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The relationship between human resource practices and employee retention in private organisations with special reference to Jebel Ali international hospital in Dubai

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Abstract

In recent years, the United Arab Emirates (UAE) has dramatically achieved into a global phase with the influence of foreign collaborations and innovations, facilitated by the development of the digital and robotic technologies. As with many organizations worldwide, staff retention problems affect organizational production and performance. Managers face the challenges to remove the retention problems in the stage of enhancing competition in the world market. It is against this background that this research will look into employee retention problems within the cross cultural scenario of the UAE. This study brings into focus the extent to which human resource management (HRM) practices and organizational culture in the UAE affect employee retention in private organizations. The purpose of this study is to identify HR practices and other factors such as job satisfaction, organizational commitments that affect employee retention in the UAE with emphasis on private organization, in Dubai.

Keywords: Employee Retention, HR Practices, Organizational Commitment, Job Satisfaction

1. Introduction

The process of 'global interlinking of economies', accelerated by technological development, has intensified competition in today's business environment. There is increasing recognition that increases in global trade, facilitated by advancements in technology, communication and transportation, began to bring the markets of the world into greater competition. As economic globalisation has become more pronounced, the ability of organisations to compete in the global marketplace is all the more tied to the quality of their human resources. Many organisations rely on the expertise of their employees to gain competitive advantage in global economies in this economic environment, the retention of valuable employees becomes an extremely important strategy for human resources managers and organisational leaders. Today, however, retention of valuable employees is a global challenge. Managers and top level authorities are constantly met with the issue of retaining employees, and there is a wealth of evidence that worldwide, retention of skilled employees has been of serious concern to managers in the face of ever increasing high rate of employee turnover. Such challenges are further complicated by the fact that highly skilled employees tend to change jobs for better financial rewards and improved working conditions.

2. Aim of the Study

To determine the role of HR practices in affecting employee retention in UAE private sector organisation.

3. Objectives of the Study

- 1) To determine to what extent HRM practices and organizational culture, job satisfaction in the UAE may affect employee retention in private organization of the Emirates, with a focus on Jebel Ali International Hospital
- 2) To explore the major challenges UAE private organization face in relation to employee retention with demographic variables such as age and supervisor
- 3) To find the association between employees retention with regard to HR practices, Job Satisfaction and Organizational Commitment.
- 4) To analyze the relationship between employee retention with regard to HR practices, job satisfaction and organizational commitment.
- 5) To find the satisfaction level in the working environment

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4. Research Questions

- 1) How do HR practices affect employee retention in UAE private sector organisations?
- 2) What other factors influence employee retention with demographic variables in UAE private organisation?
- 3) How can employee retention with respect to HR practices, Job satisfaction and organizational commitment in Jebel ali International Hospital?
- 4) Find out the relationship between employee retention with respect to independent variables
- 5) How we will find the satisfaction level in the private organization?

5. Statement of Problem

This research differs from other studies in that it undertakes to develop a practical framework on employee retention with regard to HR practices, organizational commitment and satisfaction. It also helps to identify the influence of HR policies that are used to sustain the employees in the organization. Primary questionnaire are used to identify the responses from the employees.

6. The Significance of the Study

This study is the empirical study of employee retention problems in private organisation of the UAE, with an emphasis on Jebel Ali International Hospital in Dubai. This research will provide new data to test Western theories and assumptions found in HRM studies about employee retention. This framework requires a study of private UAE organisations to ensure that different cultural employees are represented. Outcomes of this research are intended to better inform policy on job satisfaction, HR practices and organisational development in UAE organisations with respect to employee retention. However, people working in UAE generally agree there is a problem in retaining employees.

7. Limitations of the Study

The present study has a number of pitfalls. Access to this private organisation was gained with a variety of limitations. The study is limited to exploring the factors that affect employee retention within the basic level of the UAE national and organisational culture

This study has a number of limitations:

1. All findings are based on the information provided by the respondents, and are Subject to the attitudes, perception and prejudgement of the people involved.
2. The scope is limited to the area of study in employees of UAE, and places particular focus on employees within the Emirate of a private hospital in Dubai. As such, the findings may totally be changed if the study were to be applied to a different area, demographic landscape or economy.
3. The extent to which the objectives of the study could be reached was affected by time limitations. Findings reflect the labour market within a period of global economy.

