

An Effectiveness of Human Resource Management Practices on Employee Retention in Institute of Higher learning: - A Regression Analysis

Eric Ng Chee Hong

*Faculty of Business and Finance
Universiti Tunku Abdul Rahman
Kampar, 41900, Malaysia*

eric_ng0530@hotmail.com

Lam Zheng Hao

*Faculty of Business and Finance
Universiti Tunku Abdul Rahman
Kampar, 41900, Malaysia*

vinci_lockheart@hotmail.com

Ramesh Kumar

*Faculty of Business and Finance
Universiti Tunku Abdul Rahman
Kampar, 41900, Malaysia*

rameshk@utar.edu.my

Charles Ramendran

*Faculty of Business and Finance
Universiti Tunku Abdul Rahman
Kampar, 41900, Malaysia*

charlesr@utar.edu.my

Vimala Kadiresan

*Faculty of Business and Finance
Universiti Tunku Abdul Rahman
Kampar, 41900, Malaysia*

vimala@utar.edu.my

Abstract

An effective human resource management practices namely employee empowerment, training and development, appraisal system compensation are the main factor for the success of a firm on employee retention. In this study, we aim to study how employees regard importance of their empowerment, equity of compensation, job design through training and expectancy toward effective performance management on their retention. Quantitative data was collected using the non probability self administered questionnaire that consist of questions with 5-points Likert scales distributed to our samples of 278 individuals. By using a multiple regression analysis, it is found that, training and development, appraisal system compensation are significant to employee retention except employee empowerment. Base on the results, training, compensation and appraisal is a fundamental consideration for University of Y lecturers' retention decision; while empowerment is less fundamental to lecturers' consideration as this can be attributed to the Asian culture characteristic of higher authority conformity.

Keywords: Employee Empowerment, Training and Development, Appraisal System, Compensation, Employee Retention.

1. INTRODUCTION

Employees are the backbone of an organization. Hence, the retention of the employees is important in keeping the organization on track. In order to retain the best talents, strategies aimed at satisfying employee's needs are implemented, regardless of global companies or small-sized firms.

Generally, organization would retain their personnel for a specified period to utilize their skills and competencies to complete certain projects or execute tasks. In another word, we can understand it as employee retention where the scope of task, is however, often larger than a simple task and more preferably a job in real world. Retaining the desirable employees is

beneficial to an organization in gaining competitive advantage that cannot be substituted by other competitors in terms of producing high morale and satisfied coworkers who will provide better customer service and enhanced productivity, which subsequently resulting in sales generating, customer satisfaction, smooth management succession and improved organizational learning (M. Heathfield, 2005).

Malaysia's education sector has always been centered by government to emphasize higher education level provided to the citizens. Malaysia's Ministry of Higher Education thrives to create an outstanding higher education environment for establishment of internationally competitive education institutions in order to nurture knowledgeable, competent and globally competitive human resource base (Rosdi & Harris, 2010). Economic Planning Unit (2008) revealed that privatisation of higher education institutions stimulates intense rivalries to match offer for competent high qualification academicians (Hashim and Mahmood, 2011). In addition, the emphasis on continuing upgrading institutions through global ranking further forces them to focus greater concern on employee retention practices (Lew, 2009). In explaining factors contributing to employee retention, it is essential to consider motivational theories as motivated employees tend to stay with an organization longer. To illustrate further, an employee will be motivated to carry out his job if given sufficient guidance through training & development, appraised through effective performance standard and compensated equally according performance standard. Through the understanding of various well-known motivational theories such as Maslow's Need Hierarchy and McClelland's Need Theory, we can point out the critical factors that have implication toward retention practices focus on physical and emotional needs, working environment, supervision, responsibilities, supervision, fairness & equity, employee development and feedback on performance (Ramlall, 2004).

An effective human resource management practises can be the main factor for the success of a firm *Stavrou-Costea (2005)*. As supported by *Lee and Lee (2007)* HRM practices on business performance, namely training and development, teamwork, compensation/incentive, HR planning, performance appraisal, and employee security help improve firms' business performance including employee's productivity, product quality and firm's flexibility.

In this study, we aim to study how employees regard importance of equity of compensation, job design through training and expectancy toward effective performance management on their retention.

2. PROBLEM STATEMENT

There are many retention practices implementation around the globe operated routinely by either small setups or big enterprise, even in private education sector. As mentioned previously, strong competition especially in developing nation like Malaysia, which has scarce high education talent, makes employee retention a significant move in keeping competitive edge. Institutions tend to satisfy employee's satisfaction in their job by providing support to their motivational aspects, such as self-esteem, self-fulfillment and basic needs. The problem remains on whether how great is the effect of each aspect having toward overall employee's retention.

Empowerment is the process in which the employees are involved in decision-making, are appreciated and provided proper training and support. Nowadays, many organizations are trying to delegate the decision-making process to the lower level employees. According to Bowen and Lawler (1995), there is a significant relationship between employee empowerment and intent to leave. Laschinger, Finegan and Sharmian (2002) showed that empowerment leads to higher job satisfaction among employees. At the same time, there are plenty of ways of executing this process whether by providing adequate training, market competitive compensation or effective performance management.

Many organizations in Malaysia do not provide continual training program for their employees; been less effective in appraisal by ignoring the results (Kennedy & Daim, 2009); and compensation systems are not adequate to provide the desired reward to the academicians especially under current working condition where less respect and recognition has been given to their contribution. These factors made the employees lose their interest to their job and incline for turnover options either to better offers within or out of education

industry.

On top of that, management sometimes neglects to clarify the objectives of training & development programs and performance management. Employees often confused by management's decision to implement any organizational development activity as they might be afraid of the backlash of these programs to their job security or even career prospect. Moreover, an untrained supervisor might misunderstand employee engagement as giving directives rather than coaching and support in managing subordinates' performance (Gruman & Saks, 2011), hence undermines employees' participation in engaging critical decisions. In order to solve this problem, the study will investigate influence of empowerment, training, performance appraisal and compensation on their retention with an institution through surveying the University of Y lecturers. The research outcome will reflect degree of impact of empowerment and other elements to academicians' retention with a higher education institution namely University of Y in this study.

3. RESEARCH OBJECTIVES

The main purpose aims at reflecting how employee empowerment, training, job appraisal and compensation affect lecturers in their retention with University of Y. To be more specific, it studies on effectiveness of existing training programs, employee empowerment, job appraisal and compensation in retaining employee from the academicians' perception. By collecting academicians' opinions, it would reflect how they perceive as satisfactory development which may enhance their future career planning and job promotion.

4. HYPOTHESES OF STUDY

Employee Training

H₀: There is no significant relationship between employee training and employee retention.

H₁: There is significant relationship between employee training and employee retention.

Appraisal System

H₀: There is no significant relationship between appraisal system and employee retention.

H₁: There is significant relationship between appraisal system and employee retention.

Employee Compensation

H₀: There is no significant relationship between employee compensation and employee retention.

H₁: There is significant relationship between employee compensation and employee retention.

Employee Empowerment

H₀: There is no significant relationship between employee empowerment and employee retention.

