

Human Resource Management Practices and Employee Retention in Public Higher Learning Institutions in the Maldives

Authors : Shaheeb Abdul Azeez, Siong-Choy Chong

Abstract : Background: Talent retention is increasingly becoming a major challenge for many industries due to the high turnover rate. Public higher learning institutions in the Maldives have a similar situation with the turnover of their employees'. This paper is to identify whether Human Resource Management (HRM) practices have any impact on employee retention in public higher learning institutions in the Maldives. Purpose: This paper aims to identify the influence of HRM practices on employee retention in public higher learning institutions in the Maldives. A total of 15 variables used in this study; 11 HRM practices as independent variables (leadership, rewards, salary, employee participation, compensation, training and development, career development, recognition, appraisal system and supervisor support); job satisfaction and motivation as mediating variables; demographic profile as moderating variable and employee retention as dependent variable. Design/Methodology/Approach: A structured self-administered questionnaire was used for data collection. A total of 300 respondents were selected as the study sample, representing the academic and administrative from public higher learning institutions using a stratified random sampling method. AMOS was used to test the hypotheses constructed. Findings: The results suggest that there is no direct effect between the independent variable and dependent variable. Also, the study concludes that no moderate effects of demographic profile between independent and dependent variables. However, the mediating effects of job satisfaction and motivation in the relationship between HRM practices and employee retention were significant. Salary had a significant influence on job satisfaction, whilst both compensation and recognition have significant influence on motivation. Job satisfaction and motivation were also found to significantly influence employee retention. Research Limitations: The study consists of many variables more time consuming for the respondents to answer the questionnaire. The study is focussed only on public higher learning institutions in the Maldives due to no participation from the private sector higher learning institutions. Therefore, the researcher is unable to identify the actual situation of the higher learning industry in the Maldives. Originality/Value: To our best knowledge, no study has been conducted using the same framework throughout the world. This study is the initial study conducted in the Maldives in this study area and can be used as a baseline for future researches. But there are few types of research conducted on the same subject throughout the world. Some of them concluded with positive findings while others with negative findings. Also, they have used 4 to 7 HRM practices as their study framework.

Keywords : human resource management practices, employee retention, motivation, job satisfaction

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