

Contribution of Work Environment on Employee Retention in the Financial Sector of Nepal

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Abstract

Employee retention is a critical challenge for organizations globally, affecting operational efficiency, morale, and long-term success. This study investigates the impact of the work environment encompassing both physical (workspace layout, safety) and psychological factors (organizational culture, leadership and management practices) on employee retention in Nepal's financial sector. By identifying key environmental determinants, the research aims to provide actionable insights for organizations seeking to enhance retention strategies. This study adopts a descriptive and analytical research design, employing a purposive sampling technique to collect data from 385 respondents in Nepal's financial sector. A structured, closed-ended questionnaire using a five-point Likert scale was administered to assess employee perceptions of workspace layout, safety, organizational culture, and leadership. Data analysis was conducted using SPSS to evaluate the relationship between work environment factors and retention. Workspace layout, organizational culture, and leadership & management significantly enhance employee retention. Employees reported high satisfaction with leadership and management, followed by workspace layout and organizational culture, underscoring their pivotal role in retention. While safety remains important, its direct impact on retention is relatively minimal, suggesting room for improvement. This study adds to existing literature by examining employee retention in Nepal's financial sector a relatively unexplored context—while integrating both physical and psychological work environment factors for a comprehensive analysis. By providing empirical evidence on their varying impacts, the research helps organizations prioritize retention strategies. Additionally, it addresses a regional research gap and offers practical insights for policymakers and business leaders in developing economies.

Keywords: Employee retention, work environment, organizational culture, leadership and management, financial sector in Nepal.

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1. Introduction

Employee retention is a critical challenge for organizations worldwide, influencing operational efficiency, employee morale, and overall success. According to Griffeth and Gaertner (2000), employee retention involves organizational efforts to keep employees satisfied and reduce voluntary turnover by addressing dissatisfaction factors. Perryman and Hayday (2004) emphasize that retention should be a strategic priority, highlighting the role of a supportive work environment in meeting employees' needs and expectations. Cascio (2019) further underscores that effective retention strategies should focus on enhancing employee engagement, satisfaction, and commitment to prevent turnover and its associated costs. In the financial sector, where competition for skilled professionals is intense, understanding the factors influencing employee retention is crucial (Choi & Cho, 2022). The work environment, encompassing both physical and psychological elements, significantly impacts employees' job satisfaction and their decision to remain with or leave an organization (Jiang et al., 2021).

The physical workspace, including layout, ergonomic design, and safety, plays a vital role in employees' comfort and productivity. Research highlights that well-designed physical workspaces can enhance job performance and reduce stress (El-Zeiny, 2021; Deng & Zhang, 2023). Ergonomic improvements and effective space utilization have been linked to higher satisfaction and lower absenteeism (Hedge et al., 2018). Psychological factors such as organizational

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culture, management practices, and interpersonal relationships are crucial for employees' sense of belonging and overall job satisfaction. A supportive organizational culture and positive management practices contribute to a more engaged and motivated workforce (Saks, 2023; Truss et al., 2022). Recent findings indicate that a positive psychological work environment fosters higher job satisfaction and organizational commitment (Gibson et al., 2023).

In Nepal, the financial sector has experienced significant growth and modernization, increasing the demand for skilled professionals (Rathi & Lee, 2016; Shrestha & Ghimire, 2023). This growth, coupled with the sector's competitive nature, necessitates a focus on work environment factors influencing employee retention. Despite the sector's expansion, research on how work environment elements affect retention in Nepalese financial institutions remains limited (Khadka & Shrestha, 2022). Understanding these impacts can provide valuable insights for financial institutions to refine their retention strategies and enhance organizational performance (Nepal Rastra Bank, 2023; Gautam, 2023). The work environment, encompassing both physical and psychological aspects, plays a significant role in shaping employee retention. For Nepal's financial sector, addressing these factors is crucial for maintaining a satisfied and committed workforce amidst ongoing growth and competition.