H₁: There is significant relationship between employee empowerment and employee retention.

5. SIGNIFICANCE OF STUDY

This research objective is to provide better understanding in the relationship of effectiveness of Human resource practices on employee retention in University of Y. It will provide useful information of relationship between employee retention and employee compensation, appraisal system, employee empowerment and employee training.

The purpose of this study will help readers to better understand and use as a guide or information to many higher education institutions in Malaysia regarding the relationship of effective human resource practices on employee retention. It will also provide range of solution toward employee retention in Universities. Hence, it enables many universities to identify what are the major factors to be used to retain their employees through better knowledge of the motivational aspect toward achieving academician satisfaction.

6. LITERATURE REVIEW

6.1 Definition and Review of Employee Retention

Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their job. It involves taking measures to encourage employees to remain in the organization for the maximum period of time. Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring. This is true as many employers have underestimated costs associated with turnover of key staffs (Ahlichs, 2000). Turnover costs can incurred with issues such as reference checks, security clearance, temporary worker costs, relocation costs, formal training costs and induction expenses (Kotzé and Roodt, 2005). Other invincible costs and hidden costs such as missed deadlines, loss of organizational knowledge, lower morale, and client's negative perception of company image may also take place.

This is why retaining top talent has become a primary concern for many organizations today. Managers have to exert a lot of effort in ensuring the employee's turnover are always low, as they are gaining increasing awareness of which, Meaghan et al. (2002), employees are critical to organization since their values to the organization are not easily replicated. Many critical analysis are conducted to minimize the possible occurrence of shortage of highly-skilled employees who posses specific knowledge to perform at high levels, as such event will lead to unfavorable condition to many organizations who failed to retain these high performers. They would be left with an understaffed, less qualified workforce that will directly reduce their competitiveness in that particular industry. (Rappaport, Bancroft, & Okum, 2003).

Most researchers (Bluedorn, 1982; Kalliath and Beck, 2001) have attempted to answer the question of what determines people's intention to quit, unfortunately to date, there has been little consistency in findings. Therefore, there are several reasons why people quit their current job and switch for other organization. The extend of the job stress, low commitment in the organization; and job dissatisfaction usually result in resignation of employees, (Firth 2007). Abundant studies have also certified the relation between satisfaction and behavioral intentions such as employee's retention and spread the word of mouth (Anderson and Sullivan, 1993).

Numerous studies showed how high employees involvement is can relate to the intention of leaving an organization (Arthur 1994). Lacking of opportunities to learn and self development in the workplace can be the key for employee dissatisfaction which leads to turnover. Other studies also indicated that employees will retain in their organization if he or she has a good relationship with the people he or she is working around with (Clarke 2001). Organizations are therefore suggested to provide team building opportunities, where interaction and discussion can be carried out not only within but outside their working hours (Johns et al 2001).

This is why managers today must taken care of their employees personal feelings toward the job and satisfaction levels from their working conditions, superiors and peers, as these are the keys to ensure employee retention. The success and survivability of organizations is heavily dependent on customer evaluations (Jolliffe & Farnsworth, 2003, p. 312), whereby the organization must put effort in satisfying their employees since the relationship between customer satisfaction and employee's satisfaction are significant.

In summary, the literature defines retention as continuing relation between employees and their organization and turnover as "any permanent departure beyond organizational boundaries" (Cascio, 1995, p. 581). The benefits of retention are saving cost for further recruitment, fewer training to be conduct for new candidates, improve productivity, increase employee's performance and thus increase profits and meet their organizational goals and objectives. Below we will discussed the relationship between each of the human resource management practices with employees retention and employees turnover, which are the impacts from employee empowerment, employee training & development, performance appraisal and employee compensation.

6.2 Definition and Review of Employee Empowerment

Generally, empowerment is delegating the power of decision and action to the employees and giving more responsibility and authority to complete their task (Dr. Yasar F. Jarrar & Professor Mohamed Zairi, 2010). It means that employees have sufficient authority to determine how they perform their tasks. In a broader view, empowerment includes involvement of employee in goal-setting, decision-making and motivational techniques and enabling employees to work in a participative environment (Osborne, 2002). Undeniably, empowered employees are identified as powerful drive in organization's success (Kaye & Jordan-Evans, 2001). It is because they are more motivated and committed to organizational operation. According to Hummayoun Naeem and Muhammad Iqbal Saif in 2010, employee empowerment can create sense of belongingness and ownership towards the current organization. They tend to be more confident and perform well. Indirectly, it will increase service quality and customer satisfaction.

In this competitive market, retaining competent and capable workforce is important in any organization. High turnover rate in an organization may affect the reputation and image of the organization. Employee replacement is problematic and costly because the organization has to train a new employee if an experienced employee resigned. Some studies have identified that lack of job dissatisfaction (Moore, 2002) and low level of empowerment (Boundrias et al., 2009) and low levels of support of superiors (Hatton and Emerson, 1998) may lead to turnover (Salman, Iqbal and Chandran, 2010). Human resources policies must focus at gaining more self-governing to the employee to avoid turnover and job burnout (Salman, Iqbal and Chandran, 2010). Huselid & Becker (2000) found that HR policies play a strategic role in employee retention through stimulating skilled labour. The goal-setting process that involves employee can enhance employee empowerment as employee consider himself more empowered knowing his or her job (Stanfield and Longenecker, 2006).

Empowered employees tend to be more confident and try to give their best to employer because they are given more authority in decision-making process (Hummayoun Naeem and Muhammad Iqbal Saif, 2010). Employee empowerment can create a feeling of obligation among employees to stay in organization. Hence, the employees will tend to remain in the organization even when face pressure from others that intend to leave the organization because they feel that they are a part of the organization (Choong, Wong and Lau, 2011). In essence, the intention to remain or leave the organization among the employees is based on the job satisfaction of employees. The individual with higher job satisfaction tend to more committed to the organization. They will be more likely to remain in the organization.

6.3 Definition and Review of Training

According to Goldstein (1980) and Latham (1988), training is defined as the systematic acquisition and development of the knowledge, skills, and attitudes required by employees to adequately perform an assigned job or task to boost performance in the job environment. Training should impart new knowledge and skills if the training is relevant, meet employee and organizational needs, efficiently and effectively designed and delivered (Salas, 1999). When the results of training reflected in improvements in relevant knowledge and the acquisition of relevant skills, employee job performance should improve provided that the skills learned in training transfer to the job (Baldwin & Ford, 1998; Salas, 1999). Improvement in performance such as productivity, quality, and services are the training outcomes provided that the job is strategically aligned to the organization's needs. For individual, if the desired needs of employee were fulfilled through the training programs provided, there is no doubt the desired outcome by the organization, retention on employees, will be reached.

Huselid (1995) suggested that perceptions of HR practices such as providing training and job security by the company are important determinants of employee retention. Moreover, some studies also state that HR practices such as benefit and training are positively related to retention because the practices motivate employees and "lock" them to their jobs (Lazear 1986; Madrian, 1994; Gruber & Madrian, 1994), which are so called employee retention.

