



Retaining the Workforce: A Study on the Preferences of Selected Business Establishments in Retaining their Employees

Dino S. Dizon, CHRA, MBA(c), MRIBM

Faculty Member, Señor Tesoro College, Inc, Philippines

stc.dizon.dino.s@gmail.com

DOI: 10.47760/cognizance.2024.v04i10.008

Abstract— This study aimed to identify the factors that employers consider when retaining their employees. Using a descriptive research method, the study targeted a total of 113 registered MSMEs in Calasiao, Pangasinan represented by the owners, employers, and HR managers as the respondents. The data collection primarily relied on a survey questionnaire. The findings revealed that in the Municipality of Calasiao, sole proprietorship businesses predominantly operate within the wholesale and retail industry which employ 0-9 individuals, significantly contributing to the local job market and the municipality's business profile. The business landscape in the city encompasses a diverse range of establishments, including newly established businesses operating for less than five years and well-established ones with over two decades of experience. This diversity creates a healthy employment environment, driven by ongoing business investments that stimulate economic growth and employment opportunities.

Employers in Municipality of Calasiao, Pangasinan exhibited strong preferences when it comes to retaining employees, placing particular emphasis on individuals with excellent customer service skills and personal qualities like self-motivation, integrity, and a passion for their work. This comprehensive approach to employee retention reflects a multifaceted strategy for employee development. In conclusion, these findings highlight the dynamic and diverse business environment in Municipality of Calasiao. Employers prioritize not only technical skills but also personal qualities and specialized skills in their retention strategies, demonstrating a holistic approach to employee development.

Based on these findings, it is recommended for employers to strike a balance between work attitude and employee attitude for effective employee retention. Employers are also encouraged to invest in workplace safety education and training, fostering a culture of safety awareness and competence. Employees are also urged to actively engage in training and seminars to enhance their specialized, general, and personal skills, aligning with employer preferences. Continuous self-improvement is vital for employees to stand out and increase their chances of long-term retention. Future research studies are recommended to explore additional factors influencing employee retention as perceived by employers, offering a more comprehensive understanding of the subject.

Keywords— Employee Retention, Employee, Employer, Micro- Small-medium Enterprises, Business

I. INTRODUCTION

Employee retention is a significant concern for employers in the Philippines, given the dynamic nature of the local job market and the impact it has on organizational success. In recent years, scholars and practitioners have increasingly recognized the importance of retaining talent in the Philippine context. According to Dizon (2019), the Philippines is a rapidly developing economy with a thriving business sector. In this competitive environment, it is crucial for organizations to attract and retain top-tier talent to maintain a competitive edge and ensure long-term success. Employee retention is vital because it directly influences an organization's capacity to remain resilient and achieve its goals.

Scholars like Reyes (2017) have identified factors such as competitive compensation, career growth opportunities, and a positive work environment as essential considerations for employees. Additionally, strong

leadership and effective communication, as highlighted by Ramos (2018), can foster a sense of belonging and loyalty among employees. In a country with a rich cultural diversity like the Philippines, understanding the importance of work-life balance, as emphasized by Cruz (2020), is also a critical factor in employee retention. In a fiercely competitive market, retaining employees is not just a challenge but a critical factor for long-term success and the sustainability of organizations (Paul and Vincent, 2018). Inadequate employee retention leads to a range of issues, including higher costs for training and recruitment, a less skilled workforce, and disruptions in organizational operations (Ping et al., 2021). Consequently, micro-small and medium-sized enterprises (MSMEs) view employee retention as a highly intricate and unpredictable matter (Tian et al., 2020). In the Municipality of Calasiao, Pangasinan, MSMEs play a pivotal role in the municipality's social and economic development. However, they are currently facing challenges in operating at their maximum efficiency.

Employee retention has been shown to be essential in an organization's development and success. The implementation of retention programs offers an effective means of ensuring that key employees remain with the organization while upholding job performance and productivity.

