothesis 2, although only marginally at the entire and Gen X data sets. For these populations, CSR was found to be positively related to employee retention ($p < 0.10$). However, the CSR variable was not statistically significant in the multiple regression model, which does not support our hypothesis at the Gen Y and Gen Z data sets. Our results for each generation are inconsistent with prior studies suggesting CSR as a positive antecedent in employee retention, thus decreasing an employee's intention to quit an organization (Gosh & Gurunathan, 2014; Cohen et al., 2017; Ouakouak et al., 2019). This may be attributed to the manner in which such data were viewed in our study. We looked at the relationship between CSR and retention in different generations, which prior literature did not do. When looking at the entire data set, without detailing it by generation, our results are in line with prior literature. Our research was also conducted during the pandemic period, while prior literature was conducted before the pandemic. This result suggests that the positive impact of CSR on employee retention may be affected by the pandemic especially for the Gen Z and Gen Y employees.

Impacts of Availability of modern IT on Employee Retention

The evidence supports Hypothesis 3 at the entire data set. Availability of modern IT was found to be significant and positively related to employee retention ($p < 0.05$). The results for the entire data set are in line with past studies that support the argument that technology has a positive impact on employee retention (Aruna & Anitha, 2015; Nura & Osman, 2013; Haar & White, 2013).

However, the results from the Gen Z, Gen Y, and Gen X data sets are not significant and does not support our hypothesis. The differences in the results for the different generations when compared with prior literature can be attributed to our study using generations as a moderator, which prior studies did not do. It may be also because our study was conducted during the pandemic period, while previous studies were conducted before the current pandemic. This result suggests that updated technology is considered nice to have across all generations, but not an important factor in deciding whether to remain in an organization.

Impacts of Autonomy on Employee Retention

The result supports Hypothesis 4 at the entire, Gen Y, and Gen X data sets. For these populations, autonomy was significant and positively related to employee retention ($p < 0.05$). The results for the entire, Gen Y, and Gen X data sets are in line with previous studies that support the claim that autonomy has a positive impact on employee retention (Liu et al., 2011; Gohar et al., 2015; Yumnam & Singh, 2019). However, result from the Gen Z data showed that the autonomy variable was not statistically significant to employee retention. The differences from prior literature can be attributed to our study's use of generations as a moderator, which, prior studies did not do. It may be also because our study was conducted during the pandemic period, whereas previous studies were conducted before the current pandemic. Our result indicates that the Gen Z employees, who are just starting in their careers, are comfortable with more managerial oversight, as they need to learn about their job and the company, while older generations, who are more established in their jobs, likely crave more autonomy and, as a result, autonomy plays a more important role in their retention. Furthermore, considering that this survey was conducted during the pandemic, significant results of autonomy in Gen Y and Gen X data suggests that autonomy variable is still significant factor affecting employee retention for Gen Y and Gen X employee even during the pandemic, which may threaten the job security.

Impacts of Work–Life Balance on Employee Retention

The evidence supports Hypothesis 5 at the entire, Gen Y, and Gen X data sets. For these populations, WLB was found to be significant and positively related to employee retention ($p < 0.05$). The results for the entire, Gen Y, and Gen X data sets are in line with previous studies that support the claim that WLB has a positive impact on employee retention (Deery & Jago, 2013; Chimote & Srivastava, 2013; Ahsan et al., 2016). However, WLB was not statistically significant in the multiple regression model for Gen Z population. The difference in Gen Z may be attributed to the sample data and the way such data were viewed in our study. We tested the relationship between WLB and employee retention in each generation, which prior literature did not do. It may be because that WLB is less of an important antecedent for Gen Z employees because they are early in their careers and have not yet started a family, as opposed to Gen Y employees, who have started their families and Gen X employees, who have already established their families. Furthermore, the results indicate that WLB was not affected by the pandemic, which underscore the importance of WLB in affecting employee retention especially for the Gen Y and Gen X population even during the pandemic. Overall, WLB is not as important to Gen Z, whereas the other two generations (Gen Y and Gen X) prioritize it, as they need to spend time with their families. Table 8 summarizes the results of the five hypotheses.

Table 8. Summary of the Findings

Hypothesis	Dependent Variable	Independent Variable	Moderator	Explanation
Hypothesis 1	Retention	Leadership	Generation	Significant effect in all generations
Hypothesis 2	Retention	CSR	Generation	Effect stronger in Gen X
Hypothesis 3	Retention	Availability of modern IT	Generation	Insignificant effect in all generations
Hypothesis 4	Retention	Autonomy	Generation	Effect stronger in Gen X and Y
Hypothesis 5	Retention	WLB	Generation	Effect stronger in Gen X and Y

Managerial Implications

Replacing employees who leave an organization is costly. The findings of our study have important managerial implications that transformational and transactional leadership, CSR, technology, autonomy, and WLB are important factors for employee retention. The results also showed vastly different results depending on the generation, providing important managerial implications for handling retention amongst different generations of employees. Also, because the survey was conducted during the pandemic period, a time of adjustment for most companies, there are important managerial implications for employee retention during this pandemic period.

