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DEPARTMENT OF COMMERCE**

**THE EFFECT OF HUMAN RESOURCE MANAGEMENT
PRACTICES ON EMPLOYEE RETENTION IN MYANMAR
SKYRUN INTERNATIONAL COMPANY LIMITED**

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**THE EFFECT OF HRM PRACTICES ON EMPLOYEE
RETENTION IN MYANMAR SKYRUN INTERNATIONAL
COMPANY LIMITED**

**This thesis is submitted as a partial fulfillment of the requirement for the
Degree of Master of Commerce (M.Com)**

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Abstract

This thesis aims to analyze the effect of HRM practices on employee retention in Myanmar Skyrun International Co., Ltd. by examining the current HRM practices of the company. One of large garment manufacturing companies - Myanmar Skyrun International Co., Ltd. was chosen as a company to be focused. This study uses the descriptive research method. Survey is conducted by collecting primary data by interviewing of the responsible managers and 230 employees who are permanent at Myanmar Skyrun International Co., Ltd. The sample size presents 30% of total employees. Questionnaires are used to collect data by using simple random sampling method. This study uses the descriptive research method and correlation and regression analysis. Statistical analysis are descriptive research method and inferential statistical analysis. Under this study, work-life balance, compensation and benefits, training and career development, and employee policies and practices have positive significant relationship with employee retention but training and career development is found less weak. It is evident that the company must pay attention to give the needed training and development program they require and should prepare company's policies concerned with the employee. Management-employee relationship has not significant effect on employee retention. Therefore, the company should construct a close relationship between supervisor and employees because team work is important to any organization. In addition, effective HRM practices can however help organizations to increase employee retention. Therefore, this study attempt to highlight a more comprehensive understanding of employee retention based on HRM practices of Myanmar Skyrun International Co., Ltd.

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List of Abbreviations

CMP	Cutting, making and packing System
HRM	Human Resource Management
MGMA	Myanmar Garment Manufacturers Association
SSB	Social Security Board law

Chapter 1

Introduction

Generally, Myanmar has a strong textile base, but the industry has suffered from the country's isolation and the international sanctions. However, the continuous opening of Myanmar has contributed to the renewal of this sector. Actually, since the removal of the sanctions, the garment industry has been the main driver of the development of Myanmar's manufacturing sector, and more broadly of its robust economic growth. It constitutes one of the fundamental exports of the country, bringing significant incomes revenues to the country and employing 450,000 workers, more than 90% being women, in over 600 factories, as indicated by the Myanmar Garment Manufacturers Association (MGMA). In 2017, data from UN COMTRADE evaluated Myanmar's overall exports in the garment sector to stand at around USD2.5 billion. According to the European Union (EU), textile was the top product category in Myanmar's exports to the EU in 2017: with an estimation of EUR1.125 million (~USD1.225 million), it represented for 72.2% of the EU's total exports. Its volume has been constantly developing at a strong rate since 2014, with a Compound Annual Growth Rate (CAGR) of 69.5% over three years.

More generally, the EU is the main importer of Myanmar textiles products. Myanmar's other major trade importers are Japan, South Korea and the US. China is also an important trade partner, as most garments are imported from this country, while the final product is re-exported to China. Garment industries are labor-intensive, export-oriented and it uses standardized technology. The garment industry mainly needs employees for operating in the working environment. It needs talent employees to understand the technology. In the development, vital staffing has become a significant issue in garment industries because the ability to hold on to highly talented core employees is crucial to future survival.

The employees have been important resources to any organization. In recent years, organizations have added "Human Resource" besides land, capital and technology as the key factor for building and developing the country. Organizations develop human resource policies and practices, including selection and recruitment, training and career development, and performance management, that reflect their beliefs and standards as well as maintaining acceptable relationships between

management and employees. As economic globalization has become more pronounced, the capacity of organization to compete in the global marketplace is all the more tied to the quality of their human resources. Many organizations depend on the expertise of their employees to gain competitive advantage in global economies. In the economic environment, the retention of core employees becomes an extremely critical strategy for HR managers and organizational leaders.

Nowadays, the local companies are extremely facing with the employment movement from one company to another. Many organizational leaders are well aware of these difficulties, recognizing the need to retain talented and committed employees who will contribute significantly to the success and achievement of the organization. The challenge for most organization today is the creating of an effective employee retention strategy that will help in retaining employees that are viewed as basic in attaining organizational objectives. Today best HR managers comprehend that the commitments of excellent employees are what have the effect among success and failure and they take actions to retain those people. For retaining the most important asset, best human resource practices are needed to be used.

At present most organizations compete with each other through implementing unique HRM practices and due to globalizations can adopt the most up-to date HRM practices in order to achieve organizational goals. Using the best HRM practices is advantageous for both employee and employer, and it plays an important role in the constructive growth of the organization. Human resource management practices are the management of people within the internal environment of organizations, and comprises of the activities, policies, and practices involved in planning, obtaining, developing, utilizing, evaluating, maintaining, and retaining the appropriate numbers and skill mix of employees in order to accomplish the organization's objectives. To understand the retention issues in organizations it is essential to explore them in detail. For that understanding, various human resources management practices taken by organizations should be investigated and it is important to see how these practices influence the retention of employees as HR policies are implemented to make employees happy and satisfied while working.

Therefore, the current study explores the impact of HRM practices in the Myanmar Skyrun International Company Limited. This study also help to provide directions for future explores on the effect of HRM practices on employee retention in

the Myanmar Skyrin International Co., Ltd. Myanmar Skyrin International Co., Ltd in Myanmar was established in January, 8, 2016.

1.1 Rationale of the Study

For organizations to well manage human resources it is needed to implement effective and innovative human resource management practices. HRM practices include the decisions that are made by management and HR practices that affect human resources who work for the organization. HRM practices do overlap and are geared towards improving employee commitment and retention. The HRM practices normally seek to attract and develop employee recruitment and selection, training and development with the aim of retaining employees, reward and compensation as well as performance appraisal systems. The health of an organization depends upon the retention of key and talented employees.

