

THE IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEE RETENTION: AN EMPIRICAL STUDY ON THE INFORMATION TECHNOLOGY SECTOR OF BANGLADESH.

Nusrat Fatema *

Abstract

In recent years, competitive advantage to any organization is to retain and engage the high potential talent. This paper, therefore, tries to provide an insight into the impact of organizational culture on employee retention by focusing on the information technology (IT) sector of Bangladesh. In this study, organizational culture and employee retention are used as independent and dependent variable respectively. 475 employees working in 30 different software and ITES (IT Enabled Service) companies of Bangladesh are selected as sample following convenience sampling technique. Data are gathered by quantitative survey using a structured questionnaire. Several statistical techniques, such as independent sample t-test, ANOVA and correlation, are applied using SPSS software. Based on the analysis it is found that; from the demographic perspective, the respondents are differentiated in their opinion regarding the impact of organizational culture on employee retention. But from the overall perspective, organizational culture and its dimensions are found to be positively and significantly correlated with employee retention. So, it was concluded that organizational culture facilitates employee retention in the IT Sector of Bangladesh.

Keywords: *Organizational culture, Employee Retention, Information Technology (IT) sector, Innovativeness, Adaptive Ability.*

Introduction:

In this era of increasingly competitive and turbulent business environment; effective resourcing, management and retention of human capital are considered as the crucial factors of organizational survival, adaptation and competitive advantage (Michaels, Field-Jones & Axelrod, 2001). In fact, now-a-days employee retention is the main consideration of human resource (HR) debate rather than recruiting effectively. Employees' retention is the ability to keep the employees in the organization and find solution to avoid losing the valuable staffs (Heery and Noon, 2001). One way of doing so is by revamping and improving the organizational culture in order to seek innovations and make the most of the potential of the existing staff and organization.

* Assistant Professor, Department of Business Administration, Stamford University Bangladesh.

Organizational culture is an important recipe for the encouragement or discouragement of behaviors in organization (Dell & Kumasey, 2013). It determines things like loyalty and commitment, how employees work and how far they are prepared to take risks (Amah, 2012) and is affected by attitudes, norms and beliefs that lead to strong communication between employees. It serves as a link or bond between employees and organization. Organizational culture affects such outcomes as productivity, performance, commitment, self-confidence, and retention (Ritchie, 2000). In addition, it can also increase or decrease employee retention rates in organizations by affecting the commitment levels of employees in organizations (Deal & Kennedy, 1989). As employees are considered to be the key resource of an organization, in order to gain competitive market advantage organizations should not only hire but also retain competent and talented employees for the long-term growth as well as success of the business (Heathfield, 1995).

The Information Technology (IT) industry is one of the most booming industries in Bangladesh. In today's competitive environment, IT companies are continually seeking new ways to become more competitive. The prime challenge for such company is the retention of the employees, as a result of increased competition in the market and for the fact that the staffs are ready to switch over whenever they are dissatisfied with anything on the job. Organizational culture is one of the certain reasons for the employees decision to leave or stay in an organization. In addition, if employees are excited about the culture of an organization, they tend to become emotionally and psychologically attached to that organization (Sathe, 1983). According to Sheridan (1992), organizational culture have a strong impact on employee's retention rates. So, in order to survive the competition as a result of innovation; IT companies need to change their status-quo, have their own culture nurtured and sustained for the overall achievement of goals, and develop an in-depth understanding of the culture to be able to harness them to bring about high level of job commitment from employees.

In this research, organizational culture is taken as independent variable and employee retention in the IT sector of Bangladesh is considered as dependent variable. Detail-orientation, Innovativeness, Aggressiveness, Outcome-orientation, Stability, People-orientation, Team-orientation, Social responsibility, Transparent Governance, Adaptive Ability, Open Communication, supportive environment and autonomy are considered as the dimensions of an organizational culture.

This article therefore added to the literature by not only providing an insight into the impact of organizational culture on the employee retention, but also suggested ways to overcome the problems and improve the current practices in the IT sector of Bangladesh. So the research question is: "Does organizational culture facilitates employee retention in the information technology (IT) sector of Bangladesh?"

First, a brief background has been provided regarding the research gap concerning the impact of organizational culture on employee retention focusing on the IT sector. Next, several hypotheses have been developed based on the review of literature. Thereafter, the

methods and results of the data analysis have been provided. The article has been concluded by the evaluation of whether organizational culture has any impact on employee retention in the information technology (IT) sector of Bangladesh.

