

Employees Retention Trends & Challenges in Oil and Gas Industry

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Abstract: *This study explains the factors influencing job satisfaction and employee turnover in the oil and gas industry of Pakistan, drawing upon Social Exchange Theory (SET) as a theoretical framework. Employee retention in any industry is a measure of the attachment of employees toward their organization. It is important to determine whether an employee will be passionate about working for a company over long term and will use their full potential to help company meet its objectives. Employee Turnover rate has been a significant issue for organizations because they directly affects other employees as well and ultimately effects company's profitability and competitiveness. Organizations and employees share a special bond where they find ways to benefit each other for a long turn. However, if this bond is broken then it increases the chances of a high turnover rate and lack of enthusiasm toward the organization. Oil & Gas Sector is one of the largest sector in Pakistan in terms of market valuations and number of employees. A total of 250 respondents working in different Oil & Gas Companies of Pakistan including both National and Multinational were considered. IBM SPSS was used to perform initial data analysis and to calculate reliability and validity of data. IBM SPSS AMOS was used to perform Confirmatory Factor Analysis and Structural Equation Modeling. Non-Probability Purposive sampling was used for the collection of data. The theoretical framework includes Promotional Opportunity, Leadership Style, Employee Perception of Development, and Compensation & Benefits as Independent variable and Employee Turnover as dependent variable taking Job satisfaction as mediator. Supervision plays mediator between job satisfaction and employee turnover. The results shows Leadership Style and Compensation & Benefit have a good impact on Job Satisfaction which eventually reduce Employee Turnover in organizations while promotional opportunity and employee perception of development have no impact on job satisfaction. The mediating role of Job satisfaction and supervision were found to be weak and significant.*

Key Terms: *Supervision, Promotion Opportunity, Job Satisfaction, Leadership Style, Employee Perception of Development, Compensation & Benefits, Employee Turnover.*

Introduction

In today's world, no organization can perform at the maximum capacity unless all the organization's workforce is committed to the vision of the company (Kapur, 2022.). Most

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researchers consider the relationship between a manager and its employee as the major hurdle in an employee's turnover (Azharudeen et al., 2018). In addition, compensation for their hard work, job satisfaction, promotion opportunities, and career opportunities also play an important role (Abbas et al., 2021; Van Der Heijden et al., 2018).

In this study, a well-known sector oil & gas company is considered. Oil & gas companies in the country have been facing a sharp increase in employee turnover in the last few years. High turnover and low retention rates in the industry will create chaos and create more issues for all employees. Without opting strong retention strategies all organizations will face downtown in production and will spend more on new hires and pieces of training (Elomami, 2015).

The oil & gas industry faces huge employee turnover. Increasing tendency of job switching affects the overall productivity of the firms as it increases the cost of hiring, training, and operations. Such challenges in the industry shows lack of loyalty towards organization and an absence of job satisfaction among employees. Unfortunately, the management of these firms is unable to comprehend the reason for such an increase in turnover and a decrease in organizational commitment (Awan, 2015; Elomami, 2015).

Oil and gas companies are struggling to retain top talent. They are focusing on Employee benefits (set of benefits that an employee gets for what they give, including aspects like compensation and benefits) to improve retention but it differs widely across the industry. Companies are finding it increasingly difficult to attract and retain employees, especially since skill requirements are changing dramatically in the modern era (Mckinsey & Company / Oil and gas industry insights). This study is meant to ascertain the relationship between compensation and employees' performance. The study aims to find out how satisfactory compensation enhances employee performance. The impact of reward administration on worker performance can be appropriate to those who develop their inspiration from it. Consequently, to say that reward influence workforces to perform may be fictitious and overstatement. Human requirements are dynamic in nature. For the sustainability, a compensation strategy should also illuminate the connection between remunerations, salaries and reimbursements to the crucial success dynamics of the businesses. Against such a complex background of varied effects of compensation on employee performance several arguments can be put forward: A remuneration policy should entail other components of variable pay that is pay, which is linked to the performance of employees (Mahato & Kaur, 2023).

Research Questions and Objectives

Employees' turnovers increase due to poor leadership style, compensation & benefits, and fewer promotion opportunities. (Bryant & Allen, 2013). Labors must be content with the working environment and treated properly, as they take the success of a company to a great extent. Employees skilled in their work set targets and with great struggle move towards achieving those goals which in return help the firm move closer to reaching its goals. It is hard to replace an employee who is skilled and hardworking and counts as an economic loss for a firm. Research questions for Pakistan's Oil & Gas sector are as follow:

1. What is the impact of Leadership Style on Employee turnover rate?
2. What is the impact of Promotional Opportunity on the Employee Turnover rate?
3. What is the impact of Compensation & Benefits on the Employee Turnover rate?
4. What is the impact of Employee Perception of Development on the Employee Turnover rate?
5. What is the impact of employee Job Satisfaction on the Employee Turnover rate?