Employee retention is one of the challenges facing many business organizations today. Top management must consider employees on an analysis of why people stay and why they leave. Organizations that retain talented employees who fit the organization can achieve its goals and objectives effectively and efficiently. From the side of management, it should know the factors and drives that make the employees stay in organization and more develop by creating pay and benefit philosophy, employee support program and career development systems. These can lead to reduce turnover, absenteeism, better quality work and better financial performance.

Retaining skilled employees is very important to organizations transitioning from startup stages to faster growth so it is important to keep sharp talents near organization's core competencies. The reasons for employee retention is to help a firm reduce turnover cost, therefore organizations should retain best performers and competent workers with skills matching with the business main talent needs (Zingheim et al., 2009). Armstrong (2006) defines employee retention as developing policies and programs that will ensure organizations keep its productive employees for a long period. Retention programs are designed and aimed at ensuring that human resources remain committed to the organization.

By adopting on effective total retention strategy with the support of relevant human resources programs, businesses may successfully keep critical employees. These strategies can help to motivate employees as well as remove the worker's dissatisfaction. This research paper examines the current human resource practices on

the employee retention of employees in the Myanmar Skyrun International Co., Ltd at Shew Pyi Thar Township, Yangon. Myanmar Skyrun International Co., Ltd is a garment factory that it is a large factory which has over 624 employees and is currently face with high employee turnover problem. This problem is needed to solve for every organization and concerned with the most garment factories. Garment factory is a place where clothing is produced on an industrial scale using (usually) mass production processes and standard sized pattern pieces to make many items to a set design.

This paper does not represent the whole garment factory but the finding of this study somehow helpful to most of the garment factories in their effort to retain the employee. The factory wants to retain only its best staff. To improve employee retention, one needs to understand what they value the most. Turnover rates in Myanmar Skyrun International Co., Ltd are alarmingly high, so immediate solutions need to be derived and acted upon in order to check the high turnover rates and retain the employees. It explores the relationship between HR practices and employee retention and further identifies the element of HR practices which strongly influence the decision for core employees to stay. The result from this study may assist in the development of an effective human resources management retention program for organization.

1.2 Objectives of the Study

This study about employee retention strategies in Myanmar Skyrun International Co., Ltd is to analyze as the following objectives.

1. To identify the current human resource management practices of Myanmar Skyrun International Co., Ltd and
2. To analyze the effect of human resource management practices on employee retention in Myanmar Skyrun International Co., Ltd.

1.3 Scope and Limitation of the Study

The study focuses on the effect of HRM practices on employee retention in Myanmar Skyrun International Co.,Ltd. which is one of the private garment companies in Yangon. Although there are many HRM practices, this study only focuses on five HRM practices which are management-employee relationship, work-life balance, compensation and benefits, training and career development, and employee policies and procedures due to the time and resources limitations. This study cover 230 employees

(10 supervisors and 220 labors) which was 30% of total employees have been selected from the different departments in the company. The selection of sample units was based on random sampling method. Respondent's opinion may change from time to time and the response varies depending upon the situation and the attitude of the respondents at the time of the survey.

1.4 Method of the Study

In this study, the descriptive research method and inferential analysis were used. To analyze the employee retention of the factory, both primary and secondary were used in the study for primary data, 230 employees (10 supervisors and 220 labors) from Myanmar Skyrun International Co., Ltd. were randomly selected as the sample size. Data were collected by interviewing with selected employees through structured questionnaire. Questionnaires are established five point likert scale concerned with HRM practices and employee retention. For secondary data, it was collected from company profile, relevant texts, research papers and internet websites. After collecting the data, the processed data are further analyzed by SPSS version 22.

1.5 Organization of the Study

This research paper is comprised of five chapters. Chapter (1) is the introduction in which rationale of the study, objective of the study, scope and limitation of the study, methodology of the study and organization of the study are included. Chapter (2) provides the overview of the literature related to HRM practices on employee retention. Chapter (3) presents the Profile of Myanmar Skyrun International Co., Ltd. and human resource practices. Chapter (4) describes the methodology on survey results and finally, Chapter (5) concludes that the recommendations and suggestions from findings and needs for further study.

Chapter 2

Literature Review

This chapter presents the literature review on HRM practices and employee retention. It is organized as follows; first is the definition of HRM. It is followed by a discussion on types of HRM practices, employee retention, influence of HRM practices on employee retention and thereafter, the relationship between HRM practices and employee retention.

2.1 Human Resource Management

HRM is concerned with the human beings in an organization. The management of man is a very important and challenging job because of the dynamic nature of the people. No two people are similar in mental abilities, tacticians, sentiments, and behaviors; they differ widely also as a group and are subject to many varied influences. People are responsive, they feel, think and act therefore they cannot be operated like a machine or shifted and altered like template in a room layout. They therefore need a tactful handling by management personnel (Ganesan, 2014). HRM is the process of managing people of an organization with a human approach. Human resources approach to manpower enables the manager to view the people as an important resource. It is the approach through which organization can use the employee for the advantages of the organization as well as for the growth, development and self-satisfaction of the concerned people. Thus, HRM is a system that focuses on human resources development on one hand and effective management of people on the other hand so that people will appreciate human respect in their employment.

There are two different definitions. The first definition of HRM is that it is the process of managing people in organizations in an organized and thorough manner. This encompasses the fields of staffing (hiring people), retention of people, pay and perks setting and management, performance management, change management and taking care of exits from the company to adjust the activities. This is the traditional definition of HRM which leads some experts to define it as a modern version of the personnel management function that was used earlier.

The second definition of HRM includes the management of people in organizations from a macro perspective, i.e. managing people in the form of a collective

relationship between management and employees. This approach focuses on the objectives and outcomes of the HRM functions. It means that the HR function in contemporary organizations is concerned with the notions of people enabling, people development and a focus on making the “employment relationship” fulfilling for both the management and employees.

