

ROLES OF HUMAN RESOURCE PRACTICES IN ENHANCING EMPLOYEES RETENTION: EVIDENCE FROM BANKING SECTOR OF SHAHEED BENAZIRABAD, PAKISTAN

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ABSTRACT

The research objective focuses on the roles of Human Resource Practices in enhancing employee retention. A sample consisting of 199 employees based on a simple random sampling method is selected from the banking sector of Shaheed Benazir Abad. A questionnaire was adopted to collect data. This study applied regression and correlation for data analysis. The empirical findings determine a strong relationship between employees' retention and Human Resource Practices. Besides that, this study illustrates that human resource practices may enhance strong employee ownership in an organization which may reduce employees' turnover. We can presume that human resource practices may play a constructive and beneficial role to enhance employees' retention in the banking sector of Shaheed Benazir Abad.

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1. INTRODUCTION

In the 1970s-1980s, employees' retention affairs were observed after the state amongst managers and employees that requires a propitious foundation. Today's employees are more creative and enthusiastic. They are not the ones with empty-handed who do not have sumptuous/ eminent desires. By finding unsatisfied with present management or activity, they may change their profession or organization. One of the important reasons for employee turnover is the inadequacy of managerial interest. It is indispensable for an organization to get through their chance in proceedings with employee's disappointments [1].

Employees' retention method may excite the employees to endure/persist with an organization for so long. Nowadays most of the organizations trying to keep up employees by investing efforts and

resources. The organizations become at annoyance/dispiritedness situations when employees denied to work accordingly as they are well prepared and trained as well. We know that employees play a pivotal role as an asset in an organization to achieve the desired goals. According to Fitz-enz (1980), various factors exert influence on employees' retention, whereas Reward and compensation, Training and development and Work environment have great significance in this aspect [2].

According to Eisen (2005), training and development empower individuals to gather attainments that can be profitable to strengthen their achievement and perfection related to their jobs [3]. Training and development renovate and establish knowledge and skills of employees which boosts their passions for performing their job, and thus their loyalty are expanded, which may enhance the employees' retention [4]. Training intensifies the competency and potential of employees that may help them to perform well for so long to achieve the desired targets which eventually reduce employees' retention [5].

Many organizations cannot achieve desired goals until they lack in providing training practices to retain employees. It concluded that training and development programs are associated with employee retention [6].

Employees Retention, Reward, and Compensation are strongly interconnected with each other. It may lead to higher earnings and greater chances to promote employees by following exact knowledge and development plans. When employees are promoted to the desired position and being rewarded and compensate, they can lead an organization to a higher competitive environment for future development. This may enhance the loyalty and honesty of employees with the organization and its workforce for so long. Creating a trustworthy environment in an organization helps employees to show more creative ideas to achieve expected goals and targets. Its beneficial for performance development as well as for employees to fulfill their desired demands [7]

Job satisfaction and security help employees to work with different tasks in a growing environment [8]. Cole (2000) illustrate that providing good salary packages, timely rewards and compensation is the basic need of today's employer. Those organizations which provide multiple compensation plans with regards to higher salary packages, medical insurance, house rents, and different beneficial allowances may lead themselves in a growing environment as compared to their opponent/competitors [9].

Organizations must create strategies related to the working environment that encourage and support employees to perform their jobs accordingly. workers only work and improve their performance in an organization when their skills and performance to be appreciated. Rewards and compensation programs motivate employees to perform their duties in a way, which helps them to be promoted and rewarded for their good performance. Sincerity and loyalty form workers can only be achieved if employees become rewarded with the level of their performances. Rewards and compensation is a major factor to keep employees motivated towards organizations targets and plays a vital role to attract talented and experienced workers to perform their task confidently [10, 12].