According to Landsman (2004), he suggested that training is a valuable activity for enhancing skills and improving staff performance, and that training can address some of the factors contributing to staff retention, such as perceived support from the supervisor, the agency, and

community. Training can define roles more clearly to employees, thereby minimizing job stress. Organization with sufficient training opportunities should thus have higher retention rate.

However, training alone cannot address all of the factors contributing to staff retention, however, such as excessive caseloads and promotional opportunities within the agency. It is, therefore, reasonable to say that training can play a role in improving retention, but it may not be sufficient to improve retention if other systematic barriers are not addressed.

6.4 Definition and Review of Compensation

Compensation had been defined in many term by many researcher, but in this research, compensation are which including that are something, typically money, awarded to someone as a compensation for injury, loss or suffering, money received by an employee from an employer as a salary or wages, or do/give something to somebody in return. Compensation is not only in the form of money, but also in non-cash form. Benefits, such as pension, life and health insurance, and retirement plans, and allowances that include company cars or subsidized transportation, represent a significant pay element in many large firms. In addition, for tax advantages and economies of scale of purchasing that make it economically advantageous for the firm to provide those element, the compensation are always viewed benefits as a tools for attracting and retaining desired employees.

Many research had show that employee position and length of employment were traditionally what determined wages in most companies. And there are numbers of research explained with evidence show that compensation satisfaction plays an important part in employee retention. DiPietro and Condly (2007) used the Commitment and Necessary Effort (CANE) model of motivation to find how hospitality employees are motivated. They discovered that nonfinancial compensation or the quality of the work environment played an important part on employee turnover intentions. Companies are in danger of creating an unsatisfactory working environment if there is no any compensation planning. Williams et al. (2007) found that if employees are satisfied with how the company operates and communicates its compensation policies, they remained committed to the organization. Furthermore, an organization's reward system can affect the performance of the employee and their desire to remain employed (e.g., Bamberger & Meshoulam, 2000, MacDuffie, 1995). There are also numbers of researchers demonstrate that there is a great deal of inter-individual difference in understanding the significance of financial rewards for employee retention (Pfeffer, 1998; Woodruffe, 1999).

6.5 Definition and Review of Performance Appraisal

Performance appraisal is a process of inspecting and evaluating an individual's performance in his duty to facilitate the decision of career development of the individual. It evaluates the individual overall contribution to the organization through assessment of his internal characteristics, working performance and his capability to pursue higher position in organization (Gruman & Saks,2011). In order to enhance organizations' ability to survive through turbulent environment, mostly top corporations take great concern on managing the performance measures of their employees. It is common understanding that top talents are keys to business success today, but how a company manages its talents or human resources would be the fundamental to all the success where effective structure of performance measurement would ensure company fully utilize its competitive resources to maximum.

As extracted from the literature review, performance appraisal plays the role as medium of communication between management and employee. An effective appraisal would result in enhanced employee development from feedback as well as better employee satisfaction comprehension by company.

However, if appraisal is simply applied as a tool of measurement and monitoring, problems would arise where tension overwhelming both the evaluator and respondent. Webster, Beehr & Love (2011) studied how work stressors can result in role ambiguity and conflict, and subsequently causing increased job dissatisfaction and turnover. It is mentioned in the literature review that appraisal can be stressful to both evaluator and respondent if both parties do not take concern of its importance or confusing message is produced from the appraisal. Similar to a negotiation, stress can affect an employee's job performance where he

or she might be too concerned with the effect of the appraisal to career development or compensation (O'Connor, Arnold & Maurizio, 2010).

In advance of stress factor that may cause appraisal to generate negative reaction of respondent, other factor such as perceived fairness may apply in the scenario on how employee may deem an appraisal standard to be equally equitable to judge their ability and effort. Sudin (2011) recently came out with a study on how perceived fairness during appraisal process may influence employee satisfaction and resulted in positive relationship between all organizational justice variables and performance appraisal circumstances from data collected among Malaysia companies. Apart from fairness, studies found out the evaluator problem during appraisal process as managers tend to be personally intentional in choosing his way of conducting appraisal. From Spence & Keeping (2011) research, we obtain a conclusion that appraisal research has shifted from measurement issue to rater cognition in which rater establish, encode, and retrieve judgments about performance to increase appraisal accuracy; at the same time, evaluators focus on thriving good subordinate relationship, solid reputation and adjusted to company objective. This may distort the appraisal system which eventually creating employee confusion and frustration.

6.6 Proposed Theoretical/ Conceptual Framework

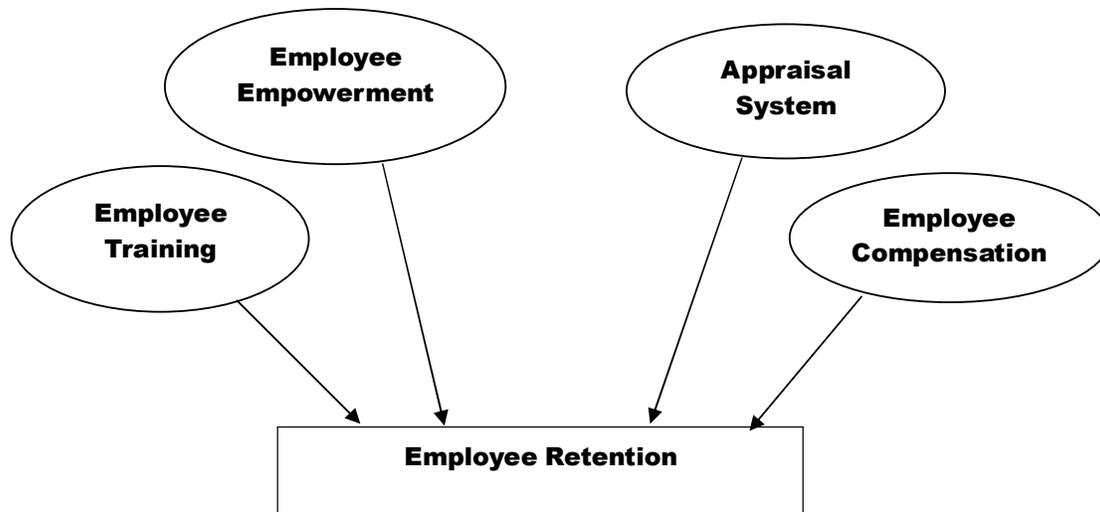


FIGURE 1: Proposed Framework Model

The study aims to study the interrelationship between the independent variables and employee retention by conducting research on how these 4 variables affect the retention of University of Y lecturers. To illustrate, the study tries to figure how appraisal aligns to compensation and how training helps employee gain empowerment. In short, the proposed framework suggests how training, empowerment, appraisal and compensation can be linked together in reaching a conclusion of becoming significant factors of an employee's retention with a firm.

7. RESEARCH METHODOLOGY

Quantitative data was collected using the non probability self administered questionnaire that consist of questions with 5-points Likert scales distributed to our samples of individuals. In analyzing the data collected, Statistical Package for the Social Sciences (SPSS) technique has been employed. This section also introduced the sampling techniques used in order to collect information from target population using questionnaire in scale rating manner to be implemented into the SPSS program to process the reliability test and subsequent empirical analysis.