In general terms, Human Resource Management is concerned with the people dimension in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to high levels of performance and ensuring that they continue to maintain their commitment to the organization are essential for achieving organizational objectives. This is true regardless of the type of organization government business, Education, Health, regression or social action (David & Robbins, 1994).

2.2 Human Resource Management Practices

HRM practice as defined by Armstrong (2009) is a strategic and tactical way to manage, develop, retain, motivate and gaining employees’ commitment. HRM practice is the talent available to an organization, their energies and potential contribution towards creating and realizing the goals, strategy, vision and mission of the organization. HRM is an approach strategic toward management of employment relations that emphasize on leveraging the capabilities of people towards achievement of a competitive advantage; the achievement of this goal is supported by an outstanding set of employment policies, practices and programs that are integrated (Bratton and Gold, 2009). Guest (2007) mentioned that HRM practices as an organization’s backbone and a HRM infrastructure that is sophisticated should facilitate the achievement of the organizational goals thus HRM practice should be designed strategically, installed and applied to ensure the desired outcomes are achieved.

Defining the boundary of HRM practices are considered as the significant object. There are five major areas in which HRM practices are defined by Horsnby and Kuratko (2003) and the areas are the recruiting and selection, job analysis and description, training and performance appraisal and compensation. According to Huselid (1995) HRM practices are defined in terms of compensation and performance management systems, employee recruitment and selection procedures, employee training and employee involvement. In the views of Jeffrey and Donald (2003), HRM

practices are the recruitment, job analysis, selection, training, compensation, incentive, benefits and performance appraisal.

In the study which was conducted for examining the antecedents of job satisfaction by Frincke (2007), it is concluded that the three factors, the employees consider important for their job satisfaction are the HRM practices. These three HRM practices are the benefits, compensation/pay and schedule flexibility. Some researchers have suggested that corporate performance can also be enhanced through HRM practices which give benefits not only to the individual but also to the organization on the whole (Byrne, 2010). In order to recruit the highly competent and growing the level of employee retention, HRM practices are being used.

Ruwan (2007) empirically evaluated six human resource (HR) practices (realistic job, information, job analysis, work family balance, career development, compensation and supervisor support) and their likely impact on the Marketing Executive Turnover. Results of regression showed that the HR practices on job analysis are strong predictors of Marketing Executive Turnover. Available literature also demonstrates that the fundamental HRM practices include human resource planning, recruitment and selection, job analysis; compensation and reward, performance appraisal, training and development, career management, employee relations and welfare (Matthis & Jackson, 2010).

As defined by Lee and Lee (2007) HRM practices on business performance, namely HR planning, training and development, compensation, teamwork, employee security and performance appraisal help improve firms' business performance including employee's productivity, product quality and firm's flexibility. The preceding arguments of set of practices also support the concept of "bundles" of HRM practices. A bundle of interrelated covering HRM practices gives several ways for workers to obtain skills (for example, off-job and on-job training, job rotation, problem solving groups) and numerous incentives to boost motivation (for example, extrinsic rewards such as performance-based pay and intrinsic rewards from participating in decision-making and good job design). Therefore, innovative human resource management practices influence performance not individually but as interrelated elements in an internally consistent HRM practice.

2.3 Employee Retention

Today many organizations are increasing pay rates and additional benefits of employees to fight back with employee retention. Essentially, several organizations nowadays are perceiving that retention is a strategic concern and supportive in achieving the competitive advantage.

It is pointed out in the earlier research work conducted by Arthur (1994) and Shaw et al. (1998) that employee retention can be improved through implementation of high-involvement work practices. It is also argued that more use of high-involvement practices at workplace will also enhance the cost of employee leaving. This argument is coherent with the resource-based view which suggests that by producing value in a rare and unique approach, organizations can accomplish sustainable competitive benefit.

Tang (2000) have suggested that giving more money to employees affects the employee retention indirectly; more money has influence when employee has low job satisfaction. It is confirmed by some researchers that employee retention can be enhanced by giving chances to employees for learning and through effective training (Arnold, 2005; Herman, 2005). Birt, M., Wallis, T., & Winternitz, G. (2004) indicated that on the part of the manager involvement, empowerment, responsibility, new opportunities and challenges can be significant for employee retention. Along with these factors they suggested that experience and perceptions of employees also have the maximum impact on employee retention. It is indicated by Kaliprasad (2006) that if there is a bad management then all the factors which were implemented by the company to improve employee retention cannot play their role and the employees still can decide to leave the organization.

To retain and win over the new creation of workers, the organizations are making their training models, work-life balance practices and growth opportunities more advance in working environment. Both employees and employers have come to expect the HR practices because of perceived success and broad utilization of these practices in retention and recruitment of employees. HRM practices have been used by the organizations for developing a brand image, like an 'Employer of Choice' which result in the retention, recruitment success and satisfaction of employees.

Nowadays, the organizations are competing with each other for achieving the employee of best talent (Porter, 2001). It is recognized by the organizations of new paradigm that motivating and retaining the employees of high talent is an important

constituent in the practices of business management. At the point, these high talent employees can survive in the organizational restructuring, consolidation, downsizing and reorganizing or re-engineering initiatives. Some organizations are attempting extraordinary efforts for attracting and retaining high talent employees. More organizations have now realized that retention represents a competitive advantage and has become a strategic issue. Employee retention can best be explained by using Maslow's Hierarchy of Needs theory and Herzberg's two factor theory.

2.3.1 Maslow's Hierarchy of Needs Theory

Abraham Maslow theorized that people are motivated by five types of needs, which he ranked into a hierarchy. Each individual's current situation dictates which level of need is the most critical for them at any specific point in time. How an employer meets these needs changes with each level and contributes toward employee job satisfaction, resulting in lower turnover and higher employee retention rates. The five levels of Maslow's hierarchy of needs are survival, safety, belonging, self-esteem and self-actualized.

