

**THE IMPACT OF FINANCIAL AND NON FINANCIAL
BENEFITS ON EMPLOYEE RETENTION:
A STUDY OF
CEYLON ELECTRICITY BOARD AND NATIONAL
WATER SUPPLY AND DRAINAGE BOARD
IN SRI LANKA**

R

Siriwardena Arachchige Manori Siriwardena

(Reg No: 5266FM2009108)

**A research report submitted to the University of Sri
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Declaration by the Candidate

“The work described in this research was carried out by me under the supervision of Prof. Dr. Henarath H.D.N.P. Opatha and a report on this has not been submitted in whole or part to any University or any other institution for another Degree/Diploma”.


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S.A.M. Siriwardena

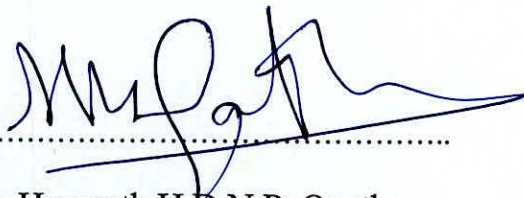
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05.12.2011
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Date

Recommendation of the Supervisor

“I certify that the above statement made by the candidate is true and that this research is suitable for submission to the University for the purpose of evaluation”.



.....
Prof. Dr. Henarath H.D.N.P. Opatha

05/12/2011

.....
Date

Professor of Human Resources Management on Merit

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ABSTRACT

The prime objective of this research study was to discover the impact of financial and non financial benefits on employee retention in Ceylon Electricity Board (CEB) and National Water Supply and Drainage Board (NWSDB) in Sri Lanka. Since several factors were identified in the literature review, preliminary investigation was conducted to filter the most crucial factors out of them. Thus research study was mainly based on five critical factors of financial and non financial benefits each on employee retention i.e. basic salary, loan facilities, fixed allowances, medical assistance, pension scheme, job security, opportunities for career development, ability to work independently, minimum level of work related stress, and best recognition of the education. The dependent variable of the study was the degree of employee retention in CEB and NWSDB and the other variables are independent variables. Since three hypotheses were formulated for testing the relationship between the dependent variable and independent variables, this study was analytical in nature. Further the study was conducted in a non-contrived setting in a cross sectional nature to collect data.

The sample was comprised of 167 randomly selected executives in CEB and NWSDB and self-administered questionnaire was used to collect primary data over a period of three months. Research questions comprised of different types of statements either positively or negatively related to the variables and scores were assigned according to the five point Likert scale. In the data analysis stage, reliability analysis, bivariate analysis, and multivariate analysis were carried out using statistical package for social sciences (SPSS).

The findings of the study revealed that the degree of employee retention in CEB and NWSDB is high. Moderate positive relationship was found between dependent variable and independent variables. Relative contribution given by non financial benefits on employee retention was high compared with financial benefits. Thus conclusion can be made by accepting all three hypotheses developed in the initial stage of the study and the writer's recommendations will also be useful to design internal systems that can increase employee retention within the organization. It enables to create retention rich organizations, where all the parties would be benefitted.

**A study on the impact of financial and non-financial benefits on employee retention:
A study of Ceylon Electricity Board and National Water Supply and Drainage Board
in Sri Lanka.**

S. A. M. Siriwardena

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