7.1 Research Design

Research design is an overall framework of a research that explains the direction and method

to be used in the study to gather the information needed, either from primary or secondary sources (Malhotra, 2007). According to Neuman (2006), quantitative approach has the characteristic of measuring objective facts using variables where data is separated from theory, statistically analyzed and emphasized with its reliability. Quantitative approach been used to develop hypotheses that consist of all the variables to empirically investigate the above statement via statistical technique.

Due to adoption of quantitative approach, it is inevitably that the study will be carrying out causal research where the hypotheses formulated in earlier chapter consisting of all the variables will be empirically investigated using statistical technique such as charts, tables and other statistical measurements to prove the cause and effect relationship between employee retention and the independent factors, i.e. empowerment, training, compensation and appraisal.

7.2 Data Collection Methods

In this section, there would be illustration on what methods will be used in collecting the primary and secondary data in order to empirically test the formulated hypotheses, and hence solving the research questions.

7.2.1 Primary Data

For this study, a questionnaire consisting four main variables, namely employee empowerment, training and development, employee compensation and performance appraisal, is conducted by extracting sources from few established questionnaire. The questionnaire would be distributed to sampling amount of lecturers in University of Y to fill up and later be tested of the result using SPSS software. Prior to the data processing, a pilot study would be conducted with detail to be specified in later section to enable the reliability of this instrument to be empirically tested.

7.2.2 Secondary Data

In this study, most secondary data are extracted from online resource such as online databases, internet findings or other sources. The journal articles of relevant study field are adopted from Emerald Library Database, Proquest Database and ScienceDirect database which can be found in University of Y online library databases.

7.3 Sampling Design

7.3.1 Target Population

According to Hair and Bush (2006), target population is said to be a specified group of people or object for which questions can be asked or observed made to develop required data structures and information. Therefore, the target population in the research is focus on the lecturers and tutors in University of Y regardless of campuses.

7.3.2 Sampling Frame & Sampling Location

The sampling frame can be defined as set of source materials from which the sample is selected. The definition also encompasses the purpose of sampling frames, which is to provide a means for choosing the particular members of the target population that are to be interviewed in the survey (Anthony G. Turner, 2003). However, sampling location is a place where a research is conducted or/and a place where information is acquired. In this research, the respondents are from the lecturers and tutors that work in University of Y.

7.3.3 Sampling Technique

According to Malhotra (2007), non-probability sampling is less expensive, less time consuming, and require only little sampling skills. Therefore, this sampling technique is adopted to conduct survey in this research. Moreover, units of sample in this research are selected on the basis of personal judgment or convenient because information and targeted respondent is readily and available.

7.3.4 Sampling Size

Malhortra and Peterson (2006) and Zikmund (2003) stated that, larger the sampling size of a research, the more accurate the data generated but the sample size will be different due to different situation. In this research, sampling size is determined accordingly by using sample

size formula adopted from Krejcie, R.V., and Morgan, D.E. (1970). The total targeted population in this research is counting according to the University's staff directory. There are approximately 1080 lecturers and tutor from all campuses in this University and the information is adopted in the last updated date of 22 July 2011 in their website. Therefore, according to the formula used, the sample size in this research will be 278. 300 copies of questionnaire were distributed to all campuses

7.4 Research Instrument

The research instrument that used by our group is questionnaire. The purpose of using questionnaires survey is because of the direct response and feedback from the respondents that can be collected in short period of time and in an easier manner.

7.4.1 Questionnaire Design

For this research, the questions in the questionnaire are closed-ended or structured in order to ease the process of analyzing the data from respondents. Thus, the results gathered from respondents will increase the speed and accuracy of recording, as well as more comparable. The questions are adopted and modified from previous research papers conducted by other researchers. The questions are designed by simple English to reduce misunderstanding and uncertainties on the questions by the respondents.

This questionnaire consisted of two parts, section A is general information which consisted of nominal scale, ordinal scale, interval scale and lastly ratio scale. In section B, it consists of questions of four factors which have the impact on the employee retention, where the four variables are empowerment, compensation, training and development, and appraisal system. The questions will be formed in a five point Likert scale which allows respondents to indicate how strongly agree or disagree with the statement provided. It will lead to a better understanding towards the factors that have the impact on retention of University of Y lecturers.

7.4.2 Pilot Test

There are 30 sets of questionnaire randomly distributed to the lecturers in university campus. Questionnaires consist of 25 fixed alternatives questions. Fixed alternative questions are the questions in which respondents are given specific, limited-alternative responses and asked to choose the one closest to their own view. SPSS test is important to ensure the reliability of the survey conducted as well as to improve the questionnaire quality before the actual survey takes place.

7.5 Construct measurement

Operational in construct measurement is the process of identifying scales that correspond to variance in a concept involved in a research process. However, the scale is a device that providing a range of values that correspond to different characteristics of amounts of a characteristic exhibited in observing a concept. It is also a tool or mechanism by which individuals are distinguished as to how they differ from one another on the variables of interest to our study.

7.5.2 Origin and Measure of Construct

Table 1 Source Model of Construct Measurement

| Items | Construct Measurement | Sources |
|-------------|---|----------------------------|
| Empowerment | <ul style="list-style-type: none"> ● I have the opportunity to determine how I do the job. ● I take appropriate action without waiting for approval. ● My work makes good use of | (Paula M. Short & James S. |

| | | |
|--|--|---|
| | <p>my skill and ability.</p> <ul style="list-style-type: none"> ● I make decision about implementation of new program in the university ● I believe that I am empowering student. | Rin eha rt, 199 2) |
| Com pens ation | <ul style="list-style-type: none"> ● I am satisfied with the pay that I receive. ● I earn more than others who do similar work at other universities/colleges. ● My pay encourages me to improve the quality of my work. ● I will receive a reward if I do something to improve my work. ● The non-monetary benefits, such as vacation time and medical insurance that I receive here are better than those I could get at similar universities/colleges. | (Mi njo on Jun , Sha oha n Cai & Hoj ung Shi n, 200 6) |
| Trai ning and Dev elop men t | <ul style="list-style-type: none"> ● I am sent to extend higher qualification program. ● I have received sufficient training at firm to do my job effectively. ● I am trained in quality improvement skills ● I am arranged with a mentor to facilitate career planning. ● I am given training at a regular basis. | (Mi njo on Jun , Sha oha n Cai & Hoj ung Shi n, 200 6) |
| Appr aisal Syst em | <ul style="list-style-type: none"> ● The quality of my work is an important factor in evaluating my job performance. ● I am regularly given feedback on my job performance. ● I am satisfied with existing performance appraisal system. ● The performance ratings were done periodically. | (Mi njo on Jun , Sha oha n Cai & Hoj ung Shi |

| | | |
|--------------------|--|---|
| | <ul style="list-style-type: none"> The performance rating is helpful to identify my strength and weakness. | n, 2006) |
| Employee Retention | <ul style="list-style-type: none"> I am prepared to put in a great deal of effort beyond what is normally expected in order to help this university to be successful. I plan to make this university my own career. I feel a lot of loyalty to this university. This is the best university for me to work for. I would recommend this university to a friend if he/she is looking for a job. | (Minjon Jun, Shaohan Cai & Hojung Shin, 2006) |

8. RESULTS

8.1 Multiple Linear Regressions

The concepts and principles developed in dealing with simple linear regression (i.e. one explanatory variable) may be extended to deal with several explanatory variables.