Depending on the employee's situation, they could be at the bottom of the hierarchy at the survival level-sometimes referred to as physiological or at the top at self-actualization. Maslow believed, like many managers today that before incentives designed to provide a sense of belonging, self-esteem or opportunity for growth as part of self-actualization can be effective, employees must feel that their needs for survival and security are being met.

2.3.2 Herzberg Two Factor Theory

Frederick Herzberg's well known Two-factor Theory was designed in year 1959. It discusses about certain job related factors that bring about experiences that are satisfying to employees. Motivation Factors are intrinsic factors that will increase employees' job satisfaction; while Hygiene Factors are Extrinsic Factors to prevent any employees' dissatisfaction. The factors are referred to as satisfiers or also motivators; some of these factors are like achievement, growth, responsibility, advancement, the job itself and advancement. Dis-satisfiers or hygiene factors are factors that are not related to the job but cause experiences that are dissatisfying. Hygiene factors include relations with colleagues, style of supervision and company

policies (Steers & Porter, 1991). Removal of dissatisfaction catalysts by introducing hygiene factors leads to a neutral state where an individual is (Herzberg, 1959).

Herzberg's theory can be assumed to be the genesis of the current emphasis on career management, self-development and managed learning (Mullins, 2010). The theory can be applied by the following way; removal of the dissatisfying factors would promote peace at the workplace but will not be an automatic motivation to the employees. Using intrinsic factors would be a better lead towards motivation (Matertz & Griffeth, 2004).

Herzberg two factor theory in relation to HRM practices and employee retention considers that employees ought to be accorded opportunities for recognition, responsibility, promotion, achievement and personal growth in order for them to be motivated (Robbins & Judge, 2007). Management should combine extrinsic factors and intrinsic factors while drawing up strategies that will be effective in employee retention.

Two-Factor Theory is closely related to Maslow's hierarchy of needs but it introduced more factors to measure how individuals are motivated in the working environment. This theory argued that meeting the lower-level needs (extrinsic or hygiene factors) of individuals would not motivate them to exert effort, however would only prevent them from being dissatisfied. In order to motivate employees, higher-level needs (intrinsic or motivation factors) must be provided. The implication for organizations to use this theory is that meeting employees' extrinsic or hygiene factors will only prevent employees from becoming actively dissatisfied but will not motivate them to contribute additional effort toward better performance. To motivate employees, organizations should concentrate on supplying intrinsic or motivation factors (Robbins, 2009).

2.4 Influence of HRM Practices on Employee Retention

Human resource is the most important asset in every organization and they contribute immensely to organizations the world over. It is therefore imperative for organizations to institute appropriate measures to retain adroit employees. Effectual HRM practices can help organizations to retain their valued employees. Organizations develop human resource policies that really reflect their beliefs and principles and the relationship between management and employees, or they may merely devise policies that deal with current problems or developments. These practices include recruitment and selection, training and development, performance management, remuneration

systems, occupational health and safety, industrial relations, human resource information system and impact of recent legislation.

Several theoreticians have argued that the human resources of the organization are potentially the only source of sustainable competitive edge for organizations and advocates that a human resource system helps create a workforce whose contributions are valuable, unique and difficult for competitors to imitate. At the organizational level, some also suggest that HRM practices affect organizational outcomes by shaping employee behaviors and attitudes. Employee attitudes and behaviors reflect their perceptions and expectations, responding the treatment that they receive from the organization. Employee attitudes are associated with the interaction of HRM practices and perceptions.

Over recent years, there has been a widespread assertion that HRM has become more strategic in its focus and operation. HRM is purportedly being viewed as a strategic staff enterprise aligned with organizational values, mission and vision. As a consequence, there is now much greater attention to measuring and enhancing employee and organizational performance; equal employment opportunity and affirmative action policies designed and implemented by personnel offices have contributed greatly to the diversity of the workforce; staffing techniques have become much more sophisticated; employee benefit systems have expanded; and job designs and processes have become more creative.

Many of the assumptions on which HRM practices have been severely challenged in the last decades due to a series of inexorable reforms. In contemplating the future prospects of HRM practices, it is worthwhile to examine the developments and directions of HR policies in terms of their relevance to the contemporary workforce especially in the area of attraction and retention of employees. Although there are numerous HRM practices on employee retention that can be initiated as practices, this study would concentrate on five practices namely, management-employee relationship, and work life balance, compensation and benefit, training and career development, employee policies and practices. These practices are among the common ones which cut across the two major viewpoint or theories of HRM practices.

2.4.1 Management and Employee Relationship

The relationship between managers and employees sets the overall tone of the working environment. A poor relationship hinders the company's success by dragging morale down and limiting productivity, while a good relationship breeds a positive and useful working environment. While the exact aspects of an employee-supervisor relationship differs by working environment, some areas normally become possibly the most important factor.

Clear and open communication between employees and management is fundamental in the working environment. Poor or nonexistent communication may lead to missed cutoff time, confusion, low morale and a host of other problems. For example, if a supervisor wants his employees to finish a task in a specific way but doesn't give clear instructions, they won't comprehend what he wants. Employees who feel as if they don't have a say in anything or an established direction often feel undervalued, which can contribute to high turnover and poor morale. Conversely, a supervisor who isn't getting feedback from his employees can't carry out his responsibility appropriately.

Cappelli (2000) stated that the relationship between managers and employees influences employees' decision to staying in a job. The length of time that employees stay in an organization is largely determined by the relationship between employees and their managers (Dailey and Kirk, 1992). Employees generally consider certain factors about their managers. First of all, Gomez-Mejia and Balkin (1992) noted that employees desire managers who know and understand them and who treat them justly. They also prefer managers who can be trusted with their job environment. Job satisfaction level normally increases when employees feel that managers are fair, reasonable and supportive. In addition, if the managers show interest in the well-being of employees and is supportive and sensitive towards them emotionally, job satisfaction level increases (Miller and Wheeler, 1992).

