

HR Practices for Improving Employee Retention: Study on Some Selected Manufacturing Companies in Cumilla, Bangladesh.



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ABSTRACT: In today's business environment, it's indisputable that having effective talent that is properly trained and competent is key in driving your organization forward. Putting lots of resources into training programs can ensure employees are always well versed in how to best serve the needs of customers and clients. After being an employee for quite a while, many of them are now looking for better opportunities. That's why it's important to keep employees from leaving the company. Well designed employee retention programs can both attract new employees and help your business to retain their existing ones. This paper will detail how you can improve Human Resource strategies and be a great employer. This paper will describe how we can improve our retention rates by objectively looking at and analyzing both secondary & primary data. The principal purpose of the study is to discuss human resource strategies with the intent of improving retention. Primary data was collected through questionnaires completed by selected employees in the Cumilla Export processing zone (EPZ). Sample size was 200 & all the respondents were executives. The collected data was analyzed by Microsoft excel. The study founds Compensation, benefit packages, company rules & regulations, limited career advancement, lack of recognition, reward, respect greatly influenced employee retention. This paper explains nine suggestions to help improve HR retention.

KEYWORDS: Employee retention, HR, EPZ.

INTRODUCTION

Qualified employee retention is a major issue for private sector organizations. HR departments and other relevant departments always try to retain the top talent. However, employees—especially those who are qualified and experienced—are constantly looking for better chances, and often move anytime a new job offer is in sight. The corporations now find it very challenging to uphold a constant standard of quality due to this fast job swapping. Thus, keeping personnel has emerged as one of the biggest global concerns.

When an employee resigns from a company, there are numerous issues that arise, including:

- ❑ Organizations have to arrange a new recruitment program
- ❑ Because of sudden exit organization work pace may be reduced
- ❑ The quality of work may decrease due to the changing of personnel.
- ❑ The money and time the organization invests in an employee goes all in vain.

Retaining personnel has become a crucial undertaking as a result of the aforementioned issues. Because by retaining qualified employees organizations get huge benefits like: reduce costs & create efficiencies, boost employee morale and motivation, improve customer experience and drive revenue, strengthen company culture. Nowadays it's hard for the HR department to retain talented employees because of the growing economy, changing workforce, technology, availability of side incomes. The purpose of this article is to investigate deficiency in HR procedures in selected manufacturing companies in Cumilla, Bangladesh & to provide a set of recommendations for the HR department and policy maker.

LITERATURE REVIEW

Retention is the practice of motivating personnel to stay for a long time or until the project is completed, according to Hom and Griffeth (1995). The Society of Human Resource Management, according to Wysocki, B. (1997), believes that employee retention

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is the trendiest concern right now. Employees that willingly leave their jobs are a potential retention concern, according to Drucker (1999). When talking about turnover, Trip, R. noted that a significant difficulty for many firms is voluntary turnover.

There are numerous reasons for an individual to voluntarily leave their job, according to Terence et al. (2001). Some may be impacted by organizational issues, while others may be personal. Personal factors including the state of the family, professional advancement, and a tempting job offer, etc. Lack of promotion chances, unjust employee treatment, and a mismatch between personal and organizational values are some organizational factors. A major issue for both organizations and individuals is general turnover. Further, it is made very apparent that experiencing shock, whether expected or unexpected, triggers strong feelings (i.e., an intention to flee). Positive, negative, or neutral shocks can all occur. Positive examples include different job offers, pregnancy, etc.; Negative examples include friends departing, poor performance reviews, etc.; and Neutral examples include a spouse moving, administrative changes, etc.

Horwitz et al. (2003) investigated in a study that a key element of retention is personal and professional growth, and it is the promotion chances which boost employee engagement and ultimately lead to employee retention. Illeris (2003) stressed the learning organization strategy model as the mechanism by which employees actually learn most effectively in the workplace. Development chances can increase employee commitment to retain people in firms, according to Kroon's (2013) research.