8. Employee Retention

It is the ability of an organization to make sustain its challenging employees and hence maintain a lower turnover ratio. An organization is able to achieve this by adopting various employee retention facilities. An employee retention activities that make steps starting from analyzing the major contributors in the organization, and designing a level of

schemes to involve them with the organization to ensure that they do not leave. The success of these programs is measured by simple analytics like retention ratio, and turnover ratio.

9. The Influence of Human Resource Management (HRM) Policies and Strategies on Employee Retention

Organisations should create new human resource policies and strategies, including selection and recruitment, training and development, and performance management that reflect their beliefs and principles maintaining acceptable relationships between top management team and employees of the organization. However, some human resource departments merely devise policies that deal with current problems or requirements. Employee attitudes and behaviours, including performance, reflect their perceptions and expectations, a favourable concern that they gained from the organisation. In their multilevel global linking with the human resource practices and employee retentions, recently there has been widespread feeling that HRM has become more wide spread, correlated and aligned with organisational values, missions, goals and company’s visions. As taking direct analysis with result of this, employers have phased to place increased levels of focus on the methods by which they can assess and improve the organisational performance of an employee.

The major findings are that affect employee retention are

- Limited promotional facilities for employees career growth.
- Lack of relationship between employees and their leaders.
- Poor communications between employees and the top management team
- Lack of training and updating with new software.
- `Salary and Benefits are not satisfactory
- Support and guidance are very less from supervisor
- Commitment of the employees are considered very few
- The amount of challenge in their job are little
- Career development procedures are not attractive

10 Analysis of Retention Factors

The investigation focused on four variables: HR Practices, Job Satisfaction, Organisational Commitment, and Intent to Leave/ Stay. The first three are independent variables, while the last one is dependent.

Table 1.1: shows Descriptive Statistics; HR practices, Job satisfaction, Organizational Commitment and intent to stay/leave

Retention Factors	Mean	Std. Deviation
HR Practices	4.09	0.38
Job Satisfaction	3.93	0.69
Organizational Commitment	4.18	0.42
Intent to Leave/Stay	3.91	0.84

For HR Practices, the mean was $X=4.09$ and the standard deviation observed was 0.38, suggesting that the respondents found HR practices are not satisfactory. Job satisfaction yielded an average of 3.93, indicating that respondents were neutral about their job satisfaction overall. Organizational Commitment gained an average of 4.18, indicating that the respondents were also strongly disagree with these factors. Finally, intent to leave or stay received an overall rating of 3.91, suggesting that the respondents were neutral as far as any intent to leave their organizations was concerned.

11 Relationship between “Employee Retention “and other variables

In order to determine the relationship between HR practices, job satisfaction, organizational commitment on employee retention, the researcher used correlation analysis. (H0): There is no relationship between Employee Retention with any of the other variables. Table 1.2 shows that intent to leave the organization is significantly correlated with HR practices (r=-.518, p=0003), job satisfaction (r=.864, p=0.000), Organizational Commitment(r=.682, p=0.000)

Table 1.2: Shows Relationship between employee retention with other variables

Scale	Pearson r	Significance (p value)
	Employee Retention	
HR Practices	.518	0.003
Job Satisfaction	.864	0.000
Organizational Commitment	.682	0.000

Significant at the .05 alpha level

In order to examine the relationship between HR practices and employee retention, Pearson correlations were used. The p value is significant and we accept the alternate hypothesis that (H1) there is a relationship between employee retention with the other variables. The result suggests that the more HR practices are perceived to be sound and effective by employees, the less likely they are to leave. If they are satisfied with their jobs, the probability of leaving the organization also decreases. However, the results show no significant relationship between organizational commitment and intent to leave.

12 Relationship between Ages with Retention Variables

In order to examine the relationships between ages with other variables (HR practices, job satisfaction, Organizational commitment, Employee Retention) one-way ANOVA was used. The findings related to age are presented here.