2.4.2 Work life Balance

The work life balance definition sets out to achieve a perfect balance between a person's working life and private life. Work life balance is the lack of opposition between work and other life roles. It is the condition of equilibrium in which demands of personal life, professional life, and family life are equal. Work life balance consists of, but it is not limited to, flexible work arrangements that allow employees to carry out

other life programs and practices (Dockel, 2003). For many people, work life balance means more than having time to spend with their families or on activities. They want to contribute to a firm that cares about them as individuals. Organizations that organize employees increment the main concern. When employees feel valued, it encourages them to provide better customer service to clients (Jennifer Newman, 2017). For certain workers, individual needs or conditions have the effect between leaving and staying. Individuals will stay with a company that clearly considers and cares for their career and other personal needs. For example, many companies are providing flexible schedules and work arrangement and are experimenting with other ways to help individuals manage their work and personal life issues. Work life balance is assisted by employers who institute policies, procedures, action, and expectations that enable employees to easily pursue more balanced lives. The pursuit of work life balance reduces the stress employees' experience. Work life balance benefits include flexible schedules, parental leave and childcare assistance (Net et al., 2013).

2.4.3 Compensation and Benefit

Compensation is payment to an employee in return for their commitment to the company, that is, for carrying out their job. The most widely recognized types of compensation are wages, salaries and tips. Compensation is usually given as base pay and/or variable pay. Base pay is depends on the role in the company and the market for the expertise required to conduct that role. Variable pay is based on the performance of the person in that role, for example, for how well that individual achieved their objectives for the year. Incentive plans, for example, bonus plans, are a type of variable pay. Some programs include a base pay and a variable pay. Organizations usually associate compensation/pay ranges with job descriptions in the organization. The ranges include the minimum and the maximum amount of money that can be earned per year in that role. Worker's compensation is really a worker's right, rather than a benefit.

Employee benefits typically refer to retirement plans, health life insurance, life insurance, disability insurance, vacation, employee stock ownership plans, etc. Benefits are progressively costly for companies to provide to employees, so the range and options of benefits are changing rapidly to include, for example, flexible benefit plans.

Benefits are forms of value, other than payment, that are given to the employee in return for their commitment to the organization, that is, for carrying out their job.

Some benefits, such as unemployment and worker's compensation, are federally required. Prominent examples of benefits are insurance (medical, life, disability, unemployment and worker's compensation), vacation pay, holiday pay, and maternity leave, contribution to retirement (pension pay), profit sharing, investment opportunities, and bonuses. Some people would consider profit sharing, investment opportunities and bonuses as forms of compensation.

Compensation and benefits is an important aspect of HRM as it helps to keep the workforce motivated. It helps give benefits to employees based on their performance and actions and brings the best out the employees at working environment. Companies employ people individual to achieve their organizational goals and people join companies to earn money and build their career. One of the biggest factors why people join companies in the compensation and benefits, salaries, perks, incentives etc which is given to them. Apart from the company's reputation and job profile, the money offered as a compensation is critical in attracting people to work for the company. The more the compensation and benefits offered to employees, the more is their loyalty, motivation to work and do well. However, companies which offer lesser compensations see a high attrition rate and less productivity from employees. All these factors help in making compensation and benefits an important factor in managing workforce. Compensations of employees are classified by several parameters like experience, education background etc.

Some of the various components of compensation and benefits are explained as follows:

1. Fixed pay: This is the basic salary paid to the employee independent of some other factor. This is stated clearly in the employment contract. This is the compensation or salary or wage which an employee or a worker will definitely get as long as the individual is an employee of the company.

2. Variable Pay: This is the additional compensation paid to employee dependent on employee's performance, company performance etc. Since variable pay is depends on the performance of an individual, it motivates the employees to perform even better.

3. Equity Pay: Employees are awarded shares of the company, often at a discounted price. Employees are expected to make money out of them by the appreciation of the stock price and the development of the company. This is mostly given to the senior administration who have served the company for a long time.

4. Other benefits: Benefits such as medical facilities, insurance policies, company owned car of level and so forth all play an important role in motivating employees. These benefits are given by the company as a part of recognizing the services of an employee (www.mbaskool.com, online).

2.4.4 Training and Career Development

In today's world, where the life cycle of technology and products become shorter and shorter, update employees' knowledge and skill become more critical for both organizations and employees (Presbitero et al., 2016). In this regard, employees expected to learn new skills and knowledge to improve themselves and the work they do. It is important to them to feel that they are learning, growing and remaining competitive comparing to their industry peers. In this manner, organizations that provide continuous training and skills upgrading programs can maintain their competitive advantage and at the same time are more likely to satisfy and retain their valuable employees. In addition, organizations also benefit from these training programs in term of increasing organizational competitive advantage, effectiveness, and profitability (Aragón-Sánchez et al., 2003).

Career development is about providing opportunities for employees to grow personally and professionally (Horwitz et al., 2003). It means that employees are able to be promoted and go to higher levels within their organizations. Career development considered as one of the human resource practices that help in retention management issue. Many studies mentioned it as one of the main retention strategies. Studies have shown that a lack of career development opportunities within an organization leads to high employee turnover (Presbitero et al., 2016). In contrast, organizations that implement career development programs are more likely to have a high level of commitment and retention among their employees. In fact, De Vos and Meganck (2009) in his study argues that career development opportunities among other unpopular factors such as job content and work-life balance have a higher impact on employees' retention than compensation, performance appraisal and communication. Similarly, (Hausknecht et al., 2009) confirms that among all factors studied to assess their relationship to employees' retention (job satisfaction, career development opportunities, organizational commitment and organizational reputation), career development is the most related to employees' retention decision.

Results conclude that employees have a high intention to leave if the gap between these needs and the available career development program is high. Based on their result, career development is the main contributor to employees' job satisfaction. Another study carried out by Costen and Salazar (2011) examined the impact of training and development on employee job satisfaction and retention. Results reported that training and development opportunities are significantly and positively related to employees' satisfaction, loyalty, and retention.