8.1.1 Model summary

Table 2. Multiple Regression Model Summary
Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .680 ^a | .463 | .455 | .55463 |

a. Predictors: (Constant), average summated of appraisal, average summated of empowerment, average summated of compensation, average summated of training

b. Dependent Variable: average summated of retention

Source: Developed from the research

According to the model summary above, the R square value had gain 0.680, which is 68 percent. These mean that 68% of dependent variable of retention can be explained by it 4 independent variable. The independent variable refer to include employee empowerment, compensation, training and appraisal system in this research, it will conclude that 32% (100% - 68%) of dependent variable of retention is explained by other potential factors. The value of adjusted R square with value of 0.463 which 46.3% represented the significant contribution of the 4 independent variable toward dependent variable.

8.1.2 ANOVA

Table 3 ANOVA Model Summary

ANOVA^b

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 72.955 | 4 | 18.239 | 59.290 | .000 ^a |
| | Residual | 84.595 | 275 | .308 | | |
| | Total | 157.551 | 279 | | | |

a. Predictors: (Constant), average summated of appraisal, average summated of empowerment, average summated of compensation, average summated of training

b. Dependent Variable: average summated of retention

Source: Developed from the research

Table above determine satisfactory result as the significance level of the model is not over or smaller than 0.05. Thus, model that used in this research is good.

8.1.3 Multiple Regression Analysis

Table 4. Multiple Regression Coefficient Analysis

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|----------------------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .577 | .208 | | 2.778 | .006 |
| | average summated of empowerment | .047 | .063 | .041 | .750 | .454 |
| | average summated of compensation | .413 | .062 | .378 | 6.692 | .000 |
| | average summated of training | .155 | .062 | .145 | 2.496 | .013 |
| | average summated of appraisal | .262 | .065 | .252 | 4.042 | .000 |

a. Dependent Variable: average summated of retention

Source: Developed from the research

Multiple Regression equation:

$$Y = C + \beta X_1 + \beta X_2 + \beta X_3 + \dots + \beta X_n$$

Y= Prediction relationship of types of variables toward retention.

C= Constant value.

β = Unstandardized coefficient.

X= Dimension of independent variable (employee empowerment, compensation, training and appraisal system).

Based on the above table, we able to derive the following equation:

$$Y = 0.577 + 0.047X_1 + 0.413X_2 + 0.155X_3 + 0.262X_4$$

This can be interpreted that the increase of 1 unit of employee empowerment (X₁) may incur the raise of 0.047 units in retention (Y). However, for the independent variable of compensation, every 1 unit of increase will incur the raise of 0.413 units in dependent variable, retention. On the others hand, 1 unit increase in training may cause 0.155 units of retention to increase.

Finally, appraisal variable also have a constant relation with retention, it is every 1 unit increase in appraisal with incur the raise of 0.262 units in retention.

The highest beta indicates the independent variable is the most significant variable toward it dependent variable. From the table above, the independent variable of compensation has the highest positive beta of 0.378, this mean that the independent variable of compensation has contribute the most and has stronger effect toward the retention if compare to others independent variable.

9. DISCUSSIONS OF MAJOR FINDINGS

Table 5: Summary of Results

| Hypothesis | Result | Supporte d |
|--|--------------------------------------|---------------|
| H ₁ : There is significant relationship between employee empowerment and employee retention. | r =0.417 p=0.454 (p > 0.05) | No |
| H ₂ : There is significant relationship between employee compensation and employee retention. | r = 0.608 p = 0.00 (p < 0.01) | Yes |
| H ₃ : There is significant relationship between employee training and employee retention. | r = 0.485 p = 0.013 (p < 0.05) | Yes |
| H ₄ : There is significant relationship between appraisal system and employee retention. | r = 0.579 p = 0.00 (p < 0.01) | Yes |

H₁: There is significant relationship between employee empowerment and employee retention.

From the hypotheses testing, it shows that there is significantly positive relationship between independent variable empowerment and dependent variable retention. The value of 0.417 indicate empowerment is positively correlated to retention. However, p=0.454 (p>0.05). Hence, H₁ is not supported.

Generally, the raise of empowerment of an employee will likely to generate higher retention to the organization. According to Carol Yeh in 2002, an empowering culture nourishes empowering leaders, accelerates the implementation of empowering practices, and encourages employees to be self-managing. However, in countries with high power distance such as Taiwan, Japan and other Asian countries, empowerment may not be implemented effectively. In a Taiwanese's research, employees of local Taiwan companies rated empowering leaders and empowering culture as lowest. This result can show agreement with the paternalistic leadership style of traditional Chinese firms. Leaders in Chinese regard subordinates as their children (Lin, 1991, pp. 33—34). Leaders (parents) arrange most of the important tasks for the employees (children). Without empowerment, the employees (children) will remain in the same organization due to the paternalistic leadership style. Employees (children) will loyal to their leaders (parent). University of Y is an Asian company.

High performance employees are formed in an empowered organization, and eventually they will improve the organization's efficiency and productivity (Hammuda & Dulaimi, 1997).

According to Ugboro studies (2006), the employee empowerment could provide an impact to the organizational commitment. Empowerment is the process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness, and through their removal by both formal organizational practices and informal techniques of providing efficacy information. Self-efficacy is the personal judgment about one's capability to adopt certain behaviors and actions in order to achieve certain objectives and expected results (Hoy & Miskel, 2001). The main effect of empowerment is the initiation and persistence of behaviour by motivating employees to accomplish task objectives. Besides, the organisation should also provide some power and rights for the employees to control and use the organisation resource to achieve organisation goal. This would motivate and satisfy the employees because the organisation has provided responsibilities to them.

Therefore, empowerment may not be regarded as an important factor in retaining employees due to the paternalistic leadership style of traditional Chinese firms. Employee may feel that a centralized organizational structure can lead organizational success. Moreover, according to Carol Yeh in 2002, in Eastern cultures, with age comes respect. Older employees tend to have more work experience and are more likely to be assigned jobs that require autonomy. Hence, empowerment in Eastern culture may associate with the age of the employee. An older employee may rate an empowerment environment more favorably. From the results above, these results indicate that the relationship is correlated but not significant.

H₂ : There is Significant Relationship Between Employee Compensation and Employee Retention.

From the hypotheses testing, it shows that there is significantly positive relationship between independent variable compensation and dependent variable retention. The value of 0.608 indicate compensation is positively correlated to retention and its p-value is 0.00 ($p < 0.01$). Hence, H₂ is supported.