6. What is the impact of Supervision on the Employee Turnover rate?
7. What is the impact of Job satisfaction on Supervision?
8. What role does Job Satisfaction play as mediator between Promotional Opportunity, Leadership Style, Compensation & Benefit, Employee Perception of Development, and Employee Turnover rate?
9. What role does supervision play as mediation between Job satisfaction and employee turnover?

Employee turnover has various factors interlinked behind it. The basis of this research is to find ways to utilize specific variables to conduct detailed analysis and discuss how those variables affect employee turnover in oil & gas companies. Variables that are considered for this study are compensation and benefits, job satisfaction, supervision, leadership style, promotion opportunities, employee perception of development. This research will help to determine which variable plays a major role in employee turnover.

Research Gaps

Most of the studies in these sectors were found to be from the service sector mainly or a majority of the work has been done is of a generalized nature when investigating the factors that impact organizational commitment. In the literature search & review, it was observed that not many of the researchers focused on developing countries such as Pakistan where workplace environments, employee retention, and job satisfaction relation can be different. Another significant observation in the literature review was that the leadership style specific to the oil & gas industries is not easily available in search engines and publications. Although such countries have huge manufacturing sectors with a very large population of employees. Also, most of the studies did not completely address the issues of employee turnover in the firm (Awan, 2015).

Research Contributions

Pakistan's oil & gas companies contribute approximately 4-5% to the national GDP hence one of the most important sectors when it comes to output and productivity. (Pakistan Economic Survey 2022-23, Pakistan Ministry of Finance). This huge industry and population of employees has a unique set of low retention rates and some factors need to be studied to resolve the turnover problems.

The mediating effect of job satisfaction is adapted from literature and is being tested in the context of Pakistan's oil & gas sector, there are numerous companies exist in this purview. Due to the tooling and oil & gas jobs, large and medium scale operations, and tough working conditions, employees are more vulnerable to the factors that negatively impact job satisfaction levels and their commitment toward organizations. Such employees are more stressed out in the work environment and are most likely to leave their jobs.

The study develops conceptual framework based on existing literature, aiming to understand relationships among key constructs and their impact on employee turnover with two constructs as potential mediators. The framework examines leadership style promotional opportunities, compensation and benefits and employee perception of development as independent variables and employee turnover as dependent variable. The findings of this will provide direction and framework for the oil & gas companies in Pakistan where they have employees with lower job satisfaction, bad supervision, and high level of employee turnover.

Literature Review

Theoretical Underpinnings

Social Exchange Theory (SET)

Social Exchange Theory (SET) suggests that social behavior is the result of an exchange process where individuals engage in interactions that yield benefits while minimizing costs. This theory, developed by scholars like George Homans and Peter Blau, provides a basis for understanding workplace relationships and employee behavior (Cook & Rice, 2006). SET is based on the idea of reciprocal exchanges. Employees contribute their skills, time, and effort to an organization with the expectation of receiving certain rewards, such as salary, benefits, recognition, and opportunities for career advancement. Job satisfaction likely to increase if people reciprocal expectations are met. When employee perceived their benefits match with their contribution, there job satisfaction rises due to sense of fairness. When they feel under rewarded this leads to dissatisfaction and increased turnover.

The Oil and Gas sector struggles to retain skilled employees, which incurs high cost due to training and development of new hires. It is a significant challenge to replace workers with specialized knowledge and skills who leave because of high turnover (Ahmed et al., 2019). Industry Leaders are funding new initiatives but growth is hampered by shrinking talent pool and aging workforce. The lack of qualified professionals and an older employee's base lead to difficulties in keeping specialized staff. This study suggests that managers should create and implement strategies to retain employees with unique expertise (Gerard, 2019).

Employee survey results in the subject company show that the majority of the employees seem unattached to the company's vision and mission statement, and employees are not satisfied with leadership over issues mostly related to HR policies. Employees perceive that the management is unfair in its dealing with hierarchy and different levels of organization, employees think that the lack of supervisor, leadership issues, and promotion opportunities in the organization is insufficient and it cannot develop and polish new entrants, they also think that bureaucratic style of management discourages them to take timely business decision resulting in loss of commitment towards organization, majority of the employees think that they are not fairly remunerated, not just with the salary but with other benefits which other companies in same discipline offer to their employees (Bryant & Allen, 2013; Saleem, 2015a).

Grounding of Conceptual Framework

Supervision (SU)

Research shows that organizational efficiency greatly influenced by Supervision. It enhances employee level of satisfaction and commitment (Allen & Meyer, 1990). Employees feel comfortable, motivated to learn and improve their skill under good supervision. It also enhances emotional health and prosperity of employee (LaRocco et al., 1980). Employees need supervisory support (Zia et al., 2022), for their growth (Humayon & Shahar Bano., 2023).

Job Satisfaction (JS)

Performance can be enhanced by improving job satisfaction and increased performance will increase job satisfaction only when employees recognize that what they are receiving (salary/compensation) is equal to the efforts they put into work (Choiriyah & Riyanto, 2021).

