


# Chapter 11

## The Impact of Job Satisfaction on Employee Retention in the Power Sector

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### ABSTRACT

*The main subject of this research was to explore the impact of job satisfaction on employee retention in Oshakati Premier Electric. Forty-four respondents were selected for this research by employing a simple random sampling strategy. A self-administered survey questionnaire was designed to collect data from the respondents. The key findings from this research were that of extrinsic and intrinsic factors that impact employee job satisfaction on employee retention. Furthermore, the research reveals that factors such as training and developmental opportunities, employee benefits, rewards and salaries, conducive working environment, a good relationship with co-employees, and fair treatment from management and supervisors were ranked as the utmost important factors that led to employee job satisfaction and employee retention. It is recommended that management should afford an atmosphere for the attainment of high sensation of employee job satisfaction with the main responsibility of employee retention in the long-term period of the organization.*

### 1. INTRODUCTION

Employee satisfaction and retention matters started to emerge in 1970's and 1980's. After the relationship between employees and employers became intricate, it needed a conducive working environment for employees as long as employers need the service and the employers' economic condition will allow. Today employee retention is the top priority of organisations due to increasing competition (Dhanhar,

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Mehta & Kurbetti, 2014). A study by Njambi (2014) indicates that employees have vital roles of contributing to the organisation's successes. Consequently, motivated employees can lead organizations accomplish their vision and objectives (Hussin, 2014). In essence, employees should always be considered as important asset of every organisation and to accomplish results from employees, employee job satisfaction should be essential.

Over the years, employee satisfaction has been a key area of research among industrial and organisational psychologist (Cherry, 2019). There are significant reasons why organisations should be concerned with employee job satisfaction, classified according to the focus on the employee or the organisation. Job satisfaction is predicated on understanding how many employees enjoy working in an organisation. Are these employees happy? Are they satisfied with their benefits and day-to-day demands? (Jain & Singh, 2014) The reason that further justified the need for the research is that Oshakati Premier Electric competes for employees in scarce skills categories with other organisations in the power sector.

Singh (2016) opined job satisfaction as the evaluation of person's job and his organisation as contributing suitably to the attainment of one's personal objectives. The job satisfaction and dissatisfaction depend on the nature of job and on the expectation from their job. Therefore, it is a function of the intended and actual performance and the perceived discrepancy. Further, on, Singh (2016) defined the concept of job satisfaction as the difference between the quantum of rewards received by employees and the amount, they believe they should receive. That is why it is of utmost importance for OPE management to be abreast of strategies and roles they have to play to retain their employees on the antecedents and outcomes of job satisfaction and employee retention. Therefore, this chapter explore the impact of job satisfaction on employee retention at OPE.

Employee job satisfaction is a concern for all organisations, especially in the 21<sup>st</sup> Century. A myriad of research has been conducted on employee job satisfaction and employee retention as well as on various combinations thereof. As far as could be ascertained, the relationship between this entire construct has, however, not been reported on in the same research yet. In this regard, this research aimed to add to the body of knowledge in this domain of organizational psychology.

The Namibian private sector is faced with numerous operational and work force problems resultant in ineffective service delivery in many sectors. Skills shortage, changing workforce and markets, globalization, retirement of skilled and other factors has made it crucial for organisations to look beyond traditional human resource practice to attract, develop and retain their workforce (PEPFAR, 2013). As indicated by Barkhuizen (2014), the lack of poor service delivery is a direct result of management strategies that fail to retain key employees in the private and public sectors. In the past six years, OPE had to contend with a number of employees challenges such as skills shortage, 15% resignations out forty-four employees and salary whines of 10% yearly increase in previous years dropped to 6% (OPE HR Annual Report, 2018). In addressing these challenges, OPE management is still seeking for an engineer, still formulating an employee retention policy and maintaining the 6% yearly increment even though for the 2019/2020 financial year, improved the organisational medical aid contribution to 90% from 75%.

Hence the objectives for this chapter are:

- To identify the factors affecting job satisfaction at Oshakati Premier Electric.
- To determine the impact of job satisfaction on employee retention at Oshakati Premier Electric.
- To offer recommendations to the management team of Oshakati Premier Electric on job satisfaction vs employee retention.

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