External competitiveness to attract competent employees and individual equity to retain top talent can be created by a fair compensation system. Employees may feel that they are appreciated by the organization for their performance and contributions if they get good salary (Lai, 2011). Hence, they are motivated to contribute more or perform better for the organization. Indirectly, they tend to retain in the organization since they are valued. Compensation is not only the return and benefits for the work that done, but it also reflects their accomplishments (Ali, 2009). Therefore, an effective compensation system should be designed to compensate employees. The compensation system is particularly important for intelligence-intensive industries like educational institutions because competent employees are the core capabilities or resources to the enterprises (Lai, 2011).

H₃ : There is Significant Relationship Between Employee Training and Employee Retention.

From the hypotheses testing, it shows that there is significantly positive relationship between independent variable training and dependent variable retention. The value of 0.485 indicate training is positively correlated to retention and its p-value is 0.013 ($p < 0.05$). Hence, H₃ is supported.

According to Thomas Acton and Willie Golden in 2002, job-related training can enhance the ability of problem solving of employees. Once they are confident and motivated to perform a task, they are more likely to be committed to their job and reduced the turnover rate. Mikeal suggests that organizations should provide appropriate training and development program to keep them confident and updated to current operation. Through training, they are able to work with little supervision and more committed to the organization (Mikeal, 2011). According to American Public Transportation Association in 2009, it suggested that organizations should give sufficient training program for employee development to retain employees. Hence, it can show that employee training is important for retaining employees in any industry.

H₄: There is Significant Relationship Between Appraisal System and Employee Retention.

From the hypotheses testing, it shows that there is significantly positive relationship between independent variable appraisal and dependent variable retention. The value of 0.579 indicate appraisal is positively correlated to retention and its p-value is 0.00 ($p < 0.01$). Hence, H₄ is

supported.

A fair appraisal system is essential in any organisation to retain valuable employees. It enables employees to understand their job responsibilities and show them the path towards individual growth. Employee participation in the appraisal process, equity, fairness and justice will give benefits to to organizational commitment (A.K. Paul and R.N. Anantharaman 2003) .Therefore, a fair appraisal helps in extracting the best from workers. An unfair appraisal system can result in unrest and dissatisfaction amongst employees. Scholars usually argue that performance appraisals that are conducted properly can produce positive organizational results (Pettijohn, 2001).

Appraisal system should be transparent in nature. Managers should conduct the process without holding any grudges or any bias against any team member. The process should be well established and straightforward to avoid any kind of doubt. This will make the employees accept feedback on their work with an open mind. This is consistent with the research done by A.K. Paul and R.N. Anantharaman (2003) where performance appraisal has a direct positive causal connection with employee retention.

10. IMPLICATION OF STUDY

The findings found from this study will be particularly useful for top organization to understand how they can do better to improve their employee retention strategy. The research explores how employees perceive the importance of empowerment, training, compensation and appraisal aspects when they make decision to stay loyalty with an organization. These aspects are all essential human resource tools that often been utilized by most of the corporation nowadays to facilitate their strategic management.

Based on the findings generated, employees are generally concerned with all these aspects as result shows close relationship between these independent variables and employee retention. Hence, manager must be sensitive to needs of employees in learning new skills & knowledge, delegation of power on action and decision, desire for competitive compensation package and recognition on existing appraisal system. The study assumes that if an organization fulfils employee satisfaction in all these aspects, there will be higher possibility that the retention rate would be boosting in that organization.

However, empowerment is not adopted effectively in Asian countries due to high power distance. Managers may not take employee empowerment seriously because managers are treated as the person who can make the best decision in Asian organization. Managers may be the constraint of empowerment because the decision made by the empowered employee may not be implemented to improve organizational efficiency due to jealousy. On the other hand, empowered employees may misuse the authority or power that given by the organization. According to Carol Yeh in 2002, empowerment rated as the least concerned factor in retaining employee due to traditional centralized decision-making style of Asian countries. Hence, this study figures out the difference of aspects that retain employee between Eastern and Western countries.

Moreover, this study reveals an opportunity for organization to manipulate these four aspects to attract potential talents. By establishing a reputable image as an organization, the organization will directly become favorites among the workers. When an organization is able to motivate its employees in a more specific manner, it will directly increase productivity and efficiency of its operation.

11. LIMITATION OF THE STUDY

In this research, researchers encountered a few limitations. The researchers solved the problems faced to make sure the research can be done in time.

Single Source of Respondent

In this research, 280 respondents from the same university were chosen to conduct a research. It was hard to make sure the result of the research can be estimated accurately. The single source of respondent was difficult to determine the research objective well and effectively. Moreover, the respondents were chosen from a single private university in

Malaysia. The views and needs of lecturers from other universities might be different due to the different working environment in different universities.

Short Time Frame

Time constraint was one of the problems that the researchers faced. To complete the research, the researchers have to gather information, collect supporting document, conduct survey and run the entire test to show the reliability of the results within limited time.

Respondents' Biasness

Respondents tend to be biased in answering the questionnaire provided by the researchers because the respondents were chosen from a single private university. The views of lecturers may be different in different universities. They have the tendency to agree or disagree with certain questions since they were working in a similar working environment. This may lead to inaccuracy and unreliability of the answer.

There are many other factors influencing the employee's retention except the empowerment, compensation system, training program and appraisal system. Researchers should carry out the research about employees' retention continuously due to it is a very important factor in an organization. In the dynamic working environment and changes of human force, retaining competent employee should be a vital issue in many organizations.

12. CONCLUSION

As what the study has shown, there are significant relationship between the factors of training, compensation and appraisal on University of Y lecturer's retention. However, the factor of empowerment is not so significantly related to employee retention as founded from this study. This reflects the major finding of this study on how different culture might have different expectation on determining their employment satisfaction and retention.

Prior to the result, the study provide empirical evidence that supports all the above independent variables to be significantly affecting the employee retention. Most of the researchers agree with these statements as shown in literature review by providing all the empirical evidence from each study's result. Hence, the formulated hypotheses are constructed according to these researchers' fundamental findings as foundation, and awaited to be tested in later stages through this study's result.

After establishing firm and reasonable design instrument, primary data is gathered from the targeted respondent, i.e. lecturers in University of Y to implement these data into SPSS software to process meaningful information. Eventually, empowerment as the only independent variable to not been supported by this study. To illustrate this situation, the study carried out further investigation and countered the opposing result with supporting journals.

As conclusion, the whole study successfully identify that training, compensation and appraisal is a fundamental consideration for University of Y lecturers' retention decision; while empowerment is less fundamental to lecturers' consideration as this can be attributed to the Asian culture characteristic of higher authority conformity.