Promotion Opportunity (PO)

Promotion opportunity is the backbone of any organization. It boost employee's morale and define the strategy for the next targets. Company progress is linked with the opportunities employees have been receiving (Elomami, 2015).

Each employee needs to work hard to get promotional opportunities. To get promotion opportunities employees have to meet deadline of their line managers and achieve company goals. In terms of job duties and responsibilities, each employee has to meet their targets so they will be facilitated with growth opportunities (Kapur, 2022).

Compensation & Benefits (CB)

Compensation is the reward obtained by employees for the work/efforts that they apply in the organization to achieve its goals. Compensation can be salary, enticements, allowances, or other benefits which can be anything other than money (Mahato & Kaur, 2023). According to (James et al., 2024). Compensation must be given to the employees in such a way that they put more effort into organizational activities and it increases commitment. Highly committed staff helps you achieve a competitive edge in the market and maintain good customer relations.

Compensation has two kinds as per Marwansyah (2012), they can be direct and indirect compensation. Direct compensation consists of basic pay or profit sharing, and indirect compensation can be welfare and service programs. There are many researches available that have proved that compensation has a major positive influence on job satisfaction because high compensation will motivate employees to go the extra mile (Winda et al., 2017; Oseanita et al., 2017). Eventually, the employees are more satisfied when they are paid fairly and intend to be more loyal to the organization.

Leadership Style (LS)

Leadership plays a pivotal role to retain employees in any organization. Usually, Employees are not able to adjust with their boss's behavior and leadership style (Elangovan, 2001). Once employees receive strong leadership they feel empowered and become more committed to their organizations (Ahmed et al., 2019). Leadership is one of the factors that utilizes organizational politics. Organizational politics between employees is influenced by the leadership style of the bosses (Saleem, 2015a).

Employee Perception of Development (EPD)

Employee development programs shows positive side of organization toward their employees. Training & development programs increase productivity of employees (Syed et al., 2023). Firms that invest time and money in their employees will get benefits with upskills knowledge, motivation organizational dynamics, and the company's overall culture (Seong, 2015).

Empowered workers are more committed to their organization because the organization values their skills and efforts and treat all employees equally. When employees are empowered in any organization, they are more satisfied and hence more committed to the job.

Employee Turnover (ET)

Employee turnover incurs major costs for any organization. It includes direct cost of hiring, time delay, hiring and replacement cost. On the other hand, indirect costs include employees training and development, employees settling time and initially compromised work

quality (Bodla & Hameed, 2009). Employees have several reasons to leave their workplaces including job stress, job satisfaction, work environment and motivation etc. Employee turnover has negative impact organization's sustainability, productivity and competitiveness (Abolade, 2018; Bryant & Allen, 2013).

Due to employee turnover the assurance of good quality employee is at risk and significant amount is spent on new hiring and training and development causing huge losses to company (Lee et al., 2016). High turnover rates also affect employee work relations, morale and safety of employees (Mj et al., 2017). Organizations also losses huge amount when employees leave with valuable knowledge, skills and experience they gained during working with them (Noh et al., 2019; Heijden et al., 2018).

Hypotheses Development

H1: PO have a significant positive effect on JS.

Scholars suggest that promotion improves job satisfaction. Promotion validates employee contribution towards organization. It motivates him to excel further and remain loyal to organization (Razak et al., 2018).

Fairly and timely promotions leads to workplace satisfaction improving overall organizational effectiveness. The study established positive correlations between promotions, job satisfaction and organizational goal achievement in education sector (Garba & Idris, 2021).

H2: EPD are significantly positively impact JS.

The study investigate the impact of Employee development on JS and organizational commitment in Pakistan's telecommunication sector with moderating role of person organizational fit. The results shows positive impact of EPD on JS ultimately improving OC but surprising there is negative impact of EPD on OC if moderated by person-organization fit. It was concluded that if organization and person are not compatible employee development will reduce OC (Jehanzeb & Mohanty, 2018).

H3: LS has a significant positive impact on JS.

Different Leadership style has impact on job satisfaction. Leaders with strong ethics, discipline and authority has strong impact on job satisfaction (Muttalib et al., 2023). The study examines the influence of leadership style on JS with perceived organizational politics as mediating role. The results indicates that transformational leadership positively impacts JS while transactional leadership has a negative impact on JS. These findings highlights the complex dynamics of leadership approaches and employee satisfaction (Saleem, 2015b)

H4: CB has a significant positive effect on JS.

The author studies the impact of Compensation and Benefit on JS among academic staff. The findings shows significant impact of compensation on job satisfaction. He emphasize the need of compensation strategies to retain top talent in universities. Retention in universities will improve research output and skill development of a country (Mabaso & Dlamini, 2017).

H5: JS has a significant positive impact on SU.

Supervisory support plays a key role in manufacturing in mitigating employee turnover. A good supervisory improves employee performance and job satisfaction, similarly abusive supervisory leads to employee turnover (Iqbal et al., 2020). The research explain the relationship

between supervisors and sub-ordinates. It studies the impact of Perceived Organizational Support, Leader Member Exchange Theory and Organizational hierarchies on job satisfaction. The study suggest self-assessment model for supervisors to improve their relationships with subordinates (Hampton, 2019).