Employee retention is a critical issue for organizations globally, affecting efficiency and success. In the financial sector, competition for skilled professionals exacerbates this challenge (Choi & Cho, 2022). Effective strategies, as outlined by Griffeth and Gaertner (2000), focus on reducing dissatisfaction and enhancing satisfaction. Perryman and Hayday (2004) emphasize the role of a supportive work environment, while Cascio (2019) highlights the importance of engagement and commitment in reducing turnover costs. In Nepal, the financial sector's rapid growth has increased the demand for skilled professionals (Rathi & Lee, 2016; Shrestha & Ghimire, 2023). However, research on the impact of work environment factors—both physical and psychological—on retention in Nepalese financial institutions is limited (Khadka & Shrestha, 2022; El-Zeiny, 2021; Deng & Zhang, 2023; Saks, 2023; Truss et al., 2022). Addressing this gap is crucial for developing effective retention strategies and improving organizational performance amid ongoing growth and competition (Nepal Rastra Bank, 2023; Gautam, 2023).

The objectives of this study are to determine the significance of the relationship between each individual work environment factor (workspace layout, safety, organizational culture, and management practices) and employee retention. to assess the collective impact of various work environment factors including workspace layout, safety, organizational culture, and management practices on employee retention within the financial sector of Nepal. This involves examining how these factors work together to influence employees' decisions to stay with their organizations. By analyzing these relationships, the research will identify which specific elements of the work environment most strongly affect employees' commitment and retention, providing valuable insights for enhancing organizational strategies in Nepal's financial sector.

The study is significant as it will clarify how individual work environment factors such as workspace layout, safety, organizational culture, and management practices affect employee retention in Nepal's financial sector. By evaluating both the individual and collective impacts of these factors, the research will pinpoint the most influential elements for employee retention. These insights are crucial for developing effective organizational strategies to improve employee commitment and reduce turnover in a competitive industry.

2. Literature Review

The work environment significantly impacts employee retention in the financial sector, influencing job satisfaction and organizational commitment. Research highlights that workspace layout, including open versus private office designs, affects employee morale and productivity, with ergonomic and well-organized spaces contributing to higher job satisfaction and reduced turnover (Choi et al., 2020; Lee & Brand, 2021; Jang et al., 2022). Additionally, workplace safety is a fundamental aspect of employee retention, as a safe environment mitigates stress and prevents accidents, leading to enhanced job satisfaction and lower turnover rates (Gustafsson et al., 2020; Zhang et al., 2023). Organizations prioritizing both physical and psychological safety are more successful in retaining employees, supported by effective safety programs and a strong safety culture (Nielsen et al., 2021; Parker et al., 2022). Organizational culture, encompassing shared values and practices, also plays a crucial role, with a positive culture that aligns with employees' values fostering inclusivity and respect, thus improving retention rates (Schein, 2010; Chatman & Jehn, 1994). Leadership and management practices further influence retention, with transformational leadership linked to higher retention due to its focus on inspiring and motivating employees, while supportive management practices that offer career development opportunities and recognition contribute to lower turnover (Liu et

al., 2020; Wang & Yang, 2021; Li et al., 2021; Yu et al., 2023). Overall, a well-designed work environment, a focus on safety, a positive organizational culture, and effective leadership are all integral to improving employee retention in the financial sector.

2.1. Theoretical Review

2.1.1. Herzberg's Two-Factor

Theory Herzberg's theory distinguishes between hygiene factors and motivators. Hygiene factors, such as working conditions, salary, and job security, prevent dissatisfaction, while motivators, including achievement and recognition, drive satisfaction and retention. In the financial sector, both sets of factors play a crucial role in employee retention (Herzberg, 1966).

2.1.2. Job Demands-Resources (JD-R) Model

The JD-R model posits that job demands can lead to burnout and turnover, while job resources can reduce stress and enhance job satisfaction, thereby improving retention (Bakker & Demerouti, 2007). This model is relevant in understanding how the work environment impacts employee retention in the financial sector.

2.2. Empirical Review

2.2.1. Workspace Layout

The physical arrangement of a workspace is crucial in shaping employee retention. Studies indicate that workspace design affects job satisfaction and productivity. Although open office layouts can encourage teamwork, they may also lead to challenges like higher noise levels and reduced privacy, potentially diminishing employee morale (Choi et al., 2020; Lee & Brand, 2021). Conversely, workspaces designed with ergonomic principles and private areas for focused tasks are linked to greater job satisfaction and lower turnover (Jang et al., 2022; Neves et al., 2020). Proper space utilization and adherence to ergonomic standards are vital for fostering a positive work environment that supports employee well-being and retention (Gosling et al., 2021; Karakosta et al., 2022). The physical layout of a workspace can significantly affect employee retention. An open, well-organized, and ergonomically designed workspace contributes to job satisfaction and can enhance employee morale. Studies show that workspace layout influences productivity and employee well-being (Baker et al., 2008; Kim & de Dear, 2013). For example, open office designs can foster collaboration but may also lead to increased noise and distraction (Brennan et al., 2002). Conversely, providing private spaces for focused work can improve job satisfaction and reduce turnover (Mahnke et al., 1998). Efficient use of space and attention to ergonomics are crucial for maintaining a supportive work environment (Carlucci et al., 2015).