Objectives of the Study

Broad Objective

The present study is an attempt to conceptualize the impact of organizational culture on employee retention in the IT sector of Bangladesh.

Specific Objectives

- i. To analyze the differences among organizational culture and employee retention based on demographic factors.
- ii. To examine the relationship between organizational culture and employee retention.
- iii. To examine the relationship between the dimensions of organizational culture (namely: Detail-orientation, Innovativeness, Aggressiveness, Outcome-orientation, Stability, People-orientation, Team-orientation, Social responsibility, Transparent Governance, Adaptive Ability, Open Communication, supportive environment, autonomy) and employee retention.

Literature Review and Hypothesis Development

Various studies by different researches have linked the culture of an organization with many different organizational behaviors. They have also recognized the correlation between culture of organization & employee retention. The following section demonstrates the main literature that discussed about organizational culture and employee retention and ultimately the interrelationship among these two concepts.

Organizational culture is the mindset of people that distinguishes them from each other, within the organization or outside the organization. This includes values, beliefs, and behaviors of the employee's different from the other organization (Hofstede, 2001). O'Reilly and Chatman (1986) defined organizational culture as a set of behavior, attitude and value that distinguish one organization from another. It means stable arrangements of beliefs and norms, which are held commonly by a society or department in the organization (Kotter & Heskett, 1992). Greenberg and Baron (1995) defined organizational culture as a framework of values, beliefs, consisting of attitudes, norms; behavior of employees, and their expectations, which are shared within the organization by its members. In the words of Sinha (1990) organizational culture can be defined as work related activities in the frame work of norms and values regarding work. Organizational culture is the behavior of humans who are part of an organization and the meanings that the people attach to their actions (Zahoor, 2015). It affects the way

employees interact with each other, with clients and stakeholders. It is the focal point that affects employee commitment and engagement in an organization. Culture of organization creates commitment beyond the personal interests and benefits (Robbins, Stephen, and Mary, 1996).

On the other hand, employee retention can be defined as the effort by an employer to keep desirable workers in order to meet the business objectives by keeping the right people on the right jobs (Frank, Finnegan and Taylor, 2004). It is the ability to hold on to employees where an organization finds that it is losing valuable staff (Heery & Noon, 2001). By holding onto its best employees, a company can ensure high productivity and, accordingly, better profits. Gberevbie (2010) argues that if companies implement employee retention plans, employees will remain with the company and work towards the company's organizational goals. Due to the need for effective and efficient delivery of goods and services by organizations, day by day it is becoming more essential to secure and manage competent human resource as the most valuable resource of any organization (Olowu and Adamolekun, 2010, cited in Das and Baruah, 2013).

The demographic characteristics of employees play an important role in their perceptions of organizational culture (Helms & Stern, 2001). Employees' perceptions of organizational culture, for instance, differ according to characteristics such as gender and age (Bellou, 2010). Employees' values also change depending on their nationality, age and education level (Hofstede et al., 1990). In a study conducted in different branches of a hospital group (seen in its role as a service enterprise), Helms and Stern (2001) found that both the background of employees and their sectoral work experience affect organizational culture more than experience acquired in the workplace does.

Research in South African organizations illustrates the impact of particular demographic differences on organizational culture. Martins (2007), for instance, found that subcultures that were formed in various regions impacted the way employees interpret and experience organizational culture. In an empirical study, Islam and Ismail (2008) noted that the demographic factors of respondents such as their gender, age and education level might affect their preference in terms of particular motivating factors. As a result, by the above evidence, the following hypothesis has been developed.

H1: There are significant differences among organizational culture and employee retention based on demographic factors.

Culture of an organization is an important element which significantly influences employee commitment, job satisfaction and ultimately employee retention (Habib et al., 2014). Michani, Sadeghi and Michani (2015) conducted a survey in Markazi Province Gas Company to investigate the relationship between organizational culture and staff retention. The findings was consistent with other results, based on which it can be inferred that the organizational culture has an impact on the staff retention and this can be the strong point for senior managers to have positive impact on staff behavior. Culture has a positive relationship with employee retention. Developing an effective

organizational culture is one of the important Human Resource (HR) practices which can increase employee retention reducing turnover within an organization (Maqsood et al., 2015). Based on the above evidence, the following hypothesis is formulated.

H2: There is a significant relationship between organizational culture and employee retention.