H6: JS has a significant negative impact on ET.

The study examines relationship between job satisfaction and turnover intention among employees at a hospital. The results shows improving supervision, appraisal system and work environment enhances job satisfaction leading to reduced turnover. The study highlights importance of organizational strategies to improve retention in healthcare industry (Tina Rakhmitania, 2022).

The study investigate the impact of job satisfaction on employee turnover at a bank. Job satisfaction was measured through recognition, working condition and supervisory support. The findings suggest that these factor have significant impact on employee turnover. Bank management can prioritize these factors to reduce turnover rate (Fite & Lemi, 2022).

H7: SU has a significant negative impact on ET.

Literature suggest an impact of abusive supervision on turnover intention with self-esteem and emotional exhaustion as mediator. The results shows abusive supervisory positively impact employee turnover (Ali et al., 2022). Also self-esteem and emotional exhaustion mediates the relationship.

Mediation

H8: JS mediates relationship between PO and ET

H9: JS mediates relationship between EPD and ET

H10: JS mediates relationship between LS and ET

H11: JS mediates relationship between CB and ET

The mediating role of job satisfaction in Iran hotel industry shows negative impact on employee turnover. Study shows that workplace friendships reduces employee turnover as workplace friendship improves employee job satisfaction (Asgharian et al., 2015). Another study examines that social support in workplace can reduce ostracized behavior in employees' ultimately lowering turnover intention (Ikram et al., 2018). The study took job satisfaction as mediator revealing ostracized employees have lower job satisfaction.

The author investigates the impact of TI among industrial park workers with JS as mediator between salary and supervision. The result proves significant mediating role of JS with 41.6% while salary explains 19.4% and supervision 66.6% variance. It highlights the importance of supportive environments to reduce turnover and improve overall sector productivity (Dibiku, 2023).

H12: There is a mediating effect of SU between JS and ET.

The study highlights supervisory support mediating role between flexible working arrangements and employee job performance. The result shows the supervisory supports mediates between FWA and JP ultimately reducing turnover rate. The research highlights how organizations underscores supervisory support despite being the very important factor in reducing turnover (Sekhar & Patwardhan, 2023).

Conceptual Framework

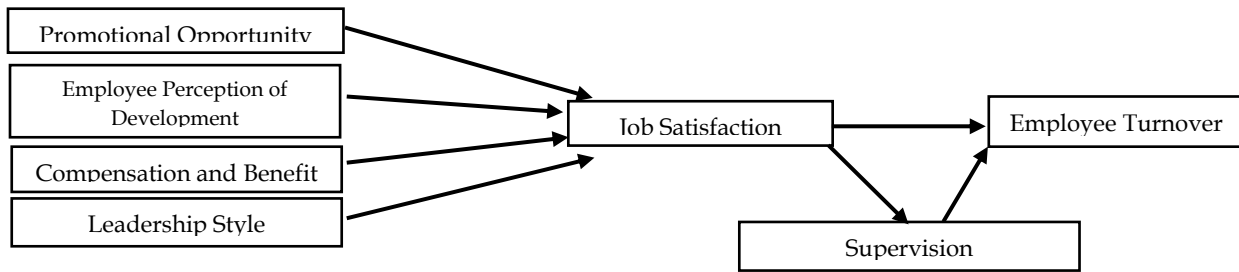


Figure 1: Conceptual Framework

Brief Methodology

Drawing from identified problems and gaps in the existing literature, the research questions and study objectives were established, leading to creation of conceptual framework to address these questions. This study follows quantitative research design, deriving conclusions from statistical analyses using a sample drawn from relevant population (Creswell, 2003). The validity of the test is determined through surveys, correlation analyses, or other statistical methods (Lowhorn, 2007).

The research uses non-probability sampling in which we can select units from the population based on subjective judgment and accessibility. This approach is typically used when random sampling is impractical and cannot be used (Ansari, 2020; Etikan, 2016). To achieve the purpose of the objectives, the Purposive Sampling technique has been used in this study. Questionnaires have been distributed among the employees of different Oil & Gas sector companies and data has been collected from them (Ahmed et al., 2019). The data underwent a series of tests including descriptive analysis, reliability, validity, correlation, CFA, CB-SEM. Five-point Likert scale was used in the questionnaire.