An organization becomes successful when its employees are being promoted according to their preferred department with their desired designation, where an employee wants to perform well and achieve those targets assigned by management in a given period. Such an active and experienced worker can lead an organization to the higher ranks with a comparison of its rivals. Simultaneously, if management does not keep updated its employees with rewards and incentives timely, it is quite difficult to maintain experienced workers for future growth. Losing employees may lead an

organization to hire new workers with higher demands and management used to consume its budget to maintain its position with competitors. Employee retention is a major problem for future growth management. In recent researches, it is declared that most renowned and leading organizations will be those, that maintain the efforts of neutralism within the organization, where firmness and accomplishment of the organization determined by creativeness and flexibility [11].

The scarcity of trained and experienced workers, having potential and competency to perform at an advanced level cannot maintain the performance of an organization with a comparison of its competitors for a longer period. Further, to sustain employees' retention for management is a great challenge within the period of the uncertain situation [13].

Most researches have described different perspectives on employees' retention previously. Despite that, our research work primarily focusing on human resource practices and how it instigates employees' retention. To ascertain the employees' retention, we have preferred three HR practices as "Training and development, Reward and compensation and Working environment."

2. RESEARCH METHODOLOGY

Human resource practices play a productive role in enhancing employees' performance and satisfaction etc., as interconnected with Training and development, Reward and compensation and working environment and employees' retention. Figure 1, employee retention is a dependent variable whereas Training and development, Reward and compensation and Working environment are the independent variables. Gathered information determines the influence of human resource practices on employees' retention.

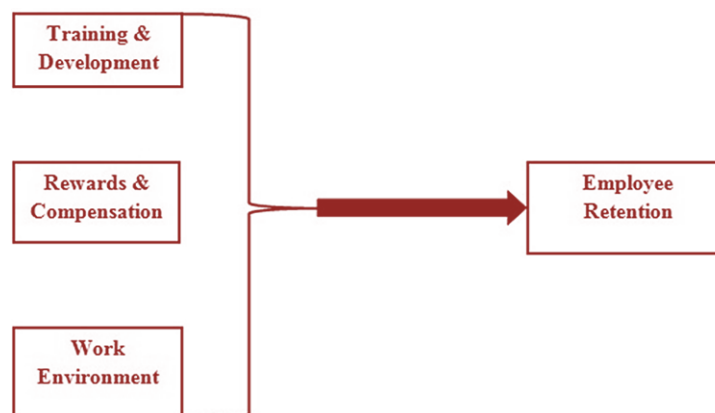


Figure 1: Research Framework.

2.1 POPULATION AND SAMPLING

The employees of the banking sector of Shaheed Benazir Abad were selected for this research as the population. Using a simple random sampling technique with the help of MS Excel, we have determined 199 workers from different banks.

2.2 DATA COLLECTION

To get primary data, we used the survey method, to collect information from a sample of individuals in a systematic way. A designed questionnaire [14] is used and tested to gather information from selected employees.

3. ANALYSIS AND RESULTS

This study used SPSS®22 as a tool to analyze the collected data, to test reliability of all the variables and use Kolmogorov-Simonov and Shapiro-Wilk test to determine the normality of data, before determining the level of relationship between dependent and independent variables.

3.1 RELIABILITY TEST

Alpha reliability instrument more than 0.70 is considered as convenient for indicating reliability. The values of Cronbach's alpha of the questions of different variables are given in Table 1, providing Cronbach's alpha values more than 0.80, which are remarkably reliable.

Table 1: Reliability Statistics

Variables	No. of Items.	Cronbach's Alpha
Training and Development	6	0.827
Rewards and Compensation	5	0.854
Work Environment	4	0.871
Employee Retention	4	0.833

3.2 REGRESSION ANALYSIS

In this survey, we analyze the cooperative link between employees and organization with respect of HR practices and employee retention.

Table 2: Model Summary

Model	No. of Items.	R	R.Squire	Adjusted R.Squire	Std.Error of the Estimate	Durbin Watson
1	6	.92	.857	.854	.337	2.873

From the results of Table 2, R-square is .857 for Training and development, Reward and compensation and Work environment, providing an incredible influence on employee retention. The adjusted R-Squire value is 0.854 indicates that the independent variable has an 85.4% effect on the dependent variable. Durban Watson value is 2.873, which is less than 3, and specifies that the results we acquired are considerable/significant.

