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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 was selected from the banking sector of Shaheed Benazirabad. A questionnaire was adopted to collect data. This study applied regression and correlation for data analysis. The empirical findings show 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 Benazirabad.

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1. INTRODUCTION

In the 1970s-1980s, employees' retention affairs were observed after the state amongst managers and employees that required a propitious foundation. Today's employees are more creative and enthusiastic. They are not the ones with empty-handed knowledge who do not have sumptuous/eminant desires. If the employees feel unsatisfied with the 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 proceeding with employee's disappointments [1].

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

resources. The organizations are at annoyance/dispiritedness situations when employees deny to work accordingly as they are well prepared and trained as well. We know that employees play a pivotal role as assets 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 boost their passions for performing their jobs, and thus their loyalty expands, 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 can provide training practices to retain employees. It concludes that training and development programs are associated with employee retention [6].

Employee retention, reward, and compensation are strongly interconnected with each other. They 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 compensated, 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 trustable environment in an organization helps employees to show more creative ideas to achieve expected goals and targets. It is 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) illustrated that providing good salary packages, timely rewards and compensation are the basic needs of today's employers. 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 opponents or 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 are appreciated. Rewards and compensation programs motivate employees to perform their duties in a way, which help them to be promoted and rewarded for their good performance. Sincerity and loyalty from workers can only be achieved if employees are rewarded according to the level of their performances. Rewards and compensation are major factors to keep employees motivated towards organizations' targets and play a vital role to attract talented and experienced workers to perform their tasks 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 compared to its rivals. Simultaneously, if management does not keep 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 has to spend 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 are those that maintain the efforts of neutralism within the organization, where firmness and accomplishment of the organization are determined by creativeness and flexibility [11].

The scarcity of trained and experienced workers who have potency 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. Furthermore, 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 is primarily focusing on human resource practices and how it instigates employees' retention. To ascertain the employees' retention, we have preferred three human resource 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, working environment, and employee retention. Figure 1 shows employee retention as the 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.

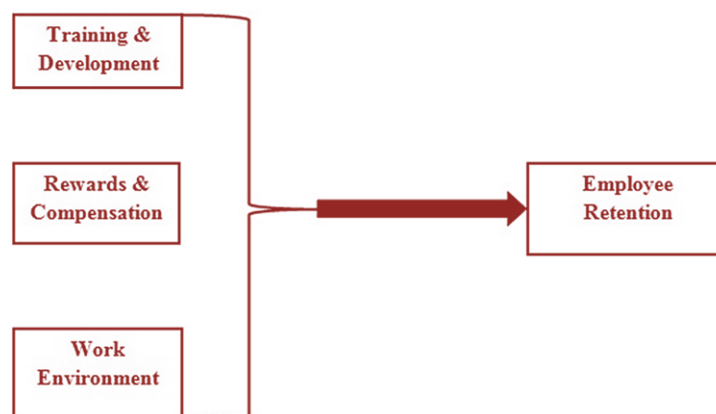


Figure 1: Research Framework.

2.1 POPULATION AND SAMPLING

The employees of the banking sector of Shaheed Benazirabad 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] was tested and used 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 the reliability of all the variables and used Kolmogorov-Simonov and Shapiro-Wilk tests to determine the normality of data, before determining the level of relationship between dependent and independent variables.

3.1 RELIABILITY TEST

Alpha reliability instrument which shows the result of 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 analyzed the cooperative link between employees and organizations with respect of HR practices and employee retention.

Table 2: Model Summary

Model	No. of Items.	R	R.Square	Adjusted R.Square	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-Square value is 0.854 indicates that the independent variables have an 85.4% effect on the dependent variable. Durban Watson's 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.
	B		Std. Error	Beta	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 is observed how the regression coefficient (β) creates an influence of independent variables over dependent variables. As for training and development, the regression coefficient is 0.403. This determines that, if it has been changed by 1, then the dependent variable will increase by 0.403. Correspondingly for rewards and compensation, the regression coefficient (β) is 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 is increased by 1 then the dependent variable would be varied at about 40%.

Furthermore, we found 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	Sum 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 0.000 which is less than 0.05. We can say that our model or research project is certainly effective.

3.3 NORMALITY ANALYSIS

This test analyzes whether the data we have collected in this survey is normal. For this sample, K-S analysis passes through the collected data. We found that 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 the 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

The Spearman Correlation test was applied to check the mutual relationship among all variables. Table 6 shows that 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 the 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 see this issue increases 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. In the past, employees did 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 encourage their workers to keep their skills high for what they will do in the near future.

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

Human resource 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 are treated injustice concerning any specific result, it affects the workers' feelings like guilt, sadness and anger. When workers are treated fairly, the workers feel satisfaction and their sincerity increase and they will stay with the organization. Empower the workers with training 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 done through impressive communication and constant interaction between management. The management must have faith in the workers, give respect and trust employees, keep providing them with 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 are unsuccessful to make retention of employees a priority are in danger of losing their experienced workers.

Training and development should be provided to potential employees and those are the best ways of keeping important employees. Training and development enhance the performance of the employees on work. Essentially, employees 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. It is also important that the employees know they get career development chances so that they can get advantages from these opportunities. The researcher found rewards and compensation act as an important part in motivating individuals which advantage to employee retention in an organization. The pleasant work environment is important in the retention of employees. This study 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 relationship between workers and management should be improved where workers should be able to feel that management values their opinions and views. Attracting and retaining employees is always a challenge, the organizations that directly attract and retain their key employees by offering 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 resource practices (training and development, rewards and compensation, and working environment) and 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 the banking sector. It reveals that rewards and compensation programs should be executed to secure quality and fairness to the banks. Experts and talented employees can easily get a good job in any other organization. So the good and impressive way of holding these gifted employees 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 organizations should lose their loyal and experienced employees who perform their work with extra efforts. It is very important to facilitate them and provide them with opportunities that can benefit them in their career growth and make them great workers. Also, workers who are prepared with extra added abilities and knowledge feel more motivated and satisfied when they feel valued in their present job and work environment. With this condition, they may continue working longer in their organization.

6. AVAILABILITY OF DATA AND MATERIAL

All relevant data is already included in this article.

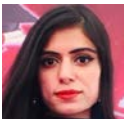
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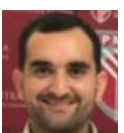
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