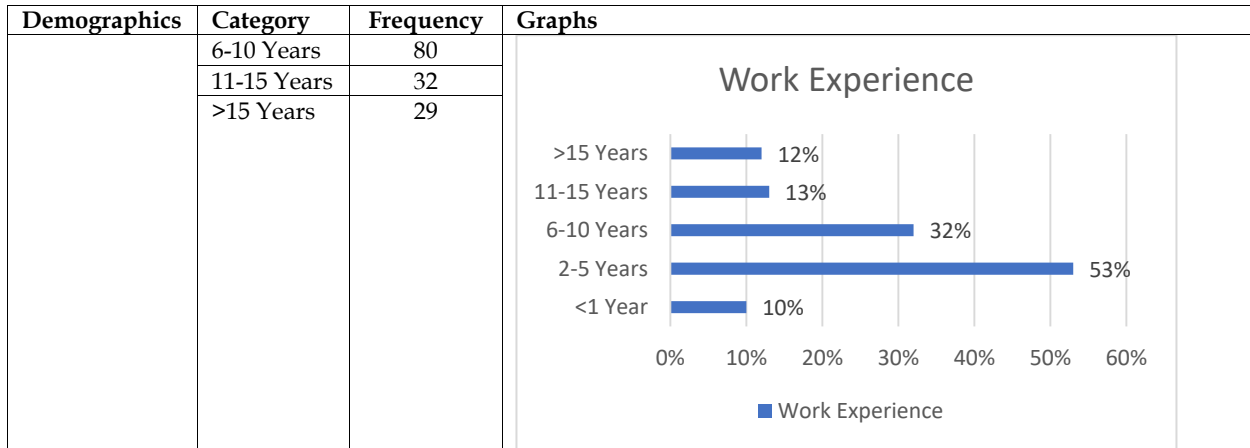
Results

Demographics

All respondents were belong to Oil & Gas Industry. A brief demographic of respondents is given below. 83% were male and 17% were Female respondents. 50% respondents are in the age bracket of 21- 30 while 36 % were in 31-40. In terms of Education 43% respondents hold bachelor degree while 55% have master's degree. 59% were assistant managers while 22% and 13% were at managerial levels and entry levels respectively. 33% have a work experience of 2-5% while 32% have 6-10 Years work experience. 67% have income in between 50,000-200,000 and 16% are in the range of 201,000 – 400,000. Demographics are depicted in Table 1.

Table 1: Demographics

Demographics	Category	Frequency	Graphs												
Gender	Male	207	<p>A horizontal bar chart titled 'Gender' showing the distribution of respondents by gender. The x-axis represents percentage from 0% to 100%. The y-axis lists 'Female' and 'Male'. The 'Male' bar extends to 83% and the 'Female' bar extends to 17%.</p> <table border="1"> <tr><th>Gender</th><th>Percentage</th></tr> <tr><td>Female</td><td>17%</td></tr> <tr><td>Male</td><td>83%</td></tr> </table>	Gender	Percentage	Female	17%	Male	83%						
	Gender	Percentage													
Female	17%														
Male	83%														
	Female	43													
Age	<20	3	<p>A horizontal bar chart titled 'Age' showing the distribution of respondents by age group. The x-axis represents percentage from 0% to 60%. The y-axis lists age groups: '>50', '41-50', '31-40', and '21-30'. The bars show percentages of 5%, 8%, 36%, and 50% respectively.</p> <table border="1"> <tr><th>Age Group</th><th>Percentage</th></tr> <tr><td>>50</td><td>5%</td></tr> <tr><td>41-50</td><td>8%</td></tr> <tr><td>31-40</td><td>36%</td></tr> <tr><td>21-30</td><td>50%</td></tr> </table>	Age Group	Percentage	>50	5%	41-50	8%	31-40	36%	21-30	50%		
	Age Group	Percentage													
	>50	5%													
	41-50	8%													
	31-40	36%													
	21-30	50%													
	21-30	124													
	31-40	91													
	41-50	20													
	>50	12													
	<20	3													
Education	Inter/Diploma	3	<p>A horizontal bar chart titled 'Education' showing the distribution of respondents by education level. The x-axis represents percentage from 0% to 60%. The y-axis lists education levels: 'Ph.D & above', 'Masters', 'Bachelors', and 'Inter/Diploma'. The bars show percentages of 1%, 55%, 43%, and 1% respectively.</p> <table border="1"> <tr><th>Education Level</th><th>Percentage</th></tr> <tr><td>Ph.D & above</td><td>1%</td></tr> <tr><td>Masters</td><td>55%</td></tr> <tr><td>Bachelors</td><td>43%</td></tr> <tr><td>Inter/Diploma</td><td>1%</td></tr> </table>	Education Level	Percentage	Ph.D & above	1%	Masters	55%	Bachelors	43%	Inter/Diploma	1%		
	Education Level	Percentage													
	Ph.D & above	1%													
	Masters	55%													
Bachelors	43%														
Inter/Diploma	1%														
	Bachelors	107													
	Masters	138													
	Ph.D & above	2													
Income Levels	<50K	18	<p>A horizontal bar chart titled 'Income Levels' showing the distribution of respondents by income bracket. The x-axis represents percentage from 0% to 80%. The y-axis lists income levels: '>600K', '401K-600K', '201K-400K', '51K-200K', and '<50K'. The bars show percentages of 6%, 4%, 16%, 67%, and 7% respectively.</p> <table border="1"> <tr><th>Income Level</th><th>Percentage</th></tr> <tr><td>>600K</td><td>6%</td></tr> <tr><td>401K-600K</td><td>4%</td></tr> <tr><td>201K-400K</td><td>16%</td></tr> <tr><td>51K-200K</td><td>67%</td></tr> <tr><td><50K</td><td>7%</td></tr> </table>	Income Level	Percentage	>600K	6%	401K-600K	4%	201K-400K	16%	51K-200K	67%	<50K	7%
	Income Level	Percentage													
	>600K	6%													
	401K-600K	4%													
	201K-400K	16%													
	51K-200K	67%													
<50K	7%														
	51K - 200K	168													
	201K -	39													
	400K														
	401K -	11													
	600K														
	>600K	14													
Designation	Mgt/Engr Trainee	33	<p>A horizontal bar chart titled 'Designation' showing the distribution of respondents by job title. The x-axis represents percentage from 0% to 80%. The y-axis lists designations: 'Sen Mgt', 'GM', 'Managers', 'AM/Eng', and 'MT/TE'. The bars show percentages of 1%, 6%, 22%, 59%, and 1% respectively.</p> <table border="1"> <tr><th>Designation</th><th>Percentage</th></tr> <tr><td>Sen Mgt</td><td>1%</td></tr> <tr><td>GM</td><td>6%</td></tr> <tr><td>Managers</td><td>22%</td></tr> <tr><td>AM/Eng</td><td>59%</td></tr> <tr><td>MT/TE</td><td>1%</td></tr> </table>	Designation	Percentage	Sen Mgt	1%	GM	6%	Managers	22%	AM/Eng	59%	MT/TE	1%
	Designation	Percentage													
	Sen Mgt	1%													
	GM	6%													
	Managers	22%													
	AM/Eng	59%													
MT/TE	1%														
	Assistant Managers/Engineers	147													
	Managerial Levels	54													
	General Manager	14													
	Senior Management	2													
	Mgt/Engr Trainee	33													
Work Experience	<1 Year	26													
	2-5 Years	83													