In a study by Abeysekera (2007), the impact of HR practices on employees' intentions to leave was assessed along with realistic information about jobs, job analyses, work-life balance, career opportunities, supervisor support, and compensation. The study's findings revealed that compensation and job analyses have a positive impact on employee turnover. In this study, Holtom et al. (2008) highlighted how the elements that determine an employee's decision to stay or go were different. Employee engagement, according to Hay Group (2009), entails elements like dedication and free will effort. Employee attachment to and intention to stay with an organization are referred to as commitments. The willingness of the employees to depart is referred to as discretionary effort. These two factors are discussed as being important and warrant significant consideration.

Taylor (2010) noted that pull and push factors should be taken into account when explaining turnover. Employees hunt for other work chances even when they are pleased and content due to positive attraction toward those opportunities. In this situation, it is imperative that the employer and management recognize the true worth of their staff members and pinpoint any potential job-seeking motivations or expectations in order to keep their talents. The next significant component is push factors, when some unsatisfactory conditions exist in the existing organization and force the person to quit in order to improve their work life.

In their 2011 study on staff retention, Cardy and Lengnick-Hall placed more emphasis on a customer-oriented strategy. In this study, the employee equity model was used as the methodology. Instead of looking at external factors that influence employees' decisions to stay or leave their jobs, this study focuses more on the values of the employees. In other words, the focus of this study was on internal factors that influence whether or not employees stay.

Effective HR strategies including Training, Development, Compensation, and Organizational Culture have a direct and positive association with employee retention, according to research by Haider, Akhtar, Rasli, and Yusof from 2015. Career development approaches have a favorable and considerable impact on employee retention and engagement, according to Mansoor's (2015) study on the impact of reward and remuneration on these factors. Elshammar and Hammad's (2015) review revealed that employee training and development, teamwork, and supervisor support are all important. Chew, J. C. (2004) identified eight retention elements that affect employee retention.

Five strategies are outlined in this Archiver Article (2018) for maintaining employee motivation and engagement in the workplace.

i) Let Employees Manage Their Schedules: This strategy aims to foster a positive workplace culture where employees can be kept under less supervisory scrutiny. Examples include flexible work schedules, work from home options, and telecommuting. ii) Create an engaged workforce: Employees can be engaged through developing their talents and being inspired by a common workplace culture. iii) Lead business meetings iv) Invest in Professional Development: Motivate staff members to improve their contributions and grow their careers by providing them with training and development opportunities. The most effective method for keeping employees is to reward and recognize their efforts. For their great contributions at work, the employees deserve appreciation.

Objective of the study

The main goal of the study was to examine how human resource (HR) practices could be improved in order to increase employee retention at manufacturing companies in Cumilla, Bangladesh. In addition, the study seeks to achieve the following objectives.

1. To identify HRM practices presently implemented in manufacturing companies in cumilla region.
2. To explore deficiency in HR practices in selected manufacturing companies.
3. To provide a set of recommendations for the HR department and policy maker based on the finding of the study.

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RESEARCH METHODOLOGY

Both primary and secondary data sources were used to verify the research. Questionnaire was prepared to find out related information about HR practices for improving employee retention.

In the questionnaire, some questions were designed for collecting data about Human Resource (HR) practices in manufacturing companies in cumilla, Bangladesh and also to explore deficiency in HR practices in selected manufacturing companies. To ensure the questionnaire's content validity, it was written in English and distributed to various experts. The research was performed in the location of cumilla, Bangladesh.

A total of two hundred questionnaire were distributed among respondents of 10 manufacturing companies in cumilla region .Questionnaire were distributed and collected personally by the researcher. Data collected through questionnaire survey. MS Excel was used for analyzing the information. In this study secondary data is also used, the secondary data includes reference books, research paper, journal, company website and internet.

Selection of the sample companies:

There are around 50 manufacturing companies available in Cumilla EPZ from where 10 companies are selected for study. All these 10 companies as listed below are selected as sample for the study.