Organizational culture gives a sense of identity to the members in the organization. It is a normal way to guide people of what is expected of them at the workplace. Organizational Culture affects the way in which employee consciously or unconsciously think, make decisions and ultimately the way they perceive, feel and act (Lok, & Grawfold, 2004; Hansen, & Wernerfelt, 1989; Schein, 1992). Thus, culture is the most important hallmark of excellent companies (Peters, & Waterman, 2006). Dimensions of organizational culture differ from author to author. According to Collins and Porras (2000), the essence of an organizations culture can be captured in seven primary characteristics, such as, innovation and risk – taking, attention to detail, outcome orientation, People orientation, Team orientation, Aggressiveness and Stability. Ogbonna and Harris (2000) christened the dimensions of organizational culture as: innovative, community, competitive, and bureaucratic cultures.

Evidence by Raudenbush & Bryk (2002) suggested that retention is very important for every organization. Cappelli (2000) indicated several factors for the well-functioning of employee retention. Employees prefer working to their fullest potential in organizations where there is a sense of pride, conducive working environment and good interpersonal relationship among employers and employees (Cole, 2000; Asmed, 2000). Selecting and retaining talented staff is key for any business success. Companies invest in their workforces when they pursue practices and develop programs that increase retention. Failing to make such investments might incur high cost of turnover (Mitchell, Holtom, & Graske, 2001). Organizations always search for talented employees and spent time and money on their employees for future return aspects. Factors like lack of skilled workforce, economic growth and employee turnover demand to devise policies to increase employee retention. Talented people who continue to develop skills and increase their value to an organization and to the customer are the most important resource. Employee retention is very important in the sense that if employees leave an organization, they leave with intellectual property, relationships and Investments (in both time and money). Therefore, management should identify the reasons for frequent change of employment by employees and once the reasons are identified, management can then devise retention strategies that would help in keeping essential employees for a longer tenure. Therefore, the following null hypothesis is projected.

H3: There is a significant relationship between the dimensions of organizational culture (namely: Detail-orientation, Innovativeness, Aggressiveness, Outcome-orientation, Stability, People-orientation, Team-orientation, Social responsibility, Transparent

Governance, Adaptive Ability, Open Communication, supportive environment, autonomy)and employee retention.

Research Gap

Various authors and researchers of countries like Ghana, Pakistan and India have conducted their research work focusing on organizational culture and its relationship with employee retention. Majority of those studies paid attention to the banking sector in that regard. They recognized organizational culture as an important instrument for making employees stay with their current organizations. But very few of them focused on the IT sector of Bangladesh.

A fair enough organizational culture can help an organization to retain employees for a longer period of time (Usha & Rashmi, 2013). Different dimensions that constitute such organizational culture can play important role as factors of employee retention. But these dimensions also lacked proper attention in many of the studies related to employee retention. Thus creating a research gap that needs to be filled.

Most of the research work based on empirical evidence, especially relevant for Information Technology (IT) sector, showed contradiction about the impact of organizational culture on employee retention. This contradiction raises the question of whether organizational culture enhances the employee retention or not. So there is a need to further research to cover up this gap.

This study, therefore, bridges the above mentioned gaps by not only exploring the relationship between organizational culture and employee retention, but also assessing the influence of different dimensions of organizational culture on employee retention in the IT sector of Bangladesh.

Methodology

Research design

The purpose of the research is to provide an insight into the impact of organizational culture on employee retention in the IT sector of Bangladesh. Two sources have been used to collect data for this research.

i) The primary source refers to the collection of quantitative data from the employees of the IT (Information Technology) sector in Bangladesh. Structured questionnaire was used to get sufficient data. ii) The secondary source refers to the collection of different publications of this field.

Population

The target sector of this study is the IT (Information Technology) sector of Bangladesh. The target population of the study are the employees of all the software and ITES (IT Enabled Service) companies in Bangladesh.. According to the 2017 Bangladesh Association of Software and Information Services (BASIS) survey, there are an estimated 4500+ IT firms in Bangladesh doing business for both local and international markets with an estimated 300,000 professionals working in this sector (LankaBangla Asset Management, 2018). So the target population of the study are those 300,000 professionals who are working in the IT sector of Bangladesh.