The aim of this study was to delve deeply into the multifaceted landscape of employee retention within Micro-Small and Medium-sized Enterprises (MSMEs) in Municipality of Calasiao, Pangasinan. Employee retention, the act of retaining valuable employees over the long term, is a critical concern for these businesses. SMEs are the backbone of many economies, providing jobs and contributing significantly to economic growth. In this context, understanding the precise factors that influence employers' decisions regarding employee retention is not only important for the survival and success of these businesses but also for the broader economic ecosystem.

II. OBJECTIVES OF THE STUDY

The purpose of this study was to determine the factors considered by the employers in retaining their employees. Specifically, this study aimed to determine the following:

1. The profile of the respondents as to:
 - a.) form of business;
 - b.) size of the enterprise;
 - c.) industry sector; and
 - d.) number of years in operation?
2. The degree of employer's preference in retaining employee along with:
 - a.) general skills;
 - b.) personal qualities; and
 - c.) specialized skills?
3. The significant difference between the factors considered by employers and their business profile.

III. MATERIALS AND METHODS

The researcher used a descriptive method of research whose main objective/purpose was to determine factors considered by employers on employees' retention. The survey questionnaire was the main instrument in gathering data. The researcher targeted purposively surveyed a total of one hundred thirteen (113) registered MSMEs in the Municipality of Calasiao, Pangasinan which were represented by the Owners, HR Officers or the designated Hiring Managers. The researcher distributed the questionnaires to the targeted respondents in their respective organizations in Municipality of Calasiao in gathering the data and information that was needed in the research study. The researcher used descriptive statistics to facilitate data treatment and analysis. The main goal of this type of research was to describe the data and characteristics of what was being studied. The idea behind this was to study frequencies, averages and other statistical calculations. It was mainly done to gain a better understanding of the topic. The answers in the questionnaires were tallied, tabulated, analyzed statistically using the following statistical measures and tools.

In determining the profile of the respondents, frequency count, and percentage were used. Frequency count was the most straightforward approach in working with quantitative data. Items were classified according to a particular scheme and an arithmetical count was made of the number of items (or tokens) within the text which belong to each classification (or type) in the scheme. While percentage was a way of expressing proportion a ratio or fraction as a whole number, by using 100 as the denominator.

To determine the degree of importance of preferred skills and qualities of business, treatment of data that was used in this study was average weighted mean. Below is the scale used to describe the degree of employer's preference in retaining employees.

Numerical Value	Statistical Limit	Descriptive Rating
5	4.50-5.00	Highly Preferred (HP)
4	3.50-4.49	Preferred (P)
3	2.50-3.49	Neutral (N)
2	1.50-2.49	Moderately Preferred (MP)
1	1.00-1.1.49	Not at all (N)

Furthermore, Analysis of Variance (ANOVA) at a significance level of alpha 0.05 was used to find out if there is a significant difference between the factors considered by employers along with their business profiles.

IV. RESULTS AND DISCUSSION

Business Profile of the Respondents

This study provides the Business profile of the study in terms of Form of the Business, Size of the Enterprise, Business Type and Years of Operations.

Table 1
Distribution of Respondents as to Form of the Business

Form of Business	Frequency (f)	Percentage (%)
Sole Proprietorship	89	79%
Partnership	21	19%
Corporation	3	2%
Total	113	100%

Table 1 posits the distribution of respondents as to form of the business. The data revealed that out of the total of 113 respondents in the study, 89 or 79% were classified as Sole Proprietorship businesses. On the other hand, 21 or 19% were Partnership and 3 or 2% were registered as Corporation. This means that the majority of the surveyed businesses are owned and operated by a single individual.

Table 2
Distribution of Respondents as to Size of the Enterprise

Size of the Enterprise	Frequency (f)	Percentage (%)
Micro Enterprise	73	65%
Small Enterprise	26	23%
Medium Sized Enterprise	14	12%
Total	113	100%

Table 2 provides the distribution of the businesses according to their enterprise size. The data revealed that out of 113 respondents, 73 or 65% were classified as Micro enterprise, 26 or 23% were Small enterprise and 14 or 12% were considered as Medium sized enterprise. The findings indicate that Micro-enterprises dominated the business environment in Calasiao, Pangasinan. Micro enterprises are common in many economies, particularly in sectors like retail, hospitality, and services where businesses tend to be smaller in scale which are prevalent in the municipality.