2.2.2. Safety

Workplace safety is a crucial element in retaining employees. A secure work environment helps minimize stress and avoid accidents, leading to greater job satisfaction and lower turnover (Gustafsson et al., 2020; Zhang et al., 2023). Companies that emphasize both physical and psychological safety tend to have higher employee retention rates (Nielsen et al., 2021). Well-implemented safety programs and a robust safety culture contribute to improved employee well-being and decreased turnover (Parker et al., 2022; Rothenbacher et al., 2021). Workplace safety is a fundamental aspect of employee retention. A safe work environment reduces stress and prevents accidents, leading to higher job satisfaction and lower turnover rates (Haines, 2007; Griffin & Neal, 2000). Employees are more likely to stay with an organization that prioritizes their physical and psychological safety (Clarke, 2010). Safety programs and a strong safety culture contribute to employee well-being and retention (Zohar & Luria, 2005; Hofmann & Stetzer, 1996).

2.2.3. Organizational Culture

Organizational culture, characterized by shared values, norms, and practices, significantly impacts employee retention. A culture that aligns with employees' values and promotes inclusivity and respect can lead to higher retention rates (Fischer et al., 2021; Petrovic et al., 2022). In the financial sector, cultures that emphasize ethical behavior and work-life balance are associated with enhanced job satisfaction and lower turnover (Farrell et al., 2020; Jansen et al., 2023). The organizational culture influences employees' decisions to stay with or leave an organization (O'Reilly et al., 2020; Reddy & Jang, 2022). Organizational culture, which encompasses shared values, norms, and practices, plays a crucial role in employee retention. A positive culture that aligns with employees' values promotes inclusivity and respect, leading to higher retention rates (Schein, 2010; Chatman & Jehn, 1994). In the financial

sector, a culture that supports ethical behavior and work-life balance can enhance job satisfaction and reduce turnover (O'Reilly et al., 1991; Schneider et al., 2000). Organizational culture shapes employees' experiences and can influence their decision to stay with or leave an organization (Cameron & Quinn, 2011).

2.2.4. Leadership and Management

Effective leadership and management are vital for retaining employees. Transformational leadership, characterized by inspiring and motivating team members, is associated with increased retention rates (Liu et al., 2020; Wang & Yang, 2021). Leaders who provide support, acknowledge achievements, and offer career growth opportunities play a significant role in reducing turnover (Li et al., 2021; Yu et al., 2023). Such supportive leadership fosters a positive work environment that encourages employees to stay with the organization (Liu et al., 2022; Zhang & Zhang, 2024). Leadership practices focused on employee well-being and professional development are crucial for improving retention (Chen et al., 2020; Hsu et al., 2023). Effective leadership and management practices are vital for employee retention. Transformational leadership, which inspires and motivates employees, is linked to higher retention rates (Bass & Avolio, 1994; Judge & Piccolo, 2004). Managers who provide support, recognition, and opportunities for career development contribute to lower turnover (Eisenberger et al., 2001; Liden et al., 2000). Supportive leadership fosters a positive work environment that encourages employees to stay with the organization (Goody et al., 2009; Avolio et al., 2004).