Sample size and Sampling technique

For the purpose of this study, 30 (thirty) different ITES (IT Enabled Service) companies of Bangladesh were selected as sample from the above stated number of the IT firms. The sample size considered for present survey was 25 respondents from each of the 30 selected software and ITES (IT Enabled Service) companies. In total 750 questionnaires were distributed among employees, 553 were collected and out of them 78 were termed as inappropriate and finally 475 were identified as valid samples to carry further research. The respondents were executives and managers. Convenience sampling technique was used to collect data from employees of IT sector.

Instrument and Data Collection

The survey was conducted by distributing the questionnaire amongst employees of concerned sector. The questionnaire comprised of three sections, the first section solicited demographic detail about respondents i.e. gender, age, marital status, educational qualifications, designation, income and experience. Whereas, the second part comprised of organizational culture and third part comprised of employee retention. The questionnaire measured on 5 point likert scale, where 5 indicates strongly agree and 1 strongly disagree.

Data analysis technique

The Statistical Package of Social Science (SPSS) was used for analysis. Independent Sample t-test, ANOVA and Correlation were applied to data analysis.

Analysis and Findings

Differences in the organizational culture and employee retention were analyzed on the basis of demographic variables. Based on various tests, results are summarized as below. A sample of 475 respondents has been taken for the study. Out of the total 475 respondents, 365 were male and 110 were female participants. Both male and female respondents' age ranged from 25 years to 45 years. Maximum 256 were married while

rest unmarried employees. The majority of the respondents belonged to income group of TK. 25,000- TK. 50,000 per month with 0-5 years of job experience.

Table 1 ANOVA and t-test for Organizational Culture on the Basis of Demographic Factors

	Organizational Culture	N	Mean	Std. Deviation	F-value/t-Test Value	Sig.
Gender	Male	365	54.91	9.095	2.103	0.520
	Female	110	52.85	8.548		
Age (in years)	Below 25	73	52.12	9.724	4.801	0.003
	25-35	361	55.10	8.751		
	36-45	32	54.44	9.682		
Marital Status	Above 45	9	46.33	1.000	2.170	0.460
	Unmarried	219	55.40	8.801		
	Married	256	53.61	9.110		
Educational Qualifications	Graduate	265	52.93	9.420	9.154	0.000
	Post-Graduate	205	56.42	8.094		
	Doctorate	5	52.20	7.120		
Designation	Manager	196	54.41	9.467	-0.047	0.062
	Executive	279	54.45	8.682		
Income (in Tk.)	Below 50000	267	54.02	9.203	0.682	0.563
	50000-75000	125	55.36	8.390		
	76000-100000	68	54.16	9.163		
	Above 100000	15	55.20	9.930		
Experience (in years)	Below 5	229	54.89	9.070	6.049	0.000
	05-10	204	55.03	9.062		
	11-15	34	49.68	6.879		
	Above 15	8	46.25	1.389		

As revealed in table 1, Age ($F = 4.801$, $p = .003 < 0.05$), Educational Qualifications ($F = 9.154$, $p = .000 < 0.05$) and Job Experience ($F = 6.049$, $p = .000 < 0.05$) revealed significant differences among the professionals in IT industry in terms of organizational culture. Therefore, the null hypothesis is rejected. This study reveals that there is a significant difference regarding organizational culture among the professionals in IT industry on account of demographic factors. Whereas, Gender ($t = 2.103$, $p = .520 > 0.05$), Marital Status ($t = 2.170$, $p = .460 > 0.05$), Designation ($t = -.047$, $p = .062 > 0.05$)

and Income ($F = .682$, $p = .563 > 0.05$) revealed no significant differences among the professionals in IT industry in terms of organizational culture. Therefore, null hypothesis is accepted. Employees in the age group of 25-35 years were more concerned about organizational culture than other age groups. Therefore, it can be deduced that in the age group of 25-35 years professionals in IT industry become more concerned about organizational culture than the other age group of 36-45 years, below 25 years and above 45 years.