Table 3
Distribution of Respondents as to Industry Sector

Industry Sector	Frequency (f)	Percentage (%)
Wholesale and Retail Trade	53	47%
Repair of Motor Vehicles and Motorcycles	12	11%
Accommodation and Food Service Activities	16	14%
Manufacturing	11	10%
Financial and Insurance Activities	19	17%
Others	2	2%
Total	113	100%

Table 3 shows the distribution of the profile of the respondents in terms of Industry Sector. It was found out that 53 or 47% were engaged in Wholesale and Retail Trade. On the other hand, 16 or 14% were engaged in Accommodation and Food Service Activities; 19 or 17% were engaged in Financial and Insurance Activities and 12 or 11% were engaged in Repair of Motor Vehicles and Motorcycles. Furthermore, there were 2 or 2% who were engaged in other activities such Funeral Activities and Personal Service Activities. The findings suggest that most of the businesses in the Municipality of Calasiao are engaged in wholesale and retail trade. This also means that Calasiao's economy has a strong dependence in retail businesses in meeting the consumers' needs and in driving their economy.

Table 4
Distribution of Respondents as to Years of Operations

Years of Operations	Frequency (f)	Percentage (%)
Less than 5 years	68	60%
6-10 years	13	12%
11-15 years	16	14%
16-20 years	9	8%
21 years and above	7	6%
Total	113	100%

Table 4 posits the distribution of the profile of the respondents in terms of years of operations. It was discovered that a majority of the businesses has been operational for less than 5 years with a frequency of 68 or 60%. Meanwhile, 13 or 12% of the targeted businesses has been operating for 6-10 years; 16 or 14% has been in the business for 11-15 years and 9 or 8% demonstrated longevity by operating for 16-20 years. Moreover, 7 or 6% have displayed long-term viability and success by operating for 21 years and above. This indicates that most of the surveyed business establishments were new in the market. Also, the data highlight the significant influx of new ventures into the market, reflecting a dynamic landscape ripe with entrepreneurial activity in the municipality.

Degree of Employer's Preference in Retaining Employee

Table 5
General Skills

General Skills	MEAN	DR
<i>I prefer to retained an employee who:</i>		
a. Builds strong, positive relationships with colleagues and collaborates effectively within a team.	4.78	HP
b. Communicates ideas and information clearly and respectfully, ensuring mutual understanding.	4.67	HP
c. Pays attention to and thoughtfully considers colleagues' input, fostering a collaborative work environment.	4.69	HP

d. Accurately interprets numerical data and performs necessary calculations to support business operations.	4.45	P
e. Efficiently manages tasks, deadlines, and schedules to maintain productivity and order.	4.53	HP
f. Identifies issues promptly and devises effective solutions to overcome obstacles and improve processes.	4.45	P
g. Demonstrates a proficient understanding of basic computer operations and software applications.	4.65	HP
h. Strategically plans and prioritizes tasks to achieve long-term objectives and goals.	4.63	HP
i. Generates innovative ideas and approaches to enhance projects and address challenges.	4.45	P
j. Establishes and maintains positive relationships with customers, ensuring their satisfaction and loyalty.	4.84	HP
OVERALL WEIGHTED MEAN	4.61	HP

Legend:

Statistical Limit	Descriptive Rating
4.50-5.00	Highly Preferred (HP)
3.50-4.49	Preferred (P)
2.50-3.49	Neutral (N)
1.50-2.49	Moderate Preferred (MP)
1.00-1.49	Not at all

Table 5 displays the degree of employer's preference in retaining employees in terms of general skills. Data revealed that the indicator which states, "Establishes and maintains positive relationships with customers, ensuring their satisfaction and loyalty" gained the highest mean of 4.85. This suggests that the targeted business prefer to retain employees who excel in building and maintaining positive relationships with customers. The findings also highlight the commitment of the business organizations to exceed customer satisfaction and building strong relationships with customers to ensure customer retention.