Name of the sample manufacturing companies are: Brandix Apparel Bangladesh Ltd, Golden Chang Shoes (BD) Ltd, Kadena Sportswear Ltd, Nassa Spinners Ltd, Nassa Taipei Denims Ltd, Oasis Hi-Tech Sportswear Ltd, Shahjalal Poly Industries Ltd, Soorty Textiles (BD) Limited, TM Chemicals Ltd, J B Networks Co. Ltd.

Data Analysis & Summary of Findings:

To explore HR practices presently implemented in manufacturing companies in cumilla region and to explore deficiency in HR practices in selected manufacturing companies we asked so many questions through questionnaire.

Compensation and benefits packages:

We asked the employees that to what extent they rate compensation and benefits packages available to their organization? .We can show the result by using table and chart.

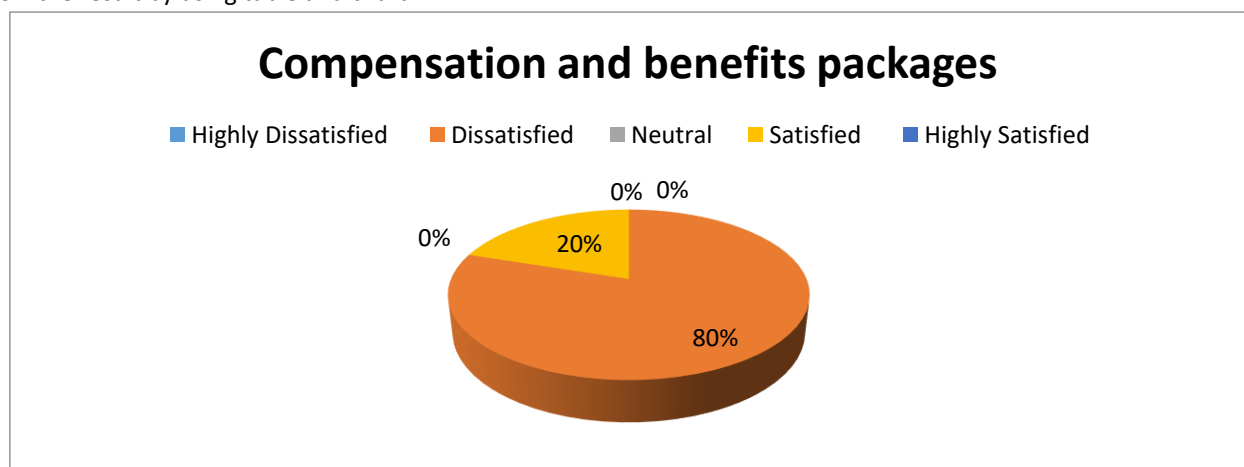


Figure 1: Compensation and benefits packages

Data: Survey information

Interpretation:It can be understood from the above figure that, 80% respondents dissatisfied with compensation and benefits packages provided by their companies. Only 20% from 100 respondents satisfied with the compensation and benefits packages. Manufacturing companies in cumilla, Bangladesh they don't give handsome amount of salary & other financial benefits, for this reason entry level and mid level employees they always search for better opportunities. A majority of workers stated that a raise in pay is the primary factor in their search for employment.

Company rules and regulation:

Table- 2: Opinion about the company rules and regulation.