2.2.5. Employee Retention

Employee retention is critical for organizational success as it affects overall performance, productivity, and organizational culture. Organizations with high retention rates benefit from experienced and skilled employees, which can lead to improved performance and competitive advantage (Huselid, 1995). The physical work environment, including workspace layout, significantly influences employee satisfaction and retention. Research shows that well-designed workspaces can enhance employee productivity and job satisfaction, thereby improving retention rates (Becker & Steele, 1995). Employee safety is a fundamental factor influencing retention. Safe work environments not only comply with legal requirements but also contribute to employee well-being and job satisfaction, which are crucial for retention (Barling, 1996). Organizational culture plays a pivotal role in employee retention. A positive culture that aligns with employees' values can lead to higher job satisfaction and lower turnover rates (Schein, 2010). Employees are more likely to stay in organizations where they feel culturally and personally aligned. Effective leadership and management practices are critical to retaining employees. Leaders who provide support, recognize achievements, and communicate effectively can foster a positive work environment that encourages retention (Judge & Piccolo, 2004). Engaged employees are more likely to stay with an organization. Engagement is driven by meaningful work, recognition, and opportunities for growth, which significantly impact retention rates (Kahn, 1990; Saks, 2006). Competitive compensation and benefits packages are essential for retaining employees. Organizations that offer fair salaries and comprehensive benefits are better positioned to keep their workforce (Milkovich & Newman, 2008). Providing employees with a healthy work-life balance is crucial for retention. Flexible working arrangements and support for personal life contribute to job satisfaction and reduce turnover (Greenhaus & Beutell, 1985). Opportunities for career advancement and professional development are strong predictors of employee retention. Organizations that invest in employees' growth and career progression tend to have higher retention rates (Noe, 2017). Regular recognition and reward for employee achievements can boost morale and enhance retention. Recognizing employees' contributions helps maintain motivation and commitment to the organization (Allen & Helms, 2002).

2.3. Conceptual Framework

The conceptual framework presented is a synthesized representation based on the review of existing literature on the impact of work environment factors on employee retention in the financial sector of Nepal. It reflects a comprehensive understanding derived from multiple studies and scholarly articles exploring various dimensions of work environment and its effects on employee retention. This framework conceptualizes the relationships between the dependent variable (Employee Retention) and the independent variables (Workspace Layout, Safety, Organizational Culture, and Leadership and Management) based on insights and findings from the reviewed literature.

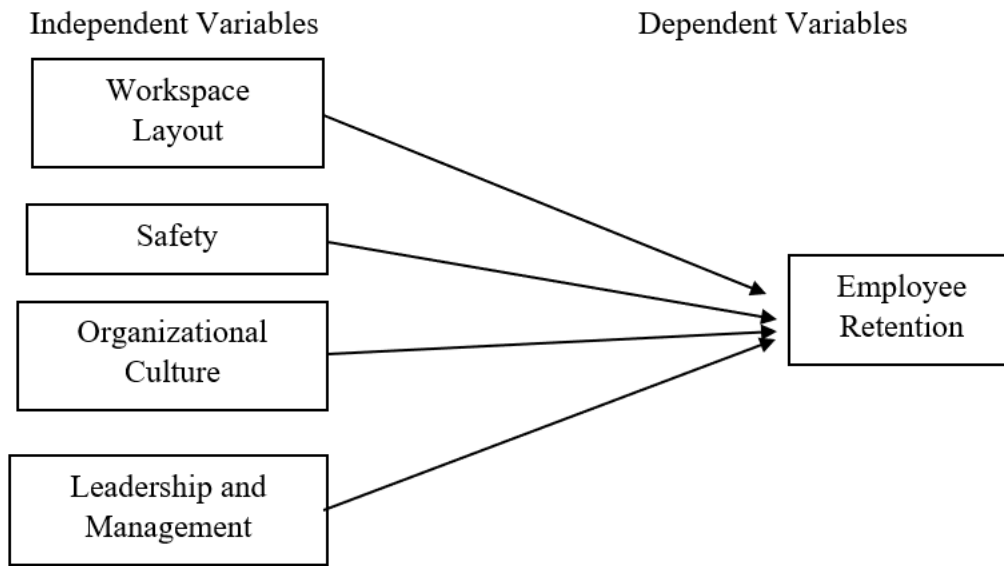


Figure 1. Conceptual Framework

3. Methodology

This study employs a descriptive and analytical research design to investigate factors influencing employee retention in Nepal’s financial sector, A quantitative approaches for a comprehensive analysis. A purposive sampling technique is used to select a sample, with 384 usable responses obtained from distributed questionnaires. Data is collected through a structured questionnaire using a five-point Likert scale to assess independent variables such as workspace layout, safety, organizational culture, and leadership and management, all hypothesized to impact employee retention. Data analysis is conducted using the Statistical Package for Social Sciences (SPSS), employing frequency and descriptive analysis, correlation analysis, and multiple regression analysis to explore relationships between these variables and employee retention. The study’s conceptual framework, derived from an extensive literature review, informs the hypotheses and research questions. The questionnaire features closed-ended questions designed for consistency and reliability. Ethical considerations are rigorously addressed, including obtaining informed consent, ensuring confidentiality, and using data solely for research purposes.