On the other hand, the indicator that states, "Accurately interprets numerical data and performs necessary calculations to support business operations" gained the lowest mean of 4.45. While numerical proficiency is important, the respondents displayed lower emphasis on this skill. This suggests that while the ability to interpret numerical data is valued within the organization, it may not be as critical for employee retention compared to other competencies. Overall, as to general skills, the overall weighted mean was 4.46 which can be interpreted as "Highly-Preferred". This indicates that the businesses place a strong emphasis on skills that contribute to creating a supportive and productive work environment.

The findings of the study align with the observation of Nesta (2016) where he found that skill sets encompassing customer relationship management, teamwork, communication, task management, and strategic planning, recognizing their combined significance in fostering employee satisfaction and long-term retention.

Table 6
Personal Qualities

Personal Qualities	MEAN	DR
<i>I prefer to retained an employee who:</i>		
a. Adapts readily to changing circumstances and aligns well with the organization's culture.	4.69	HP
b. Demonstrates a strong inner desire to achieve goals and excel in their role.	4.86	HP
c. Consistently fulfils commitments and can be depended upon to deliver results.	4.78	HP
d. Displays a diligent work ethic and is willing to put in the necessary effort to succeed.	4.78	HP
e. Possesses self-assurance and can effectively manage their own tasks and responsibilities.	4.80	HP
f. Acts with honesty and integrity in all interactions,	4.86	HP

maintaining ethical standards.		
g. Exhibits leadership potential and can inspire and guide others toward common objectives.	4.73	HP
h. Shows humility and does not boast about their accomplishments, focusing on team success.	4.65	HP
i. Takes initiative and proactively seeks solutions to challenges, rather than waiting for direction.	4.76	HP
j. Displays enthusiasm and dedication for their job, contributing positively to the workplace environment.	4.86	HP
OVERALL WEIGHTED MEAN	4.78	HP

Legend:

Statistical Limit	Descriptive Rating
4.50-5.00	Highly Preferred (HP)
3.50-4.49	Preferred (P)
2.50-3.49	Neutral (N)
1.50-2.49	Moderate Preferred (MP)
1.00-1.49	Not at all

Table 6 displays the degree of employer's preference in retaining employees in terms of personal qualities. The data revealed that the indicators that state, "Demonstrates a strong inner desire to achieve goals and excel in their role" ; "Acts with honesty and integrity in all interactions, maintaining ethical standards"; and "Displays enthusiasm and dedication for their job, contributing positively to the workplace environment" gained the highest mean score of 4.86, marking them as highly preferred. These qualities highlight the businesses' commitment to integrity, passion, and ambition among its employees.

Conversely, the indicator that states, "Shows humility and does not boast about their accomplishments, focusing on team success" earned the lowest mean of 4.65. While this indicator is still considered as highly preferred, this suggests a slightly lower emphasis compared to other attributes. It can be gleaned that while humility and a team-focused mindset are valued, they may not be as critical for employee retention compared to attributes such as ambition, integrity, and enthusiasm.

Overall, the computer overall weighted mean was 4.78, categorised as "Highly Preferred," emphasising the collective significance of all assessed personal qualities. This indicates that the targeted businesses highly prioritize a diverse set of attributes, including adaptability, commitment, initiative, and leadership potential, in fostering a positive and productive workplace culture.

Table 7
Specialized Skills

Specialized Skills	MEAN	DR
<i>I prefer to retained an employee who:</i>		
a. Efficiently allocates and oversees resources to achieve organizational objectives.	4.69	HP
b. Applies theoretical knowledge effectively in practical situations to drive results.	4.86	HP
c. Successfully leads and coordinates project activities to ensure timely completion.	4.76	HP
d. Provides guidance and support to help colleagues develop their skills and capabilities.	4.88	HP
e. Skillfully negotiates terms and conditions to secure favorable agreements for the organization.	4.61	HP
f. Effectively persuades and negotiates with clients to close sales deals.	4.53	HP
g. Builds and maintains strong relationships with clients to enhance business partnerships.	4.67	HP
h. Consistently achieves or exceeds established performance objectives and targets.	4.43	P
i. Manages time efficiently to prioritize tasks and	4.80	HP

accomplish goals within specified timelines.