Descriptive Statistics, Reliability and Convergent Validity

The descriptive statistics of data shows normality of data. For normality of data, Skewness must be in the range of -1 +1 and Kurtosis in the range of -3 +3. (George & Mallery, 2003; Hair et al., 2014a). Reliability of constructs shows internal consistency of items with Cronbach alpha coefficient (Cronbach, 1951). Cronbach alpha > 0.80 is considered to be excellent while the range of 0.7-0.8 is very good and 0.6-0.7 can be acceptable (Churchill et al., 2010). Table 2 shows reliability of all constructs. All constructs have reliability coefficient greater 0.7.

Table 2: Descriptive, Reliability and Convergent Validity

Constructs	Mean	Std. Deviation	Skewness	Kurtosis	Reliability Cronbach Alpha	No. of Items	KMO	AVE
Employee Turnover	2.80	1.019	-.018	-.771	0.826	4	0.724	0.665
Supervision	2.46	.820	.376	.102	0.772	4	0.725	0.598
Promotional Opportunity	3.37	.928	-.194	-.483	0.752	4	0.747	0.574
Job Satisfaction	2.45	.882	.708	.699	0.873	4	0.816	0.725
Leadership Style	2.65	.797	.500	.209	0.863	8	0.859	0.650
Employee Perception of Development	3.05	1.090	-.008	-.916	0.910	4	0.844	0.787
Compensation & Benefit	3.25	1.123	-.232	-.903	0.917	5	0.891	0.752

Construct validity indicates how accurately a construct reflects the concept it aims to assess. Validity checks are crucial when a concept is challenging to measure directly. Given that our study was conducted in Pakistan's context, it is critical to ensure construct validity for data consistency. For convergent validity to be considered acceptable, the Average Variance Extracted (AVE) must exceed 0.4 (Hair et al., 2014b). The Kaiser-Meyer -Olkin (KMO) test shows sampling adequacy for each variable. KMO cut off criteria is 0.6 (Sekaran & Bougie, 2016). In this study, all constructs had AVE values above 0.4 and KMO above 0.6, indicating that the data has acceptable validity.

Correlation Analysis and Discriminant Validity Test

Correlation analysis depicts relationships among variables and also shows if there is any multi collinearity among variables (Bryman & Bell, 2007). Pearson’s coefficient must be between 0.2 to 0.9 for the constructs to have significant relationship (Bryman & Bell, 2007; Qureshi et al., 2022). Table 3 shows correlation results of data. The discriminant validity test shows that the concepts are distinct from each other (Campbell & Fiske, 1959). Also, it confirms that the variables

do not possess a strong relationship nor do they overlap with them (Hair et al., 2009). There are many ways to assess the discriminant validity however, one way to do is to take Average Variance Extracted (AVE) take square root of it and make sure that it must be higher than the correlation coefficients of pairs of the constructs (Ansari et al., 2017; Fornell & Larcker, 1981).