Table 1.3: shows One-way ANOVA between Age and other Variables

		Sum of Squares	df	Mean Square	F	Sig.
HR Practices	Between Groups	0.354	3	0.118	.782	0.514
	Within Groups	4.074	27	0.151		
	Total	4.428	30			
Job Satisfaction	Between Groups	3.167	3	1.056	2.559	0.76
	Within Groups	11.139	27	0.413		
	Total	14.307	30			
Organizational Commitment	Between Groups	0.327	3	0.109	0.574	0.637
	Within Groups	5.126	27	0.190		
	Total	5.453	30			
Employee Retention	Between Groups	3.340	3	1.113	1.672	1.96
	Within Groups	17.978	27	0.666		
	Total	21.319	30			

Significant at the .05 alpha level

Table 1.3 shows that there are no significant differences between age groups on any of the variables

13 Comparisons by Time Served under Immediate Superior

Table 1.4: One-way ANOVA by time served under immediate superior with other variables

		Sum of Squares	df	Mean Square	F	Sig.
HR Practices	Between Groups	0.051	2	0.026	.163	0.850
	Within Groups	4.377	28	0.156		
	Total	4.428	30			
Job Satisfaction	Between Groups	3.210	2	1.605	4.050	0.029
	Within Groups	11.097	28	0.396		
	Total	14.307	30			
Organizational Commitment	Between Groups	0.007	2	0.004	0.019	0.981
	Within Groups	5.446	28	0.194		
	Total	5.453	30			
Employee Retention	Between Groups	2.883	2	1.442	2.190	.131
	Within Groups	18.435	28	0.684		
	Total	21.319	30			

Significant at the .05 alpha level

In order to examine the relationships between times served by immediate supervisor with the retention variables one way anova is used, there is no significant difference between times served with immediate supervisor with any of the variables.

14 Descriptive Statistics: Satisfaction

The data on Satisfaction was first analyzed by examining frequency distributions

Table 2.1: Frequency and percentage distribution: Satisfaction with salary

Salary satisfaction	Frequency	Per cent
Extremely Satisfied	1	3.2
Satisfied	0	0
Neutral	4	12.9
Dissatisfied	19	61.3
Extremely not Satisfied	7	22.6
Total	31	100

Table 2.1 show that 3.2% of employees were extremely satisfied with their salary and Another 12.9% reported a fair amount of satisfactions. Surprisingly, none reported being either satisfied or a lot. 61.3% dissatisfied with the salary packages. Overall, the results indicate an average level of satisfaction is very less in this organization.

Table 2.2: Frequency and percentage distribution: satisfaction with policies and procedures

With Policies and Procedures	Frequency	Per cent
Extremely Satisfied	0	0
Satisfied	2	6.5
Neutral	4	12.9
Dissatisfied	19	61.3
Extremely not Satisfied	6	19.4
Total	31	100

Table 2.2 show that 2% of employees were satisfied with their policies and procedures Another 12.9% reported a fair amount of satisfactions. Surprisingly, none reported being either satisfied or a lot. 61.3% dissatisfied with the salary policies. Overall, the results indicate an average level of satisfaction with respect to policies and procedures is very less in this organization

Table 2.3: Frequency and percentage distribution: satisfaction with being recognized

	Frequency	Per cent
Extremely Satisfied	1	3.2
Satisfied	0	0
Neutral	6	19.4
Dissatisfied	18	58.1
Extremely not Satisfied	6	19.4
Total	31	100

Only 3.2% of the respondents said that they got a fair amount of recognition for doing their Work; 6% said they

Table 2.6: Frequency and percentage distribution: satisfaction with quality of supervision I receive in my work

	Frequency	Per cent
Extremely Satisfied	1	3.2
Satisfied	1	3.2
Neutral	4	12.9
Dissatisfied	19	61.3
Extremely not Satisfied	6	19.4
Total	31	100

The above table shows that 3.2% of employees felt they had an extremely satisfied while receiving supervision. While 12.9% believed they had quite a bit of amount for supervising in their job. Overall supervising with work is very low in this case.

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.893 ^a	.797	.775	.40018		
ANOVA ^b						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.995	3	5.665	35.374	.000 ^a
	Residual	4.324	27	.160		
	Total	21.319	30			

got a medium level of appreciation for doing a job well. Thus, Table 2.3 shows the results indicated that the satisfaction level was evenly spread on dissatisfaction side of the scale.