j. Handles conflicts constructively and works towards mutually beneficial resolutions for all parties involved. 4.76 HP

OVERALL WEIGHTED MEAN 4.70 HP

Legend:

Statistical Limit

4.50-5.00

3.50-4.49

2.50-3.49

1.50-2.49

1.00-1.49

Descriptive Rating

Highly Preferred (HP)

Preferred (P)

Neutral (N)

Moderate Preferred (MP)

Not at all

Table 7 shows the degree of employer’s preference in retaining employees in terms of specialized skills. The data reveals that the indicators "Provides guidance and support to help colleagues develop their skills and capabilities" gained the highest mean of 4.88, which can be described as highly preferred. On the other hand, the indicator that states "Consistently achieves or exceeds established performance objectives and targets" gained the lowest mean of 4.43, categorized as "Preferred." While still important, this suggests a slightly lower emphasis on meeting performance targets compared to other specialized skills assessed. Furthermore, the findings also highlight the organization's commitment to fostering a collaborative and supportive work environment where employees actively contribute to each other's professional growth and development.

Overall, the computed overall weighted mean was 4.70 which is categorized as "Highly Preferred". This indicates that the surveyed businesses highly prioritize a diverse set of competencies, including resource allocation, project leadership, negotiation, and conflict resolution, in driving organizational success. Also, the findings highlight the organizations’ comprehensive approach to employee retention, recognizing the multifaceted nature of specialized skills that contribute to individual and organizational effectiveness.

Significant Difference in the Factors Considered by Employers on Employee’ Retention along with their Business Profiles

Table 7
Significant Difference in the Factors Considered by Employers on Employee’ Retention along with their Business Profiles

Respondents' Profile Variables	General Skills	Personal Qualities	Specialized Skills
	P Value	P Value	P Value
Form of Business	0.001	1.00	1.00
Size of the enterprise	0.001	0.96	0.001
Business Type	0.982	1.00	0.001
Number of years in Operations	0.001	1.00	1.00

The table provides the results of an analysis of variance (ANOVA) for the effect of respondents' profile variables on three different aspects: general skills, personal qualities, and specialized skills. The p-values are used to determine if there are significant differences in these aspects based on the respondents' profile variables.

Form of Business. For general skills and specialized skills, the p-value is 0.001, which is less than the typical significance level of 0.05. This indicates a significant difference in general skills and specialized skills among different forms of businesses. For personal qualities, the p-value is 1, which is higher than 0.05. This suggests that there is no significant difference in personal qualities based on the form of business.

Size of the Enterprise. For general skills, the p-value is 0.001, indicating a significant difference in general skills among different sizes of enterprises. For personal qualities, the p-value is 0.96, which is higher than 0.05. This suggests that there is no significant difference in personal qualities based on the size of the enterprise.

For specialized skills, the p-value is 0.001, indicating a significant difference in specialized skills among different sizes of enterprises.

Business Type. For general skills, the p-value is 0.982, which is higher than 0.05. This suggests that there is no significant difference in general skills based on the type of business. For personal qualities, the p-

value is 1, indicating no significant difference in personal qualities based on business type. For specialized skills, the p-value is 0.001, indicating a significant difference in specialized skills based on business type.

Number of Years in Operations. For general skills and specialized skills, the p-value is 0.001, indicating a significant difference in these skills based on the number of years a business has been in operation. For personal qualities, the p-value is 1, suggesting no significant difference in personal qualities based on the number of years in operation.

The results reveal that the form of business, size of the enterprise, and number of years in operations significantly influence general and specialized skills. This implies that different forms of businesses, sizes of enterprises, and durations of operation may require distinct general and specialized skills from their employees. Business type, on the other hand, does not significantly affect general skills and personal qualities but does have a significant impact on specialized skills. This indicates that the type of business may have more influence on the specific skills required for the job. Personal qualities seem to be less influenced by the profile variables, as they consistently have p-values above 0.05, indicating no significant differences.

In practical terms, these findings could inform recruitment, training, and skill development strategies in different businesses and industries, helping organizations tailor their approach based on the characteristics of their business, its size, and the length of time it has been operational.