Table 3: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	β		Std.Error		Beta	
1	Constant	.738	.117		6.298	.080
	TnD	.403	.609	.305	5.854	<.001
	RnC	.333	.033	.301	2.489	.021
	W_E	.403	.051	.500	7.971	<.001

As depicted in Table 3, it could be observed that how the regression coefficient (β) creates an influence of independent variables over dependent variables. As for Training and development, regression coefficient is about 0.403. This determines that, if it has been changed by 1, then the dependent variable will be increased by 0.403. Correspondingly for Rewards and compensation, the regression coefficient (β) is about 0.33. which specifies that when independent variable Reward and compensation switch to 1 then dependent variable employees' retention will get variations of about 33%. In the same way, β related to the Work environment is 0.403. This determines that suppose the independent variable work environment increased by 1 then the dependent variable would be varied at about 40%. Furthermore, we have determined that the coefficient value is greater than 0.03 for each variable in this given test. This indicates that all the independent variables have a significant effect on

the dependent variable. Besides that, we can see sig. value is less than 0.05, which describes that our results are sufficiently great related to our desired work.

Table 4: ANOVA

Model	Some of squares	Df	Mean Square	F	Sig:
Regression	132.277	3		387.692	<.001
Residual	22.162	195	44.092		
Total	154.439	198	114		

As shown in Table 4, F=387.929 and the significant level is about 0.000 which is less than 0.05. We can say that our model or research project is certainly effective.

3.3 NORMALITY ANALYSIS

The purpose of this test is to analyze whether the data we have collected in this survey is normal? For this sample, K-S analysis passes through the collected data. We have determined by showing results after the application of the Kolmogorov–Smirnov test, the value of P<0.05. Which indicates the non-normality of data. We can see the results in Table 5, the sig. value of all constructs is less than 0.05 which reveals non-normal data. So, for further analysis, we applied Spearman correlation test.

Table 5: Test of Normality

Variable	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
TnD	.260	199	.001	.829	199	.001
RnC	.272	199	.001	.829	199	.001
W_E	.202	199	.001	.821	199	.001
ER	.296	199	.001	.792	199	.001

Table 6: Non-parametric Spearman’s rho correlation test

Variable		TnD	RnC	W_E	ER
TnD	Correlation Coefficient	1.000	.767 ⁺⁺	.856 ⁺⁺	.924 ⁺⁺
	Sig- (2 - tailed)		<.001	<.001	<.001
	N	199	199	199	199
RnC	Correlation Coefficient	.767 ⁺⁺	1.000	.770 ⁺⁺	.792 ⁺⁺
	Sig-(2-tailed)	<.001		<.001	<.001
	N	199	199	199	199
W_E	Correlation Coefficient	.856 ⁺⁺	.770 ⁺⁺	1.000	.886 ⁺⁺
	Sig-(2-tailed)	<.001	<.001		<.001
	N	199	199	199	199
ER	Correlation Coefficient	.924 ⁺⁺	.792 ⁺⁺	.886 ⁺⁺	1.000
	Sig-(2-tailed)	<.001	<.001	<.001	
	N	199	199	199	199

Table 6, Spearman Correlation test was applied to check the mutual relationship among all variables. Table 6, there is a high correlation among all variables and all the results are significant because p-value <0.001 which is less than 0.05.