Table-2: ANOVA and t-test for Employee Retention on the basis of Demographic Factors

Employee Retention		N	Mean	Std. Deviation	F-value/t-Test Value	Sig.
Gender	Male	365	69.56	10.624	1.332	0.081
	Female	110	68.06	9.143		
Age (in years)	Below 25	73	65.85	7.657	4.566	0.004
	25-35	361	70.18	10.427		
	36-45	32	66.69	13.367		
	Above 45	9	66.67	2.784		
Marital Status	Unmarried	219	69.36	9.258	0.289	0.044
	Married	256	69.09	11.149		
Educational Qualifications	Graduate	265	68.61	10.409	4.410	0.013
	Post-Graduate	205	70.25	10.064		
	Doctorate	5	58.20	7.120		
Designation	Manager	196	69.66	10.773	0.802	0.109
	Executive	279	68.89	9.980		
Income (in Tk.)	Below 50000	267	69.14	10.324	1.743	0.157
	50000-75000	125	70.19	10.602		
	76000-100000	68	67.06	9.562		
	Above 100000	15	72.00	10.078		
Experience (in years)	Below 5	229	69.77	9.378	7.057	0.000
	05-10	204	69.94	11.047		
	11-15	34	61.65	10.051		
	Above 15	8	66.88	3.044		

Table 2 show that Age ($F = 4.566$, $p = .004 < 0.05$), Marital Status ($t = .289$, $p = .044 < 0.05$), Educational Qualifications ($F = 4.410$, $p = .013 < 0.05$) and Job Experience ($F = 7.057$, $p = .000 < 0.05$) revealed significant differences among the professionals in IT industry in terms of employee retention. Therefore, the null hypothesis is rejected. This study reveals that there is a significant difference regarding employee retention among the professionals in IT industry on account of demographic factors.. Whereas, Gender ($t =$

1.332, $p = .081 > 0.05$), Designation ($t = .802, p = .109 > 0.05$) and Income ($F = .1.743, p = .157 > 0.05$) revealed no significant differences among the professionals in IT industry in terms of employee retention. Therefore, null hypothesis is accepted. Employees in the age group of 25-35years had the highest mean score for the employee retention . Therefore, it can be deduced that in the age group of 25-35 years professionals in IT industry become more concerned about employee retention than the professionals in the other age group of 36-45 years, above 45 years and below 25 years.

Table-3:Correlation between Organizational Culture and Employee Retention

		Employee Retention	Organizational Culture
Employee Retention	Pearson Correlation	1	0.584***
	Sig.(2-tailed)	-	0.000
	N	475	475

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

Table 3 results show that, the correlation between organizational culture and employee retention is 0.584 which indicates that there exists a positive relationship between organizational culture and employee retention at 0.01 level of significance. On the basis of above result the null hypothesis is rejected (i.e. There is no significant relationship between organizational culture and employee retention).

Table 4: Correlation between the dimensions of Organizational Culture and Employee Retention

	Y	X1	X2	X3	X4	X5	X6	X7	X8	X9	X10	X11	X12	X13
Y	1	0.57	0.47	0.60	0.64	0.56	0.46	0.61	.50	0.63	0.60	0.62	.65	.58
		0**	5**	7**	8**	1**	9**	2**	4**	5**	4**	5**	4**	9**

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

Explanation: Y = Employee Retention, X1 = Detail-orientation, X2 = Innovativeness, X3 = Aggressiveness, X4 = Outcome-orientation, X5= Stability,X6 = People-orientation, X7 = Team-orientation, X8 = Social responsibility, X9 = Transparent Governance, X10 = Adaptive Ability, X11 = Open Communication, X12 = supportive environment, X13 = autonomy

Table 4 depicts the results of correlation analysis between the dimensions of Organizational Culture and Employee Retentionin the IT sector of Bangladesh. The results indicate that there is a positive and significant correlation between the dimensions of Organizational Culture and Employee Retention. The correlation between the dimension of organizational culture, supportive environment and employee retention($r =$

.654, $p < 0.01$) is high followed by Outcome-orientation ($r = 0.648$, $p < 0.01$), Transparent Governance ($r = 0.635$, $p < 0.01$), Open Communication ($r = 0.625$, $p < 0.01$), Team-orientation ($r = 0.612$, $p < 0.01$), Aggressiveness ($r = 0.607$, $p < 0.01$), Adaptive Ability ($r = 0.604$, $p < 0.01$), autonomy ($r = .589$, $p < 0.01$), Detail-orientation ($r = 0.570$, $p < 0.01$), Stability ($r = 0.561$, $p < 0.01$), Social responsibility ($r = .504$, $p < 0.01$), Innovativeness ($r = 0.475$, $p < 0.01$) and People-orientation ($r = 0.469$, $p < 0.01$).