V. CONCLUSIONS AND RECOMMENDATIONS

The study revealed that in the Municipality of Calasiao, sole proprietorships were the predominant form of business, primarily operating within the retail and wholesale industry and employing 0-9 workers. It can also be concluded that the local business landscape in Municipality of Calasiao, Pangasinan featured a wide spectrum of business ages, with newly established businesses operating for less than five years. Furthermore, the study uncovered employers' strong preferences when retaining employees, particularly valuing individuals with excellent customer service skills and qualities like self-motivation, integrity, and passion for their work. This emphasis on both skills and personal qualities highlighted a holistic approach to employee retention.

Based on these findings, it is recommended for employers to strike a balance between work attitude and employee attitude, as this is pivotal for effective employee retention. Additionally, it is strongly suggested that employers take proactive measures to educate and train their workforce in workplace safety, fostering a culture of safety awareness and competence. Moreover, employees are urged to proactively engage in training and seminars to refine and augment their specialized, general, and personal skills, closely aligning with the preferences of employers. Continuous self-improvement in skills and qualities is key for employees, enabling them to stand out and enhance their prospects for long-term retention. Participation in seminars and training programs is not only beneficial but also essential for employees to equip themselves with the knowledge and expertise requisite for successful retention within their organizations. Furthermore, it is recommended that forthcoming research endeavors delve into additional factors that influence employee retention as perceived by employers, offering a more comprehensive understanding of the subject.

ACKNOWLEDGEMENT

We would like to express our heartfelt gratitude to the following individuals and organizations whose unwavering support and contributions made this thesis a reality:

My Mentors, **Barbara Sonia Fernandez, PhD; Genoveva Y. Reyes, CPA, PhD, FRIAcc and Melody Villacorta, CPA, MBA**, I am deeply thankful for your guidance, mentorship, and continuous support throughout this research. Your wisdom and insights have been invaluable in shaping the direction of this work.

My Family: To my parents, **Norma Dizon and Diosdado Dizon**, and my wife, **Lezlie Dizon** and my children, **Dylan Hwm Dizon and Litzy Hlub Dizon**, your unwavering love and encouragement have been my greatest source of strength. I am grateful for your belief in my abilities and your patience during the long hours I dedicated to this project.

My colleagues in the academes: **Ma Lyn Fernandez, LPT, Danilo Untalan, LPT, CHP and Leslie Ann O. Alacin, CTP, CGSP, ITHMc**, your moral support and understanding during this journey have been a source of motivation and inspiration. Your encouragement helped me stay focused and determined.

Participants and Respondents: To the individuals who generously shared their time and insights as participants in this study, and to those who responded to surveys and interviews, your willingness to contribute to my research is sincerely appreciated.



This research paper would not have been possible without the collective support of these exceptional individuals and institutions. Their contributions have been pivotal in making this research a reality, and I am truly grateful for their involvement.

Thank you all for being an integral part of this journey.

REFERENCES

1. Cruz, L. (2020). Work-Life Balance in the Philippines: A Cultural Perspective. *Journal of Cross-Cultural Studies*, 17(2), 87-101.
2. Dizon, J. (2019). Economic Development and Business Sector Growth in the Philippines. *Philippine Economic Journal*, 26(2), 109-118.
3. Paul, A., & Vincent, S. (2018). The Significance of Employee Retention in a Competitive Market. *Journal of Human Resource Management*, 15(2), 143-156.
4. Ping, R., et al. (2021). Consequences of Inadequate Employee Retention: A Case Study in the Philippines. *International Journal of Business Studies*, 9(3), 112-127.
5. Ramos, M. (2018). Leadership and Employee Loyalty: A Philippine Perspective. *International Journal of Organizational Leadership*, 7(1), 29-42.
6. Reyes, A. (2017). Factors Affecting Employee Retention: A Comprehensive Review. *Philippine Management Review*, 24(1), 43-59.
7. Tian, Y., et al. (2020). Employee Retention Challenges in Small and Medium-sized Enterprises: The Case of Dagupan City. *Small Business Management*, 12(4), 277-292.