4. FINDINGS AND DISCUSSIONS

Based on analysis and collection of results related to the survey from the banking sector of Shaheed Benazirabad, the authors believe that the importance of human resource practices and its impact on employee’s performance increases the cost/revenue of the organization. Research shows

that human resource practices play a vital role to reinforce employee retention by imparting strategies for training & development, reward & compensation and work environment in the banking sector/organization. Providing training can strengthen the skills that may lead to the development of related projects or goals. Rewards and compensation may encourage employees to work with every difficult situation to achieve targets and to prove themselves as the most important pillars for the organization as well as to maintain employees' retention. The work environment is the most important factor for all organizations. Mostly we have seen this issue has been increasing day by day due to worse conditions of the working environment, which is not suitable according to the assigned duties to employees. This may result in losing such competent workers without finishing their targets. Long ago employees did continue do their jobs for years without looking for promotions. But today as the businesses are running at their higher pace, everyone wants to be appreciated and promoted towards their desired designations. Employees want to work with those organizations that may encourage their workers to keep up their skills high for what they will do in the near future.

The survey provides a brief review about human resource practices effectiveness and how it contributes in enhancing employee retention. Skilled, trained and knowledgeable workers becomes a competitive advantage for all the organizations in this global market. Employees who go through suitable work environment tend to keep their jobs longer than those who do not.

Human resources practices play an important role in the retention of skilled and talented employees, retaining talented employees will support the long-term development of an organization. When workers have treated injustice concerning any specific result it affects the workers' feelings like guilt, happiness and anger. When workers are treated fair, the workers feel satisfaction and their sincerity are increased and they will stay with the organization. Empower the workers' train and offer them the control to get things done, make them recognize that they are the most precious asset of the organization. This can be through impressive communication and constant interaction between management, have faith with the workers, give respect and trust employees, keep providing them rewards and compensation for their best performance, provide them a great working environment, management should maintain good relationships with workers. Create an environment where workers want to stay and perform their work or have a great time with a long period. Those organizations that unsuccessful to make retention of employees a priority are in danger of losing their experienced workers.

Training and development requested greatly to potential employees and stay on the best ways of keeping important employees, training and development enhance the performance of the employees on work, employees are essential to know that they are in an organization where they get training and development programs to increase their skills and abilities to perform their work in a better way and also get career development chances so that they can get advantage from these opportunities, the researcher found rewards and compensation act as an important part in motivating individual which advantages to employee retention in an organization. The pleasant work environment is important in the retention of employees, also found that employees stay with or leave the organization due to the work environment.

Rewards should be granted on merit and promotion, which advantage in enhancing the retention of employees. The earning of the workers should be increased, which will not only hold the current workers but will attract workers in other organizations as well. The organization should further improve its working environment to enhance the retention of employees if workers are comfortable

and happy their performance will increase. It is recommended that employees want fair treatment so the organization should carry fair procedures and communicate with their workers. The work relationship between workers management should be improved; workers should be able to feel that management values their opinions and views. Attracting and retaining employees is always a challenge, the organization that directly attracts and retains their key employees offer high compensation packages and good working environments can motivate their employees to work with them for a long period. Research shows that there is a positive relationship between human resources practices (Training and development, Rewards and compensation, and working environment) in enhancing employee retention in the banking sector of Shaheed Benazirabad.

5. CONCLUSION

This research's findings show that there is a positive relationship between human resources practices (Training and development, Rewards and compensation, and Working environment) and employee retention in the banking sector of Shaheed Benazirabad. Human resources practices are the most important methods being used by the banking sector. Training and development rewards and compensation and work environment are leading the main contribution to employees' retention in banking sector. It reveals that rewards and compensation programs should be executed to secure quality and fairness to the banks, well expert and talented employees can easily get a good job in any other organization, the good and impressive way of holding these gifted employee's is to provide a pleasant and good working environment, provide them rewards and compensation to motivate them where employees can stay loyal with the organization for a long time. No organization should not lose their loyalty and experienced employees who perform their work with extra efforts. It is very important to facilitate them and provide them opportunities which can benefit them in their career growth and make them great worker. Also, workers who are prepared with extra added abilities and knowledge feel more motivated and satisfying when employees feel valued in their present job and work environment, they may continue working longer in their organization.

6. AVAILABILITY OF DATA AND MATERIAL

All relevant data are already included in this article.

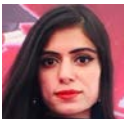
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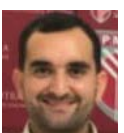
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