13. REFERENCES

- [1] Ahlrichs, N.S. (2000). *Competing for talent. Key recruitment and retention strategies for becoming an employer of choice*: Palo Alto, CA: Davies-Black Publishing.
- [2] Ali P (2009). Job satisfaction characteristics of higher education faculty by race. *Afr. J. Bus. Manage.*, 4(5): 289-300
- [3] A.K. Paul and R.N. Anantharaman (2003) Impact of people management practices on organizational performance: analysis of a causal model , *Int. J. of Human Resource Management* 1246–1266
- [4] American Public Transportation Association. (2009). *Recruiting and retaining bus operations employees*. Retrieved March 28, 2012, from http://www.aptastandards.com/portals/0/Bus_Published/APTA-BTS-

BO-RP-003-009 recruiting bus ops.pdf

- [5] Anderson, E.W., Sullivan, M.W., (1993), "The Antecedents and Consequences of Customer Satisfaction for Firms," *Marketing Science*, 12(2), 125-43.
- [6] Anthony G Turner (2003). Sampling frames and master samples. UNITED NATIONS SECRETARIAT Statistics Division
- [7] Arthur, J. (1994), 'Effects of human resource systems on manufacturing performance and turnover.' In *Academy of Management Journal*, v37, pp. 670-87.
- [8] Bamberger & Meshoulam, 2000, MacDuffie, 1995) *International Journal of Contemporary Hospitality Management*
- [9] Bluedorn AC (1982). "A unified model of turnover from organizations", *Hum. Relat.* 35: 135-153.
- [10] Boice and Kleiner (1997). Designing effective performance appraisal systems. *Work Study* Volume 46 Number 6 · 1997 · pp. 197–201
- [11] Bowen, D.E. and Lawler, E (1995). Empowering service employees. *Sloan Management Review*, Summer, 73-84.
- [12] Carol, Y. (2002). Empowerment in the Service Industry: An Empirical Study in Taiwan. *The Journal of Psychology* 2002, 136(5), 555-560.
- [13] Cascio, W., F., (1995), 'Managing Human Resources' International Edition, US: McGraw Hill.
- [14] Clarke, K.F. (2001). 'What businesses are doing to attract and retain employee—becoming an employer of choice.' In *Employee Benefits Journal*, March, pp. 34-37.
- [15] Dr. Yasar F. Jarrar and Professor Mohamed Zairi. (2010). Employee Empowerment- A UK Survey of Trends and Best Practices. Research Paper: RP—ECBPM/0032. Retrieved 12 July 2011 from
- [16] [http://ecbpm.com/files/Talent - People Management/Employee Empowerment-A UK Survey of Trends and Best Practices.pdf](http://ecbpm.com/files/Talent_People_Management/Employee_Empowerment-A_UK_Survey_of_Trends_and_Best_Practices.pdf).
- [17] Emerson, E., & Hatton, C. (1998). Residential provision for people with intellectual disabilities in England, Wales and Scotland. *Journal of Applied Research in Intellectual Disabilities* 11, 1-14.
- [18] Firth L, David J Mellor, Kathleen A Moore, Claude Loquet (2007). How can managers reduce employee intention to quit?, *J. manage. Psychol.* 19 (2): 170-187.
- [19] Gruman & Saks (2011). Performance management and employee engagement. *Human Resource Management Review* 21 (2011) 123–136
- [20] Hair, J.F., & Bush, R.P., Ortinau, D.J. (2003). *Marketing Research: Within a Changing Information Environment*. 2nd ed., McGraw Hill Irwin, Boston.
- [21] Hammuda, I., Dulaimi, M.F., (1997). *The theory and application of empowerment in construction: a comparative study of the different approaches to empowerment in construction, service and manufacturing industries*. *Int. J. Project Manage.* 15 (5), 289–296. *Behavior*, 77, 323–337.
- [22] Hashim and Mahmood (2011). State of Commitment to Service Quality Among Academic staffs' at Malaysian Universities. *Canadian Journal on Scientific and Industrial Research* Vol. 2, No. 2, February 2011

- [23] Hoy, W. K., & Miskel, C. G. (2001). *Educational administration*. Theory, research and practice (6th ed.). New York: Mc Graw-Hill.
- [24] Hsin-His Lai. (2011). The influence of compensation system design on employee satisfaction. *African Journal of Business Management*, 5(26), pp. 10718-10723.
- [25] <http://www.academicjournals.org/ajbm/PDF/pdf2011/28Oct/Lai.pdf>
- [26] Hummayoun Naeem and Muhammad Iqbal Saif (2010). Employee empowerment and customer satisfaction: Empirical evidence from the banking sector of Pakistan. *African Journal of Business Management* Vol. 4(10), pp. 2028-2031.
- [27] Huselid, M. A. 1995. The impact of human resource management practices on turnover, productivity and corporate financial performance. *Academy of Management Journal*, 38(3): 635-672.
- [28] Huselid, M. A., Beatty, R. W., & Becker, B. E. 2005. "A players" or "A positions?" The strategic logic of workforce management. *Harvard Business Review*, December: 110-117.
- [29] Johns, G.H., Gutmann, M.E., Dewald, J.P. and Nunn, M.E. (2001). 'Career retention in the dental hygiene workforce in Texas.' *Journal of Dental Hygiene*, Spring, v75, i2, pp.135-43.
- [30] Jolliffe, L. & Farnsworth, R. (2003). Seasonality in tourism employment: human resources challenges. *International Journal of Contemporary Hospitality Management*, 15(6), 312-316.
- [31] Kaye B. and Jordan-Evans, S. (2001). Retaining key employees. *Public Management*, 1, 6-11.
- [32] Kennedy & Daim (2009). A strategy to assist management in workforce engagement and employee retention in the high tech engineering environment. *Evaluation and Program Planning* 33 (2010) 468-476.
- [33] Kotzé, K. & Roodt, G. (2005) Factors that affect the retention of managerial and specialist staff: An exploratory study of an Employee Commitment Model. *SA Journal of Human Resource Management*, 3(2), 48-55.
- [34] Laschinger, H.K., Finegan, J. and Sharmian, J. 2001. The impact of workplace empowerment and organizational trust on staff nurses' work satisfaction and organizational commitment. *Health Care Management Review*, 26(3):7-23.
- [35] Lee, F-H. & Lee, F-Z. (2007). The relationships between HRM practices, Leadership style, competitive strategy and business performance in Taiwanese steel industry,
- [36] Proceedings of the 13th Asia Pacific Management Conference, Melbourne, Australia, 2007, 953-971.
- [37] Lin, J. and H. Ross. 2004. Context and history of the rise of environmental education in China and the Green Schools: an introduction. *Chinese Education and Society*. (May-June) 37:3, 3-9.
- [38] M. Heathfield. (2005) Effects of pre-interview beliefs on applicant's reactions to campus interviews. *Academy of Management Journal*, 40(4), 947-966.
- [39] Malhotra, N.K. (2007). *Marketing Research : An applied orientation* (5th ed.). New Jersey : Prentice Hall.
- [40] Meaghan Stovel, Nick Bontis (2002), Voluntary turnover: knowledge management-friend