Table 2.4: Frequency and percentage distribution: satisfaction with having a supportive Supervisor

	Frequency	Per cent
Extremely Satisfied	1	3.2
Satisfied	1	3.2
Neutral	3	9.7
Dissatisfied	15	48.4
Extremely not Satisfied	10	32.3
Total	31	100

Table 2.4 shows that 3.2% felt they received quite a bit of support from their supervisor, While, 3.2% said that they had received very little, some, or a fair amount of support. The Frequency of distribution with regard to satisfaction levels with supervisors indicates that quite a few people agreed that they received good support from their supervisors

Table 2.5: Frequency and percentage distribution: satisfaction with benefits (satisfaction)

	Frequency	Per cent
Extremely Satisfied	1	3.2
Satisfied	1	3.2
Neutral	0	0
Dissatisfied	24	77.4
Extremely not Satisfied	5	16.1
Total	31	100

Table 2.5 shows that 3.2% employees have some or a fair amount of benefits, while 24% said that they received very little.

15 Impact on HR Practices, Organizational culture, Job satisfaction with Employee Retention:

In order to determine the impact of HR practices, job satisfaction organizational commitment, and on employee retention, the researcher used regression analysis.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	-1.607	.840		-1.914	.066
	SMEAN(avghr)	-.082	.253	-.037	-.322	.750
	SMEAN(avgjs)	.871	.133	.714	6.525	.000
	SMEAN(avgoc)	.580	.240	.293	2.418	.023
Dependent Variable :Employee Retention						

From this table we can conclude that 77.3% change in dependent variable can be predicted using these three independent variables. The p value is significant and the independent variable (AVGJS) the p value is less than 0.05 it means that it is able to predict the dependent variable than any other variables. Here we conclude that there is an impact on HRM practices, organizational culture, and job satisfaction on employee retention. The above Table shows the regression analysis which shows the impact of HR practices, job satisfaction, organizational commitment (Independent variable) on employee retention (dependent variable). Correlation coefficient (R) is .893. This shows a positive correlation with dependent variable to that of independent variable (Adjusted R) is .775. So there is an impact on employee retention with these independent variables.

16 Summary

It was observed that UAE employees are not intend to improve their performance and are detached from the organisation's progress. They also lack organizational commitment required to bring profits to the organisation, few employees are willing to work on any dangerous area to retain their residence or their location. Most are unable to relate their career growth to the organisation's path, and are not particularly happy about the HR policies that they practice. Some areas illuminate a neutral reaction from employees, such as attitudes towards the company's rules and policies, and the effect of these on retention. In this regard, employees seem not to have the enormous idea whether they would make the effort to change their job if changes were made in their personal responsibilities, and seem unsure if they would prefer to wait for some major HR rules modifications that will occur. They appear disinterested in the company's success and growth, an indication that they lack a sense of belonging to a worthwhile enterprise or valued group of co-workers.

17 Scope for Future Research

In Arabic cultures in particular, for instance, such factors will affect the manner in which women are permitted to participate in the workforce. One future strategy that may be of value is the use of a model that can be expanded to other related and relevant variables, such as orientation strategies, leadership style management, and a firm's business strategy. It may also be useful to consider aspects such as flexible work environments, employee's empowerment, especially of the female portion of the UAE workforce, and HR practices for encouraging the retirement of weaker employees and attracting highly qualified individuals. The second area that future research could examine is applying this study's research proposition to longitudinal and case study designs

18 Conclusion

The current high rate of employee turnover in the UAE is expensive. The role of HR departments is to satisfy the

needs of employees through the provision of training, rewards systems, equality of treatment, and benefits, among others, to foster employee commitment and reduce the rate of employee turnover ratio. This research presents a study of those aspects that HR has to perform in UAE private organisations to achieve these goals, Organisational heads need to look into the various factors that influence employee retention in UAE organisations, key among them the leadership style of top managers, fairness in the treatment accorded to employees by their supervisors, a clear understanding of what is expected of them, and being made to feel good about their work. Discrimination, whether on gender or on the grounds of experience, remains a problem it needs of an urgent solution. To deal with this, HR department needs to come up with practices that consider the future needs of all employees, eliminating discrimination and bias, installing a systematic and fair reward system, and providing compensation benefits and allowances such as medical insurance and add more attracting facilities that should sustain employees in the organization and retain them as an asset.

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