Transformational leadership and transactional leadership remained perhaps the most important factor in employee retention across all generations and looks to be not impacted by the COVID-19 pandemic. Training programs for managers would be beneficial and would likely cost less than hiring replacements for employees who leave the organization as a result of poor management. Businesses should choose to invest in training and reviewing performance of their management staff in an effort to increase retention in all generations of employees.

CSR was only a significant factor for employee retention in Gen X. It may be possible that this factor was strongly influenced by the pandemic period because the results were not consistent with prior research. The results of this study would imply that organizations don't need to invest heavily in CSR, as a means to increase employee retention, because the factor was not significant in the two younger generations. CSR has many benefits for an organization, so should remain a priority, but when it comes to employee retention it was an important factor for the oldest generation, Gen X only. Businesses can create or invest in teams that focus solely on CSR, although should not use an increase in employee retention as a basis for investment because the benefits would likely be immaterial and only seen in a portion of their employee population.

Availability of modern IT was an insignificant factor in an employee retention across all generations. While technology certainly plays a part in an employee's efficiency and productivity, it does not look to play a significant part in employee retention. This could be due to the pandemic period, perhaps because a lot of organizations have gone virtual employees lack the means to take advantage of updated technology. While companies should invest in newer technology in order to remain competitive in their industries, increasing employee retention should not be the basis for such an investment.

Autonomy was a significant factor for employee retention in Gen Y and X, which is consistent with prior studies and suggests that the autonomy factor was not impacted by the COVID-19

pandemic period. It is, however, not significant for Gen Z. It is likely that Gen Z did not view autonomy as an important factor in staying with their organizations because they are in the beginning stages of their career and do not mind additional oversight while they learn. Gen Y and X, who are further along in their careers, appreciate being able to work without a lot of manager intervention. It is important for managers to allow some independence with their staffs, while also making sure their younger staffs are well supported. Organizations can invest in manager training as well as employee feedback opportunities.

Lastly, Work-life balance was a significant factor for employee retention in Gen Y and X. It is likely that this is due to having established or beginning to establish families, which, is why we don't see an impact in Gen Z for this variable. It appears that this factor was not impacted by the pandemic period, if anything it made WLB even more important with a lot of children transitioning to virtual learning. It is important for leaders to structure their organizations in a way that allows for a good WLB for employees and verbalize to their staff the importance of and their acceptance of WLB. Even if this means hiring more staff, it likely won't be as expensive as having to replace staff leaving due to poor WLB. It is also important for managers to remember that even though this variable was not significant for Gen Z, that will likely change as this generation grows older. Organizations should get used to seeing this kind of split amongst their employees.

Overall, our evidence suggests that in general, employee retention can be increased by displaying greater transformational and transactional leadership skills, engaging in more CSR activities, offering access to newer and updated technologies to staff, providing more autonomy to employees and providing better WLB to employees. However, different factors become more important for employee retention between generations as shown in Table 9.

Table 9. Executive Recommendation for Employee Retention

Priority	General	Gen Z	Gen Y	Gen X
1	TF Leadership	TF Leadership	TF Leadership	TF Leadership
2	TS Leadership	TS Leadership	TS Leadership	CSR
3	CSR		Autonomy	Autonomy
4	Technology		WLB	WLB
5	Autonomy			
6	WLB			

CONCLUSIONS

Various limitations, which provide meaningful directions for future research, merit discussion. First, although the collection of data through Amazon M-Turk across all generations provides valuable contributions to examine the moderating impact of different generations on employee retention, our samples are not distributed proportionately. Specifically, Gen Y accounts for over half of the samples (56.2%), while Gen Z only accounts for 24% and Gen X only accounts for 18%, which results in some degree of sample bias. It may be because Gen Y populations have more accessibility to Amazon M-Turk. Future studies need to consider such a potential sample bias more carefully in the data collection stage.

Second, future studies need to be done to further investigate the impact of additional factors on employee retention. For instance, future studies could choose to sample a specific industry, such as the service or manufacturing industries, or choose to sample one particular company. Third, future studies could also choose to include more independent variables – this study only included six independent variables. Possible additional variables include engagement, motivation, job satisfaction, and compensation. Additional or different moderator effects such as gender, firm size (large, medium, and small), job type (clerical, technical, and managerial), education, and years employed with a company job location (urban or rural) could also be introduced in future research. Such moderators could show a different effect on leadership, CSR, availability of modern IT, autonomy, and WLB variables in relation to employee retention. Fourth, this study used a multiple regression analytical model; future studies could use a different, a more advanced analytic model, such as Structural Equation Modeling (SEM). Lastly, future work could also conduct comparative studies, focusing on specific continents (Europe and Asia) and how they compare with this study conducted in the United States.

All in all, our study highlights various in-depth contributions to the employee retention literature by using multiple independent variables as well as the generation as an important moderator. This paper provides empirical evidence that organizational factors such as transformational and transactional leadership, CSR, technology, autonomy, and WLB can positively influence employee retention in the United States. The cost of replacing an employee is extremely high for an organization, both in the actual cost of hiring and training new staff and the potential lost profits due to business interruptions. If this cost can be reduced by using five independent variables included in this study, then a firm can reduce its expenses and increase revenue (through less business interruption and increased productivity), leading to increased profitability. Increased profits would lead to a higher stock price, which would strengthen managers' job security and maximize shareholder wealth. Thus, by utilizing this research, the business community has an opportunity to increase organizational success.

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