or foe? J.intellect. Cap. 3 (3): 303-322

- [41] Mikeal Afhors (2011). Engaging Indian IT employees: A compensation & benefit case study of a Finnish multinational IT company. (Master dissertation, Aalto University). Final Thesis of Master of Economics. From http://hsepubl.lib.hse.fi/Fl/ethesis/pdf/12601/hse_ethesis_12601.pdf
- [42] Minjoon Jun, Shaohan Cai, Hojung 2006 Shin in Journal of Operations Management Volume: 21, Issue: 12, Pages: 1299-1314
- [43] Moore, D.P. (2002). The new "typical" student. School Planning and Management, 41(10), 8.
- [44] Moore, J.E. (2002). One road to turnover: an examination of work exhaustion in technology professionals, MIS Quarterly, 24 (1), 141-168.
- [45] Neuman, W.L. (2006). Social Research Methods : Qualitative and Quantitative Approaches (6th ed.) Massachusetts : Ally and Bacon.
- [46] O'Connor, Arnold & Maurizio (2010). The prospect of negotiating: Stress, cognitive appraisal, and performance. Journal of Experimental Social Psychology 46 (2010) 729–735.
- [47] Osborne, J. (2002). Components of empowerment and how they differentially relate to employee job satisfaction, organizational commitment, and intent to leave the job. Vanderbilt University. UMI Pro Quest Digital Dissertations No. AAT 3061216.
- [48] Paula M. Short, James S. Rinehart. 1992 Teacher empowerment and school climate American Journal of Community Psychology, 15, 353-372.
- [49] Peterson, C., Park, N. & Seligman, M.E.P. (2006). Greater strengths of character and recovery from illness. The Journal of Positive Psychology, 1(1), 17-26
- [50] Pettijohn, C., Pettijohn, L.S., Taylor, A.J. and Keillor, B.D. (2001), "Are performance appraisal a bureaucratic exercise or can they be used to enhance sales-force satisfaction and commitment?", Psychology and Marketing, Vol. 18 No. 4, pp. 337-64.
- [51] Ramlall, S. (2004). A Review of Employee Motivation Theories and their Implications for Employee Retention within Organizations. The Journal of American Academy of business.
- [52] Rappaport, A., Bancroft, E., & Okum, L. (2003). The aging workforce raises new talent management issues for employers. Journal of Organizational Excellence, 23, 55-66.
- [53] Rosdi & Harris (2010). Human Resource Management Practices And Organizational Commitment: The Case of Academics In A Malaysian Higher Education Institution. 2nd INTERNATIONAL CONFERENCE ON BUSINESS AND ECONOMIC RESEARCH (2nd ICBER 2011) PROCEEDING.
- [54] Spence & Keeping (2011). Conscious rating distortion in performance appraisal: A review, commentary, and proposed framework for research. Human Resource Management Review 21 (2011) 85–95.
- [55] Stansfield, Clinton O. Longenecker, (2006) "The effects of goal setting and feedback on manufacturing productivity: a field experiment", International Journal of Productivity and Performance Management
- [56] Stavrou, E. 2005. "Flexible Work Bundles and Organizational Competitiveness in Europe: Toward a Framework" Journal of Organizational Behavior, vol. 26, pp.

- [57] Sudin (2011). Fairness of and Satisfaction with Performance Appraisal Process Journal of Global Management July 2011. Volume 2, Number 1. Webster, Beehr & Love (2011). Extending the of Vocational Behavior xxx (2011) xxx–xxx.
- [58] Ugboro, I. O. (2006). *Organizational Commitment, Job Redesign, Employee Empowerment and Intent to Quit Among Survivors of Restructuring and Downsizing*.
- [59] Thomas Acton & Willie Golden. (2002, June). Training: The way to retain valuable IT employees. Retrieved March 28, 2012, from Informing Science.
- [60] <http://informingscience.org/proceedings/IS2002Proceedings/papers/acton140train.pdf>
- [61] Zikmund, W.G., & Rabin, B.J.J (2001). *Essential of Marketing Research* (3rd ed.). Ohio South Western

An effective human resource management practices namely employee empowerment, training and development, appraisal system compensation are the main factor for the success of a firm on employee retention. In this paper, the authors aim to study how employees regard importance of their empowerment, equity of compensation, job design through training and expectancy toward effective performance management on their retention. Quantitative data was collected using the non-probability self-administered questionnaire that consist of questions with 5-points Likert scales distributed to their samples of A human resource management audit is a process of evaluating the effectiveness of the HR function. The HRM audit, as its financial audit counterpart, possesses the following elements: • Independence from the subject being audited • Technical work in the form of a systematic gathering and analysis of data • An evaluation of the HR activities, policies, and systems based on the evidence • A clearly defined objective of the process • Action in response to audit findings. Human resource management audit offers several benefits as outlined below::; HR Audit• The human resource management department itself can be treated as a profit center. These and other indicators, when calculated and compared with other firms, give a fair picture of the outcome of HR functions and activities. on Employee Retention in Institute of Higher learning: - A. Regression Analysis Eric Ng Chee Hong. eric_ng0530@hotmail.com. Many critical analysis are conducted to minimize the possible occurrence of shortage of highlyskilled employees who posses specific knowledge to perform at high levels, as such event will lead to unfavorable condition to many organizations who failed to retain these high performers. They would be left with an understaffed, less qualified workforce that will directly reduce their competitiveness in that particular industry. management (HRM) practices on employee. member of the staff would cause major agony, retention. Four dimensions of HRM practices. increase work pressure, drop in employee. examined in this study are training and. compensation and benefits in promoting employee retention among respondents. In assessing the strategic role of all HRM functions, we suggest that the aforesaid factors deserve a higher level of scrutiny in. IJSER. organizations. worrying about the tight labor market and the challenges of finding and keeping good employees. replacement search and retraining, loss of high. growth prospects and motivation compel an. performers, and disruption of social and. The Impact of Human Resource Practices on Employee Retention in the Telecom Sector. Maqsood Haider. 1. Regression analysis was performed to analyse the data. The results of multiple regressions revealed a significant impact of HR practices on employee retention. Compensation and culture has a positive relationship with employee retention whereas training and development has a negative one. This study guides the management to devise the effective strategies to improve the employee retention. Keywords: Human Resource Practices, Employee Retention, Training and Development, Organizational culture, Compensation JEL Classifications: M00. 1. INTRODUCTION.

What value does the human resource (HR) function contribute to the bottom line of the organization? Over the years, there has been tremendous emphasis placed on HR practitioners becoming strategic business partners and being a value-added source within organizations. Traditionally, HR professionals could talk generally and conceptually about employee morale, turnover, and employee commitment being outcomes of HR efforts. HR managers need to measure the cost and effectiveness of their activities far more closely than they have in the past.

The Impact of Human Resource Practices on Employee Retention in the Telecom Sector. Maqsood Haider. 1. Regression analysis was performed to analyse the data. The results of multiple regressions revealed a significant impact of HR practices on employee retention. Compensation and culture has a positive relationship with employee retention whereas training and development has a negative one. This study guides the management to devise the effective strategies to improve the employee retention. Keywords: Human Resource Practices, Employee Retention, Training and Development, Organizational culture, Compensation JEL Classifications: M00. 1. INTRODUCTION. Employee retention is a critical issue as companies compete for talent in a tight economy. The costs of employee turnover are increasingly high – as much as 2.5 times an employee's salary depending on the role. The payoff for organizations that focus on employee retention is well worth the time and investment, according to the Society for Human Resource Management (SHRM). For example, a learning-focused organization doesn't just hold periodic learning events or workshops separate from the day-to-day work. Creating open communication between employees and management can help foster a sense of community and a shared purpose, says Pickett.