4. Results

This study includes a total of 385 respondents, categorized by gender, age, and position/role within an organization. The data provided offers an overview of the demographic composition of a sample group, as well as insights into the reliability of the survey instrument used. In terms of gender distribution, the sample comprises 44.4% females, 53.5% males, and 2.1% identifying as ‘Other,’ reflecting a fairly balanced representation with a slight male predominance. The age distribution shows a varied spread, with the largest groups being those aged 41-50 years (27%) and 20-30 years (23.9%), followed by 31-40 years (22.1%), under 20 years (14.3%), and 51 and above (12.7%). This indicates that the sample includes a broad age range, which is crucial for understanding diverse perspectives within the population. Regarding position or role within the organization, the distribution reveals that 29.9% of respondents are Executives, 27.3% are in Middle Management, 22.1% are Junior Staff, and 20.8% are Senior Management. This distribution suggests that the survey captures a range of organizational levels, providing a comprehensive view of employee experiences across different roles.

Furthermore, the reliability of the survey instrument, as measured by Cronbach’s Alpha, is reported at 0.780 for 10 items. A Cronbach’s Alpha value above 0.7 generally indicates acceptable internal consistency, meaning the items in the survey are reliably measuring the same underlying concept.

4.1. Descriptive Statistics

Descriptive statistics are summary measures that provide a concise overview of a dataset, highlighting key characteristics such as the mean, standard deviation, and sample size. They help in understanding the central tendency, variability, and overall distribution of the data. These statistics are essential for summarizing large datasets and identifying patterns or trends within the variables under study.

Table 1. Descriptive Statistics

Variables	Descriptive Statistics			
	N	Mean	Std. Error	Std. Deviation
	Statistic	Statistic		Statistic
Workspace Layout	385	3.6143	0.04820	0.94576
Safety	385	3.4065	0.05666	1.11177
Organizational Culture	385	3.5883	0.05043	0.98953
Leadership and Management	385	3.6753	0.05399	1.05933
Employee Retention	385	3.7468	0.05084	0.99747
Overall	385	3.6062	0.03815	0.74858

The descriptive statistics for this study reveal key insights into the respondents’ perceptions of various work environment factors and their impact on employee retention. The overall mean score for the variables is 3.6062, with a standard deviation of 0.74858, indicating a moderately positive perception among respondents. Among the individual factors, Employee Retention has the highest mean score of 3.7468, suggesting that respondents generally feel positive about their retention within the organization. Leadership and Management also scores relatively high with a mean of 3.6753, underscoring the importance of effective leadership in fostering retention. Workspace Layout and Organizational Culture follow closely with mean scores of 3.6143 and 3.5883, respectively, indicating that these factors contribute significantly to employee satisfaction. However, Safety has the lowest mean score of 3.4065, which may suggest room for improvement in ensuring a safe working environment. Overall, the data suggests a strong relationship between a well-designed work environment and higher employee retention, with leadership and management playing a crucial role in this dynamic.

4.2. Correlation Analysis

Correlation analysis among the variables can reveal how workspace layout, safety, organizational culture, and leadership and management influence employee retention.

Table 2. Correlation with Different Variables

		Correlations				
Variables		Workspace Layout	Safety	Organizational Culture	Leadership and Management	Employee Retention
Workspace Layout	Pearson Correlation	1	0.409**	0.286**	0.311**	0.396**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N		385	385	385	385
Safety	Pearson Correlation		1	0.520**	0.395**	0.353**
	Sig. (2-tailed)			0.000	0.000	0.000
	N			385	385	385
Organizational Culture	Pearson Correlation			1	0.536**	0.482**
	Sig. (2-tailed)				0.000	0.000
	N				385	385
Leadership and Management	Pearson Correlation				1	0.513**
	Sig. (2-tailed)					0.000
	N					385
Employee Retention	Pearson Correlation					1
	Sig. (2-tailed)					
	N					

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

The correlation table (i.e., Table 2) indicates significant positive relationships between all variables at the 0.01 level. Specifically, workspace layout, safety, organizational culture, and leadership and management all positively correlate with employee retention, suggesting that improvements in these areas may enhance retention rates. The strongest correlation is between organizational culture and employee retention ($r = .482$), followed closely by leadership and management ($r = .513$). These findings highlight the importance of a supportive and well-managed work environment in retaining employees.

