

THE MEDIATING EFFECT OF WORK ENGAGEMENT ON THE RELATIONSHIP BETWEEN TOTAL REWARD PERCEPTIONS AND EMPLOYEE RETENTION

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With globalization and increased competition, talented employees' retention has become a significant challenge in any organization. The present study investigates the impact of total rewards perception on employee retention with the mediating effect of work engagement. The study took place among the executive-level employees in Sri Lanka's insurance industry, where competitive rivalry is very high. Data were collected employing a structured questionnaire utilizing simple random sampling technique. The sample consisted of 175 executive-level employees working in three general insurance companies. Simple linear regression used in identifying the impact among the variables, and the data analysis conducted using the SPSS Statistics subscription version. Analyses results revealed a significant impact of total reward perceptions and work engagement on employee retention. The mediation of work engagement is also supported. Results obtained direct the companies to pay attention to the total rewards perception in terms of monetary, material, and non-monetary rewards in building a more engaged workforce. Appropriate rewards are important in retaining the employees with the organizations for a prolonged period. Authors recommend that future research be extended to insurance companies in public and private sectors surveying other designation levels.

Keywords: *Total rewards perceptions; Work engagement; Employee retention; Insurance industry*