Table 3: Discriminant Validity and Correlation

	ET	SU	PO	JS	LS	EPD	CB
ET	0.816						
SU	-.490**	0.773					
PO	-.567**	.442**	0.758				
JS	-.540**	.468**	.600**	0.851			
LS	-.459**	.623**	.633**	.599**	0.806		
EPD	-.523**	.346**	.595**	.577**	.524**	0.887	
CB	-.473**	.365**	.585**	.551**	.504**	.698**	0.868

Note: ** Sig value <0.05

Confirmatory Factor Analysis

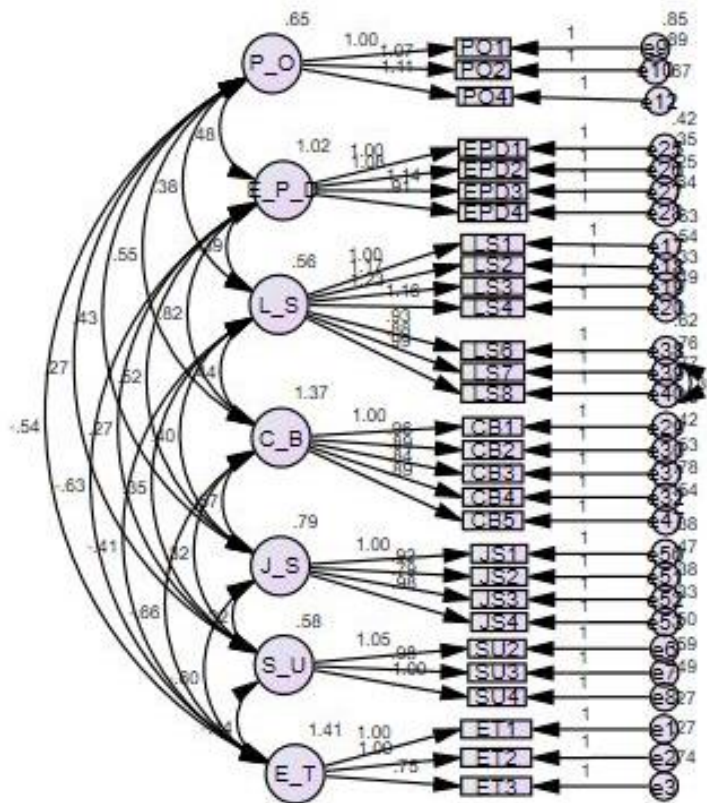


Figure 2: Confirmatory Factor Analysis

CFA test whether measures of a construct are consistent with researcher’s understanding of nature of that construct (Brown, 2006). CFA was conducted on data to check reliability, validity and factor loading of data. The model was reiterated till we achieve required fit indices. The final model consist of three items of promotional opportunity, four items of Employee Perception of Development, seven items of Leadership style, five items of Compensation & Benefit, four items of Job Satisfaction, three items of Supervision and three items of Employee Turnover (Ansari, 2020; Qureshi et al., 2022). Table 4 depicts overall model fit has following indices that are in range as per ranges suggested (Ansari, 2020; Qureshi et al., 2022).

Results of Hypothesis Testing

Bootstrapping test was conducted with 5000 subsamples in AMOS to test the direct and indirect relationships. Hypotheses were tested and interpreted based on the beta values and their sig values depicted in Table 5.

Table 5: Direct and Indirect Effect - SEM

Direct Effects	Beta	Sig	Interpretation	Decision
PO → JS	0.192	0.240	Statistically Insignificant	Reject
EPD → JS	0.136	0.225	Statistically Insignificant	Reject
LS → JS	0.275	0.041	Good, Positive, Statistically Significant	Accept
CB → JS	0.215	0.047	Good, Positive, Statistically Significant	Accept
JS → SU	0.502	0.030	Good, Positive, Statistically Significant	Accept
SU → ET	-0.251	0.030	Good, Negative, Statistically Significant	Accept
JS → ET	-0.477	0.010	Good, Negative, Statistically Significant	Accept
PO→JS→ET	-0.116	0.240	Statistically Insignificant	Reject
EPD→JS→ET	-0.082	0.226	Statistically Insignificant	Reject
LS→JS→ET	-0.166	0.041	Weak, Negative, Statistically Significant	Accept
CB→JS→ET	-0.130	0.047	Weak, Negative, Statistically Significant	Accept
JS→SU→ET	-0.126	0.030	Weak, Negative, Statistically Significant	Accept

All Direct hypotheses were supported except: (i) the impact of PO on JS, and (ii) the impact of EPD on JS. Similarly, All Indirect hypotheses were supported except (i) JS role as mediator between PO and ET, and (ii) JS role as mediator between EPD and ET.

Discussion and Conclusion

We can conclude from the above results Therefore, we can conclude that PO does not significantly influence employee JS. We can conclude from the above results that EPD does not have any notable impact on JS.