Discussion

Variation in employee retention at different organizations may be the resultant of organizational cultural values. These values affect that organization's human resource strategies, development and promotion procedures, and reward systems. It is important to realize the different needs and wants of employees to schedule an effective retention plan for today's employment market. If the retention strategies are not properly designed, all the efforts from the hiring of employees will ultimately become useless (Shoaib, Noor, Tirmizi & Bashir, 2009).

This study sought to examine not only the relationship between organizational culture and employee retention, but also to assess the influence of different dimensions of organizational culture on employee retention in the IT sector of Bangladesh. In this way this article tried to find out the solution of the research question whether it is a fantasy or reality that organizational culture facilitates employee retention in the Information Technology (IT) sector of Bangladesh.

The results showed that the culture of an organization has a positive effect on employee retention. The results also indicated positive and significant correlation among the dimensions of organizational culture and employee retention. This is in line with result of Delle and Kumasey (2013) who found that organizational culture, particularly one involving strong and appropriate dimensions, is capable of making employees stay with their current organization.

Conclusion

Each and every employee have their own different norms, values and beliefs toward the organization where they work. Sometimes organizational culture differs from employee to employee due to this variation in norms and values among the employees. So whenever any employee join the organization, he/she should evaluate himself/ herself that whether they can adapt to that organizational culture or not. Organizational culture has a strong and deep impact on the performance of the employees. Loyalty and strategic commitment towards the organization among all employees, regardless of their job, can be enhanced through the organizational cultures.

The main contributions of this study to the literature on organizational culture and employee retention in the IT sector concerns though both organizational culture and employee retention are interrelated concepts, whether there are any differences in

organizational culture and employee retention on account of demographic factors and to what extent organizational culture itself and the different dimensions of organizational culture are correlated with employee retention in the IT sector of Bangladesh. Thus this study aimed to ensure that whether it is a reality that organizational culture facilitates employee retention or it is just a castle in the cloud. In this respect, we examined organizational culture as independent variable and employee retention as dependent variable in the IT sector of Bangladesh. For the analysis purpose, Detail-orientation, Innovativeness, Aggressiveness, Outcome-orientation, Stability, People-orientation, Team-orientation, Social responsibility, Transparent Governance, Adaptive Ability, Open Communication, supportive environment and autonomy were considered as the dimensions of an organizational culture.

This study having examined the relationship between organizational culture and employee retention in the IT sector of Bangladesh, established that there are significant differences in organizational culture and employee retention on account of demographic factors but a positive and significant relationship exists between organizational culture and employee retention. The dimensions of organizational culture, as stated above, are also positively correlated with employee retention. That means, Detail-orientation, Innovativeness, Aggressiveness, Outcome-orientation, Stability, People-orientation, Team-orientation, Social responsibility, Transparent Governance, Adaptive Ability, Open Communication, supportive environment and autonomy are essential to high retention of employees in the organization.

Therefore, it is obvious that organizational culture is playing an influential role on the way to retain employees in the Information Technology (IT) sector of Bangladesh. So, in response to the research question, whether organizational culture facilitates employee retention in the Information Technology (IT) sector of Bangladesh; based on the analysis of the collected primary data and secondary data we can say that organizational culture facilitates employee retention, both directly and indirectly, in a significant manner. If the organizational culture is positive, it will enhance employee's commitment, job satisfaction and performance; decrease employees' turnover, and automatically will increase the employee retention. A fit between employees' personality and company's culture is of critical importance to the successful retention. It is quite easy for an organization to get competitive advantage by driving the employees are on the right path through its culture.

Limitations and Future Directions:

This article is concluded by presenting some limitations. An important limitation of this research is the veiled assumption that the ultimate findings of this study will work for all organizations. Therefore, the inclusion of different alternative strategy and practices in research designs will be an important addition.

The scales used for measuring various data sources are not based on previous academic literature. In further research, validated scales should therefore be employed. Moreover, a disadvantage of using secondary data is that not all the desired research concepts were covered in the data. Another limitation of this study is the sample size. Although the underlying dataset is large, the data were aggregated at the level of 30 selected software and ITES (IT Enabled Service) companies. This could be considered quite low. Nevertheless, future studies might attempt to replicate the findings using larger sample sizes. The study is conducted in Bangladesh, it would be interesting to replicate the study in other countries using different sectors.

Therefore, the Information Technology sector of Bangladesh should have a clear strategic direction and clear objectives to identify and improve the retention and performance of the employees in addition to ensuring strong organizational culture; which are consequently critical to the positive and successful transformation of the IT sector of this country.

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