Messmer (2000) found that one of the important factors in employee retention is investment on employee training and career development. Organization always invests in the form of training and development on those workers from whom they expect to return and give output on its investment. Tomlinson (2002) forwarded the view that organizations can keep the leading edge in this competitive world by having their employees well trained in the latest technologies. Garg & Rastogi (2006), explained that in today's competitive environment feedback is very essential for organizations from employees and the more knowledge the employee learn, the more he or she will perform and meet the global challenges of the market place. Handy (2008) has mentioned that proper innovation, and assimilation of new knowledge is essential for survival in any work environment. Thus knowledge is the most expensive asset of any firm.

2.4.5 Employee Policies and Practices

Employee policies and practices are descriptions of how all employees, regardless of job description or title, are expected to conduct themselves. Employee policies and practices are typically developed by a company's human resources (HR) department and distributed to all employees as a handbook. Employees are required to utilize this handbook as a guide, referring to it often to find information on the company, as well as guidelines on vacation, sick time and pay. Such areas as the reasonableness of HR policies, the fairness of disciplinary actions, and the methods used to decide work assignments and opportunities all effect employee retention. If individuals feel that policies are unreasonably restrictive or are applied inconsistently, they may be more likely to look at jobs offered by other companies (Michelle Seidel, 2019).

The most companies need to set general policies regarding employee conduct. That includes guidelines for what is viewed as suitable conduct between two employees, as well as employees and managers and employees and customers. This

section will also include information on absenteeism, insubordination and all areas of employee conduct. Employees are expected to report to work as scheduled and on time. If it is difficult to report for work as scheduled, employees must help their supervisor before their starting time. The most of the company have various policies concern with firm that include employee compensation policies, leave policies, health policies, employee retirement packages and other policies.

Some of the various components of employee policies and practices are explained as follows:

Definition of terms

1. Employer. The company is the employer of all full-time, part-time and temporary employees. An employee is hired, provided compensation and relevant benefits, and has his or her work directed and evaluated by the company.
2. Full-Time Employee. A full-time employee regularly works at least 35 hours per week.
3. Part-Time Employee. A part-time employee regularly works less than 35 hours per week but no less than 17 ½ hours per week.
4. Exempt Employee. An exempt-employee is an employee who is paid on a salary basis and meets the qualifications for exemption from the overtime requirements of the Fair Labor Standards Act (“FLSA”).
5. Non-Exempt Employee. A non-exempt employee is an employee who is paid an hourly rate and does not meet the qualifications for exemption from the overtime requirements of the Fair Labor Standards Act (“FLSA”). For non- exempt employees, an accurate record of hours worked must be maintained. The company will compensate non-exempt employees in accordance with applicable federal and state law and regulations.
6. Temporary Employee. An individual employed, either on a full-time or part-time basis, for a specific period of time less than six months. Temporary employees are entitled only to those benefits required by statute or as otherwise stated in the company from employee handbook.

All employees are classified as Exempt or Non-Exempt in accordance with federal and state law and regulations. Each employee is notified at the time of hire of his or her specific compensation category and exempt or non-exempt status (Employee Handbook, 2004 National Council of Nonprofit Association).

2.5 Empirical Studies of HRM Practices and Employee Retention

The relationship between employee retention and human resource management practices has been rapidly increasing approached in current researches. Different researcher argued that in those firms where organizational practices are managed and perceived as an investment then the turnover rate must be reduced (Allen et al.,2003).

Past studies on how HRM practices have influence on employee's retention both internationally and locally have previously been done and they focused on HRM practices as well as employee retention. If an organization would develop and implement an incentive plan for all employees in the organization, then the rate of labor turnover would decrease (Moncarz, Zhao & Kay 2009).

Appiah, Kontor and Asamoah (2013) conducted a study on the Mining Industry in Ghana with regard to the effects of HRM practices on employee retention. He found that the factors that mostly affected employee retention included; 1) the opportunity for learn and acquire new skills in an environment promoting teamwork, 2) active participation in the policies relating and guiding their lives at work, 3) an opportunity to freely express their views and air them out, and 4) the organization communicating clearly on the firm's expectations towards the employees providing a work environment that is safe. Effectively applying the mentioned practices may lead to employee turnover reduction especially in their mining industry. The study established that health & safety, communication, training & development, information sharing, welfare, compensation, incentives and job security factors are important in the mining industry in terms of turnover rate reduction.

Amare Werku Ijigu (2015) studied the effect of selected human resource management practices on employees' job satisfaction in Ethiopian banks. The study result has implied that recruitment and selection is found to have moderate but positive correlation with employees' job satisfaction and the remaining, training and development, performance appraisal and compensation package found to have strong positive correlation with employees' job satisfaction. Moreover, the regression result shows that recruitment and selection, training and development, performance appraisal and compensation package have a significant positive impact on job satisfaction. Organizations can retain their employees with employees' job satisfaction in working environment. Therefore, employee retention depends on employee satisfaction. Another study by Deimensah (2010) in the banking industry in Ghana on the effects of

HRM practices on employee retention concluded to be of significance. The study concluded that the practices influenced retention of employees in banks: employee engagement, work-life balance and compensation.

Okotoh (2015) carried out a study to examine the effects of reward management practices influence on employee retention at Communications Authority of Kenya. The study found a strong relationship between retention and employee reward management. Her study established the importance of developing an employee retention practices and reward management policy and total reward system with benefits such as pension scheme, health insurance, life insurance, sabbatical leave, transport benefits, workers compensation and assistance schemes, flexible work plan, educational pay, relocation and recreational benefits.

Further, Hussain and Rehman (2013) conducted a study on whether human resource management practices inspire employees' retention. Human resource management practices deployed in the study were training and Development, development of teams, performance appraisal, internal communication system, employment security, person-organization fit, employee empowerment and reward and compensation. Four hundred questionnaires were distributed among the middle management cadre employees of textile industry. It is explored that four human resource management practices: person-organization fit, employment security, communication and training and development are contributing strongly in developing the employees' intentions to stay with organization. Further, strong positive inter-relationships were found between human resource management practices and employees' retention. It is concluded that adoption of human resource management practices enhances employees' retain-ability of organizations.