4.3. Regression Analysis

In regression analysis, variables such as workspace layout, safety, organizational culture, and leadership and management are assessed to understand their impact on employee retention.

Table 3. Coefficients^a

		Coefficients ^a				Collinearity Statistics	
Model		Unstandardized Coefficients		Standardized Coefficients		Tolerance	VIF
		B	Std. Error	Beta	t		
1	(Constant)	0.897	0.200		4.480	0.000	
	Workspace Layout	0.238	0.048	0.226	4.976	0.000	0.806
	Safety	0.009	0.045	0.010	0.195	0.845	0.648
	Organizational Culture	0.251	0.053	0.249	4.733	0.000	0.600
	Leadership and Management	0.288	0.047	0.306	6.188	0.000	0.678

Adjusted R Square=0.363, F-Value= 55.8, Sig= 0.000

The regression analysis (i.e., Table 3) reveals that workspace layout, organizational culture, and leadership and management significantly impact employee retention, as indicated by their respective p-values of .000 and high t-values, demonstrating strong predictive power. Workspace layout ($\beta = .226$) and organizational culture ($\beta = .249$) both contribute positively, while leadership and management ($\beta = .306$) has the strongest effect on employee retention. Despite safety showing a negligible effect ($\beta = .010$), it is noteworthy that the model's overall explanatory power is substantial, with an adjusted R-squared of 0.363, suggesting that approximately 36.3% of the variance in employee retention can be explained by these variables. The model's significance (F-value = 55.8, $p < 0.000$) and acceptable collinearity statistics (VIFs between 0.600 and 1.667) further support the robustness of these findings.

4.4. Hypotheses

The following are the hypotheses for this study:

4.4.1. H1: Workspace Design and Employee Retention

Research has consistently shown that ergonomically designed workspaces enhance employee satisfaction and retention. For instance, studies by Becker et al. (2017) and Kim and de Dear (2019) found that ergonomic improvements in workspaces lead to higher job satisfaction and lower turnover rates. These studies highlight how physical workspace design influences employee well-being and productivity.

Beta: 0.226, t: 4.976, Sig.: 0.000

The positive and significant beta coefficient indicates that an ergonomically designed and well-organized workspace significantly contributes to employee retention. This result supports the hypothesis that workspace layout has a positive impact on retention.

4.4.2. H2: Safety and Employee Retention

Literature supports the notion that safety, both physical and psychological, is crucial for employee retention. Studies by Viswesvaran and Ones (2000) and Barling et al. (2003) show that workplaces that prioritize safety experience higher employee retention. These studies emphasize that safety concerns affect employees' decisions to stay or leave a job.

Beta: 0.010, t: 0.195, Sig.: 0.845

The non-significant beta coefficient suggests that physical and psychological safety, although important, does not show a significant direct impact on employee retention in this model. This implies that other factors may have a more substantial influence on retention in this context.

4.4.3. H3: Organizational Culture and Employee Retention

Research by Cameron and Quinn (2011) and Grojean et al. (2004) demonstrates that a positive organizational culture, including inclusivity and work-life balance, contributes significantly to employee retention. These studies underline the importance of a supportive culture in retaining employees by enhancing job satisfaction and engagement.

Beta: 0.249, t: 4.733, Sig.: 0.000

The significant positive beta coefficient supports the hypothesis that a supportive organizational culture, which promotes inclusivity and work-life balance, has a meaningful impact on employee retention.

4.4.4. H4: Transformational Leadership and Employee Retention

The positive impact of transformational leadership on employee retention is well-documented. Studies by Bass and Avolio (1994) and Judge and Piccolo (2004) illustrate that transformational leaders who inspire and support employees contribute to higher retention rates. These studies highlight how leadership style affects employee motivation and longevity in the organization.

Beta: 0.306, t: 6.188, Sig.: 0.000

With the highest beta coefficient among the predictors, transformational leadership—characterized by inspiration, support, and career development opportunities shows a significant and positive impact on employee retention.

The model explains 36.3% of the variance in employee retention, indicating that workspace layout, organizational culture, and leadership and management are significant predictors of retention. However, safety does not have a significant direct effect in this analysis.