Degree of Perception	No. of Respondents	Percentage
Highly Dissatisfied	60	30%

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Dissatisfied	90	45%
Neutral	10	5%
Satisfied	40	20%
Highly Satisfied†	0	0%
	200	100%

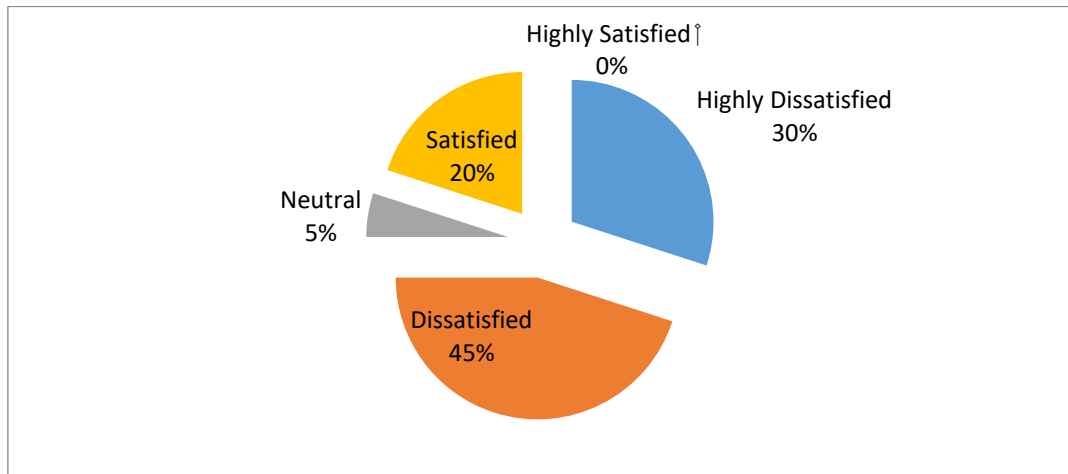


Fig-2: Opinion about the company rules and regulation.

Data: Survey information

Interpretation:

Respondents given their opinion about the company rules and regulation. According to survey results, 75% of employees are unhappy with the rules and regulations of their employer, while just 20% are satisfied with factory rules & regulation. Majority of the employees think that company rules & regulations are not employees friendly. Strict rules always de motivate employees to remain in the job.

Limited Career Advancement:

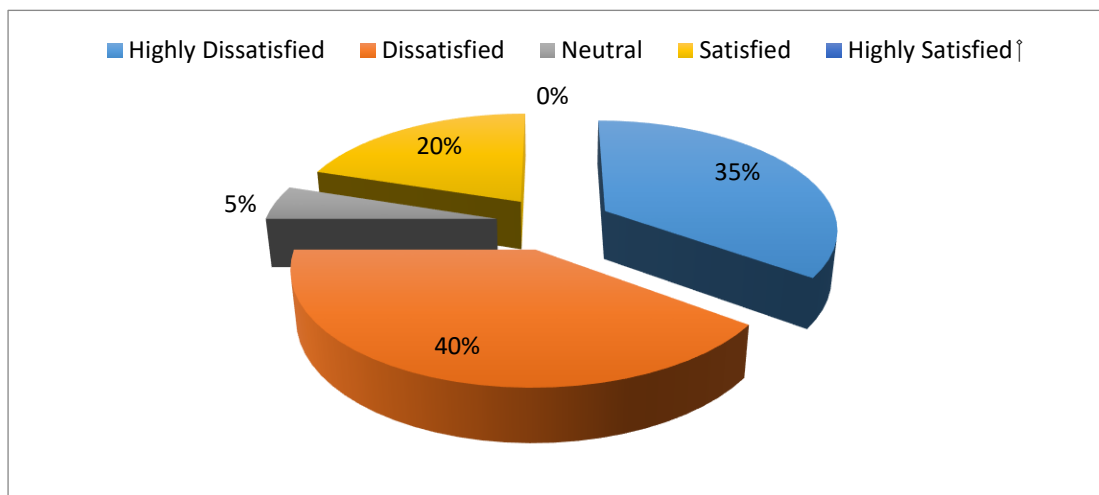


Fig-3: Employees response about career advancement.

Data: Survey information

Interpretation:

Any employee's primary worry and goal is career growth. For individuals to flourish in their fields, an organization's growth prospects are of utmost importance. The projected rewards of rising up the hierarchy motivate someone to work hard to get to the top. Employees believe they have few opportunities to develop their careers. 75% of employees they think they don't have enough career advancement scope.