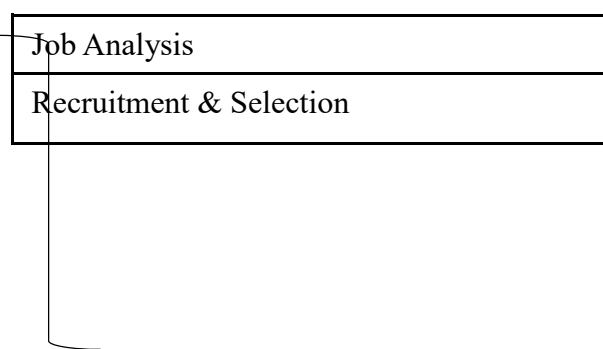
Hosain, (2016) study entitled "Impact of Best HRM Practices on Retaining the Best Employees: A Study on Selected Bangladeshi Firms". This study has been developed to endeavor the relationship between ten Human Resource Practices (job analysis, recruitment & selection, adequate training facilities, performance appraisal, adequacy of information, supervisory treatment, opportunities for career development, compensation & benefit, managerial relationship with employees and degree of employee participation in decision making) and their possible impact on employee retention. The research was carried out with a sample size of 252 non-managers and 62 top level managers of 23 public and private corporate firms in Bangladesh. Data have been collected through a detailed structured questionnaire from the respondents. It has

indicated that there is a positive but insignificant relationship between job analysis, adequacy of information, management-employee relationship and participation in decision making with employee retention. The other six independent variables, recruitment & selection, job training facilities, performance appraisal, supervisory treatment, career development and compensation & benefit have negative relationship with employee retention. Among them, job training, compensation & benefit and supervisory treatment have strong negative relationship with employee retention.

Locally, Than Zaw Oo (2012) carried out a study on employee retention strategies of Myanmar Tar Shin Garment Co., Ltd. The study found that the company valued leadership qualities aligned with the recruitment process and the company's retention strategies. Thandar (2003) conducted a study on factors influencing employee retention in manufacturing firms in Myanmar established that to a great extent, firms in the manufacturing sector valued the gaining of competitive advantage and engaged in proper HRM practices to ensure retention of the most key employees. Nilar Htay (2009) investigated a study on employee retention management of Mega Lifescience Public Co; Ltd in Myanmar and found that organizations value good compensation practices, employee-supervisor relationship, job and work life career training and development, and employer policies and practices as the ways of retaining employees and that compensation influences employee retention.

Aye Myat Nyein (2014) carried out a study to analyze the effect of HRM practices on employee retention in Myanmar's the private banks, with a special focus on Standard Chartered Bank concluded that the practices; compensation, career development, work life balance and recognition did influence employee commitment. Compensation plans are the first step to maintaining a driven workforce filled with talented individuals. Employees who have their career development supported by their employer are much more likely to be loyal to that company and to spread the word. The pursuit of work-life balance reduces the stress employees' experience. Recognition influence employee commitment as they feel motivated to perform when they get satisfaction from the recognition.

Figure (2.1) Conceptual Framework of the Previous Study



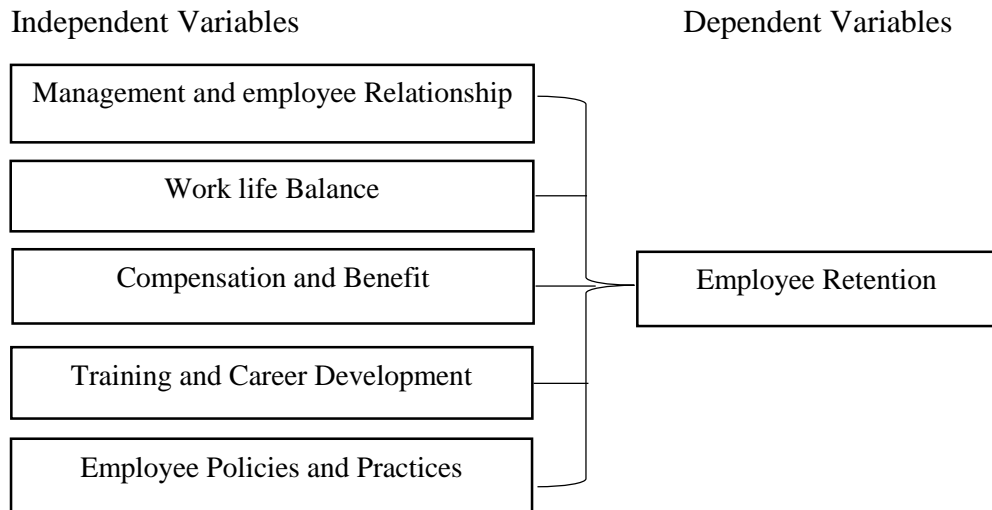
Training Facilities	
Performance Appraisal	
Adequacy of Information	
Superv	Employee Retention
Career Development Opportunities	
Compensation & Benefits	
Management- Employee Relationship	
Participation in Decision Making	

Source: Md. Sajjad Hosain, (2016)

2.6 The Conceptual Framework

This study focuses on the effect of human resource management practices on employee retention. As can be seen in figure (2.2), there are six variables: five independent variables with one dependent variable in this study. Five independent variables are management and employee relationship, work life balance, compensation and benefits, training and career development, and employee policies and practices. One dependent variable is employee retention. According to the theories, work life balance is concerned with the Maslow's Hierachy of Needs Theory. According to Herzberg two factor theory, training and career development is concerned with intrinsic factor and employee policies and practices, management-employee relationship, and compensation and benefits are extrinsic factor. Based on the literatures reviewed, the conceptual framework of the study is shown in figure (2.2).