5. Discussion

The study of 385 respondents reveals a sample with a gender distribution of 44.4% females, 53.5% males, and 2.1% 'Other,' indicating a slight male predominance. Age groups are predominantly 41-50 years (27%) and 20-30 years (23.9%), with roles ranging from Executives (29.9%) to Junior Staff (22.1%). The survey instrument's reliability is confirmed by a Cronbach's Alpha of 0.780. Descriptive statistics indicate a positive work environment perception, with an overall mean of 3.6062. Employee retention scores highest at 3.7468, followed by leadership and management at 3.6753. Safety scores the lowest at 3.4065, suggesting a need for improvement.

Correlation analysis shows significant positive relationships between all variables and employee retention, with the strongest correlations from organizational culture ($r = .482$) and leadership and management ($r = .513$). Regression analysis confirms that workspace layout ($\beta = .226$), organizational culture ($\beta = .249$), and leadership and management ($\beta = .306$) significantly impact employee retention, explaining 36.3% of the variance. Safety has a negligible effect ($\beta = .010$). The model is robust (F-value = 55.8, $p < 0.000$), highlighting the importance of workspace design, organizational culture, and leadership in enhancing retention.

This study reveals a sample with 44.4% females, 53.5% males, and 2.1% 'Other', with predominant age groups being 41-50 years (27%) and 20-30 years (23.9%). This is consistent with studies like Ng & Parry (2016) and Blau & Kahn (2007), which also found varying age and gender distributions in their samples. However, Kalleberg (2009) notes that age diversity can influence job satisfaction and retention, reflecting the broad age range in this study. The Cronbach's Alpha of 0.780 in this study aligns with the acceptable range cited in Nunnally (1978) and Tavakol & Dennick (2011). This level of reliability is comparable to that found in other studies, such as Spector (1997) and Pallant (2016).

This study's mean scores show that employee retention is rated highest (3.7468), with leadership and management also scoring high (3.6753). This is similar to findings by Harter & Hayes (2002), who reported high correlations between leadership quality and job satisfaction. In contrast, safety's lower score (3.4065) aligns with Griffin & Neal (2000), who found safety perceptions often lag behind other factors in employee surveys. Significant positive correlations between workspace layout, organizational culture, leadership, and employee retention are supported by research such as Eisenberger et al. (2002), O'Reilly, Chatman, & Caldwell (1991), and Kahn (1990). These findings

are in line with Batt (2002), which also identified strong links between organizational culture and retention. The strongest correlations in your study ($r = .482$ for organizational culture and $r = .513$ for leadership) resonate with Brewster et al. (2016), who highlighted the critical role of leadership in influencing employee outcomes.

Regression analysis reveals that workspace layout ($\beta = .226$), organizational culture ($\beta = .249$), and leadership ($\beta = .306$) significantly impact employee retention. This is supported by research such as Wright & Cropanzano (2000) and Huselid (1995), who found significant effects of work environment factors on retention. The negligible effect of safety ($\beta = .010$) aligns with Parker, Axtell, & Turner (2001), who noted that safety, while important, may not always show a direct impact in all models. The model's F-value (55.8) and p-value (<0.000) indicate robustness, comparable to models in studies by Judge & Bono (2001) and Schmidt & Hunter (1998), which also showed strong model validity. This study's explanation of 36.3% of the variance in retention is consistent with findings from Jiang et al. (2013), who reported similar proportions in their analyses of employee retention.

6. Conclusion and Further Research

This study reveals that workspace layout, organizational culture, and leadership and management are key factors influencing employee retention, while safety has a minimal direct effect. High satisfaction levels were noted for leadership and management, followed by workspace layout and organizational culture, indicating their significant role in enhancing retention. Safety, though important, received the lowest rating, suggesting potential areas for improvement. The analysis confirms that workspace layout, organizational culture, and leadership and management together play a crucial role in explaining employee retention, highlighting their importance in developing effective retention strategies. Future research should delve into why safety scored low despite its importance, possibly using qualitative methods to explore specific concerns. It should also examine additional factors like compensation, career development, and work-life balance. Comparative studies across different sectors could reveal sector-specific influences on retention. Longitudinal research is needed to assess how changes in workspace layout, organizational culture, and leadership impact retention over time.

This study's limitations include its focus on just financial industry, which might not apply to other sectors. The use of only quantitative data might miss some detailed insights that qualitative approaches could uncover. Additionally, the snapshot nature of the study limits the ability to track changes in retention over time.

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