The beta coefficient for this relationship is 0.275, indicating a good impact of LS on JS. The beta value of CB on JS is 0.215 which shows a good impact of CB on JS. The beta value of JS on SU is 0.502 which shows a good impact of JS on SU. The beta value of JS on ET is -0.477 which shows a good impact of JS on ET. The beta value of SU on ET is -0.251 which shows a good impact of Supervision on Employee Turnover. The sig value of the above hypothesis was 0.24 which is above 0.05. As there was no direct effect of PO on JS, so this hypothesis is also rejected as there will be no mediating role.

The sig value of the above hypothesis was 0.226 which is above 0.05. As there was no direct impact of EPD on JS this hypothesis is rejected as there will be no mediating. The data showed a weak negative mediating effect, with a beta coefficient of -0.166. This suggests that JS has a minor inverse mediating role in the relationship between LS and ET. There is a weak negative mediation effect in this context, with a beta coefficient of -0.13. This indicates that while there is some mediation, it is weak, suggesting that JS has a limited mediating role between CB and ET. With a beta coefficient of -0.126, a mild negative mediation effect was noted. This implies that, albeit playing a small mediating function, SU has little effect on the relationship between JS and ET.

Effective Leadership style and Adequate Compensation & benefit contribute most towards job satisfaction of employees. Organizations should be more focused on providing strong leadership and attractive compensation & benefits packages to maintain a satisfied workforce. Supportive supervision also improves job satisfaction and has a significant negative effect on employee turnover. Ultimately it is the job satisfaction that reduces employee turnover

rates. Organizations should make strategies that improve job satisfaction of employees to have their employee turnover reduced. However, surprising it was evident from results that promotional opportunities and employee perception of development did not contribute towards employee job satisfaction. These factors are not as important in driving job satisfaction as previously thought. Therefore, companies might consider reallocating resources from these areas to focus on those that more directly contribute to job satisfaction. It was also concluded that mediation role of job satisfaction and supervision was weak towards independent variables.

Overall, these findings underscore the importance of strong leadership, competitive compensation, and effective supervision in fostering job satisfaction and reducing employee turnover. Future research might explore other factors contributing to job satisfaction or investigate additional mediating variables to gain a deeper understanding of the complex dynamics within the workplace.

Implication for Mangers and Policy Makers

Mangers, Hiring specialist and policy makers of Oil & Gas sector Companies of Pakistan can use this study as a guide to retain their talented employees. The result of this study can help them in improving their policies to make employees satisfy of their jobs. Job Satisfaction plays the most important role for retaining employees in oil and Gas sector effective Leadership and monetary benefits contribute to Employee Job satisfaction. Compensation & Benefit of Employees also have great impact on Job satisfaction.

Companies should invest in leadership training and development programs of employees. It creates positive work environment, foster higher job satisfaction and reduce employee turnover. Companies should regularly revisit employees' salaries and benefits to make it competitive within and outside industry to retain employees as it has highest impact on employee job satisfaction. Companies should also work on Supervision of their employees. They must ensure that their supervisors are well-trained in people management skills and have the right tools and experience to manage teams effectively. The above factors are key to employee job satisfaction. Companies should regularly assess their employee satisfaction through surveys or feedback mechanisms. This will help them to identify key areas of concern to act upon them before they lead to employee's turnover.

On strategic management level, leadership development initiatives and employees compensation packages should be top priority. Such initiatives will lead to more satisfied workforce eventually helping companies to reduce employee turnover. They can also support employee well-being by offering flexible work arrangements, health benefits, and workplace safety regulations. Programs that help develop the skills of the workforce, particularly in specialized industries like oil and gas should be top priority of management. This can help address issues related to employee turnover by ensuring a steady pipeline of skilled workers. By considering these implications, managers and policymakers can take meaningful steps toward creating a more stable and satisfying workplace, ultimately leading to reduced employee turnover and a more robust industry.

Research Limitations and Future Research

The study was conducted for Oil and Gas Sector of Pakistan within Geographical boundary of Urban Cities. The study took Job Satisfaction and Supervision as mediator. Future researches can include other sectors of business with more variables to see impact on Employee Turnover. The study was conducted on whole Oil and Gas sector of Pakistan including upstream

companies (Oil Exploration), midstream companies (Refineries) and downstream companies (Distribution). Future research can conclude specific stream of Oil and Gas Sector.

Although the sample size was adequate for the analysis, it may not represent the entire workforce in the oil and gas industry. A more extensive sample covering a broader range of companies and employees could provide a more comprehensive view. The study was conducted at a single point in time due to which it may not account for changes over time making it difficult to understand trends in industry. The study examines only couple of variables. Other potential variables including workplace culture, work-life balance and organizational commitment may include to enhance scope of research.

Future research may conduct on longitudinal approach to track changes over time. This would provide better understanding of trends over time. Future researches may include multiple regions of Pakistan and may conduct only on specific stream of Oil & Gas Sector. This would identify different cultural difference of job satisfaction across regions and different streams of oil & gas sector. Further studies may conduct to determine whether these results are unique to Oil and gas sector or similar trends occurs different industries.

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