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The degree of satisfaction with the Company's welfare facilities

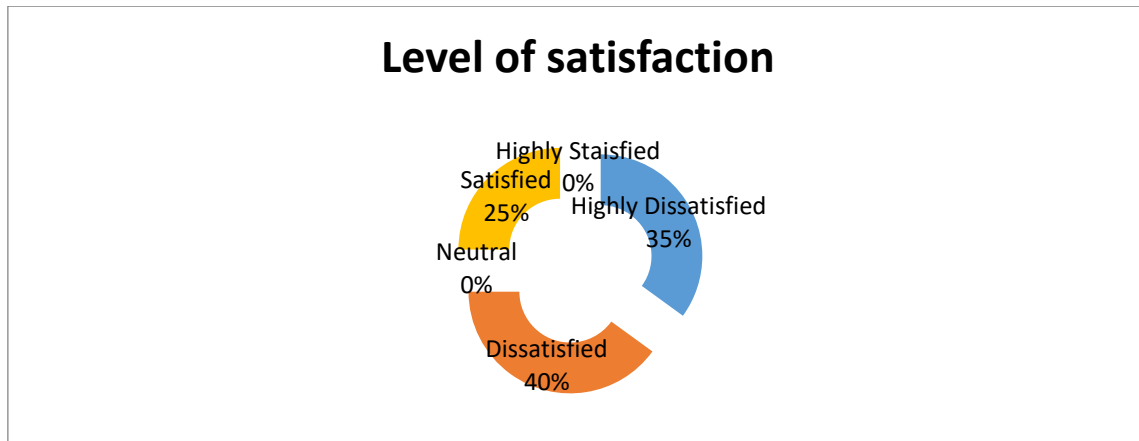


Fig-4: The degree of satisfaction with the Company's welfare facilities.

Data: Survey information

Interpretation:

Welfare measures provided by the employer have an influential role in employee satisfaction. In our study, we discovered that one of the main causes of employees' intentions to leave jobs is that they are dissatisfied with the welfare services offered by the employer in a few industrial organizations. Employee satisfaction was rated as poor by 75%. 25% out of 200 respondents are happy with the welfare measures the employer has offered.

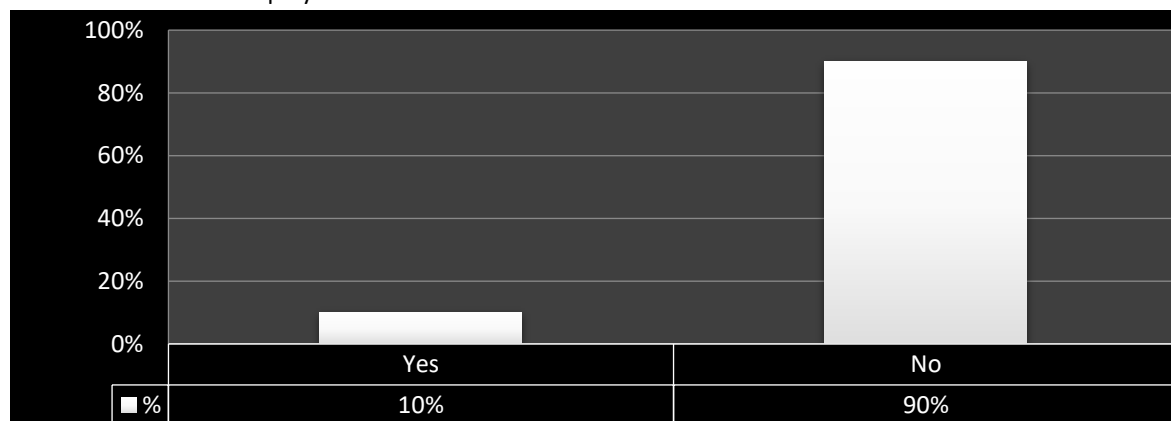


Fig-5: Remuneration in the current position compared to other companies in different region:

Data: Survey information

Interpretation:

90% of respondents indicated that their pay is lower than that of other employers in their community. It is a significant factor in potential employees departing their jobs. **Will putting the three R's (recognition, reward, and respect) into practice improve staff retention?**

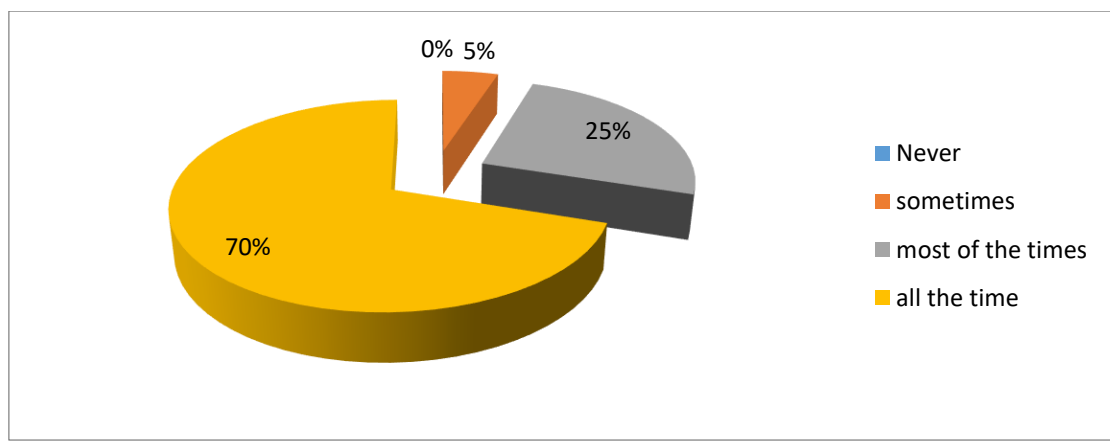


Fig-6: Will putting the three R's (recognition, reward, and respect) into practice improve staff retention?

Data: Survey information

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Interpretation:

From the pie chart above, it is clear that the majority of employees 95% agreed that implementing the three R's (recognition, reward, and respect) will improve employee retention.

RECOMMENDATIONS

Based on the findings the following recommendations can be suggested:

- 1) Manufacturing companies should compensate their staff fairly, which calls for regular salary reviews and adjustments by the employer.
- 2) Company rules & regulations are needed to be employees friendly.
- 3) In terms of career promotion, the business should give its staff greater options for training and development. It is advised that the business offer staff members scholarships so they can enhance their education.
- 4) Companies ought to offer their employees reasonable welfare benefits. Employers should provide transportation options for employees who reside a long way from their places of employment.
- 5) When an employee's place of residence is far from their place of employment and they are unable to travel there and back in time for a break, accommodations should be made for them inside the factory.
- 6) Manufacturing companies should ensure effectuation of 3 R's (recognition, reward, respect).
- 7) For the employees' morale to increase and, as a result, their loyalty to the business, overtime pay must be taken into consideration.
- 8) Employers should allow employees to choose the periods when they will be most productive and efficient so that they can concentrate on their work.
- 9) The presence of child care facilities, particularly on the working floors, would give lactating women a comfortable place to work.

CONCLUSION

Retaining good employees can help your business save money and avoid losing knowledgeable staff members. The results of the 17 questions that were posed to the 200 participants in this study revealed that there was a strong correlation between employee retention and HRM practices. Because HRM policies including compensation, training and development, work-life balance, and career possibilities are relatively similar across various firms, their ability to address employee retention has been constrained.

The findings of this study can serve as the foundation for further research in this field. Future academics can expand on it by taking into account how other HR strategies affect employee retention. This study's sample size is small so that the researchers can expand it as they do their investigation. They might examine how these HR approaches have effected employee retention in other industries in Bangladesh.

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