Figure (2.2) Conceptual framework of the Study



Source: Own Compilation

From figure (2.2) there are five human resources management practices that can affect employee retention namely, training and career development, employee policies and practices, compensation and benefit, management-employee relationship, and work life balance. HRM practices are serving as major player on the employee retention.

Chapter 3

Profile of Myanmar Skyrun International Company Limited and Human Resource Management Practices

This chapter consists of discussion on the garment industry in Myanmar and profile of Myanmar Skyrun International Co., Ltd. in Myanmar. And then, followed by HR policies and HRM practices of Myanmar Skyrun International Co., Ltd.

3.1 The Garment Industry in Myanmar

Generally, Myanmar has a strong textile base, but the industry has suffered from the country's detachment and the international sanctions. However, the gradual opening of Myanmar has contributed to the renewal of this sector. As a matter of fact, since the removal of the sanctions, the garment industry has been the main driver of the development of Myanmar's manufacturing sector, and more broadly of its robust economic growth. It constitutes one of the main exports of the country, bringing substantial revenues to the State and employing 450,000 workers, more than 90% being women, in over 600 factories, according to the Myanmar Garment Manufacturers Association (MGMA).

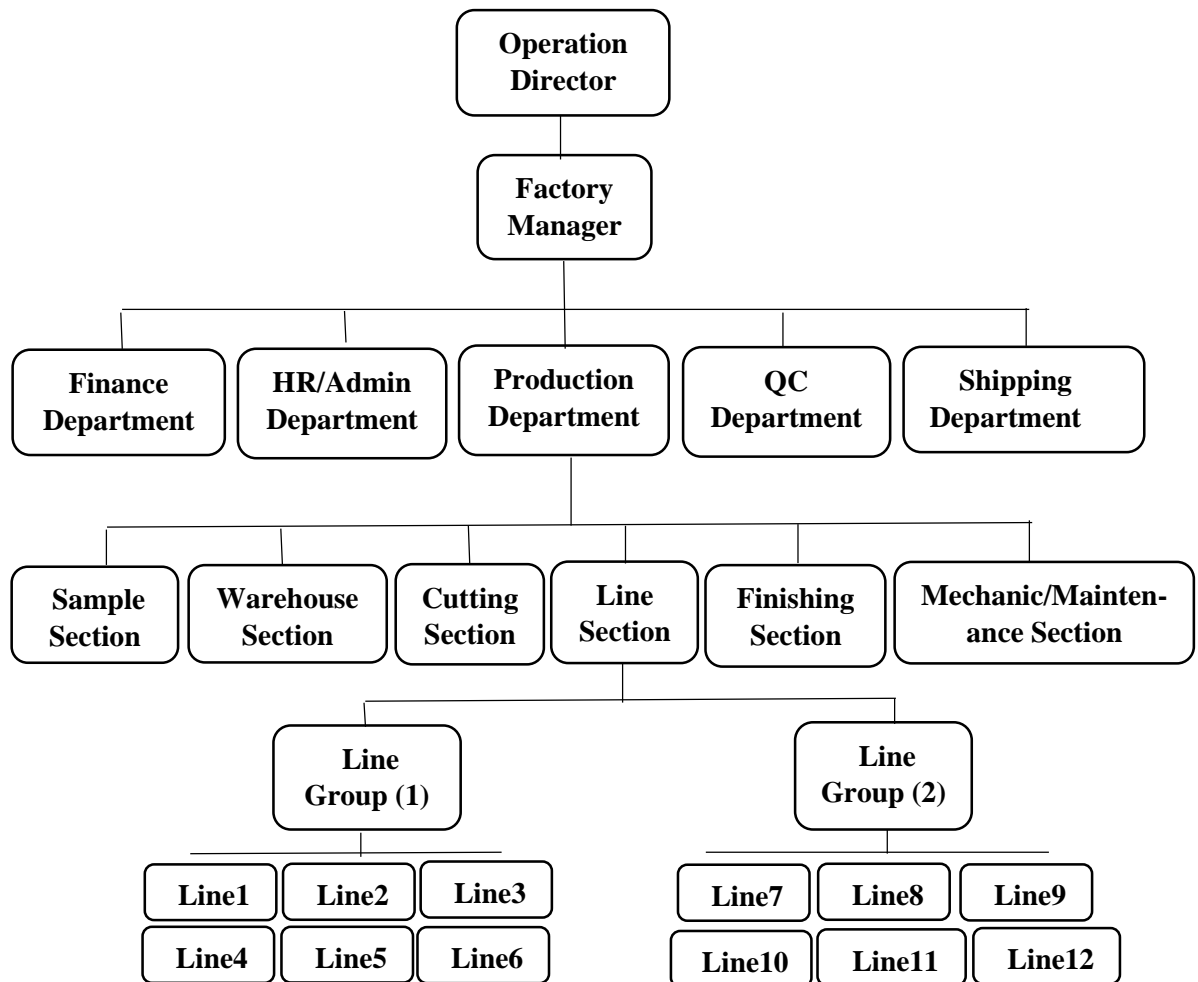
In 2017, data from UN COMTRADE estimated Myanmar's worldwide exports in the garment sector to stand at around USD2.5 billion, an assume that has been developing at a fast pace. According to the European Union (EU), textile was the top product category in Myanmar's exports to the EU in 2017: with a value of EUR1.125 million (USD1.225 million), it represented for 72.2% of the EU's total exports. Its volume has been constantly growing at a strong rate since 2014, with a CAGR (Compound Annual Growth Rate) of 69.5% over three years. More generally, the EU is the main importer of Myanmar textiles products. Myanmar's other major trade importers are Japan, South Korea and the US. China is also an important trade partner, as most garments are imported from this country, while the final product is re-exported to China. Unsurprisingly, this sector has proven its attractiveness to foreign investors. In 2015, half of the factories were fully owned by foreign investors, and between 20% and 30% more were joint-ventures, though the foreign partner is sometimes inactive. Most of the investors comes from South Korea, followed by China, Hong Kong, Taiwan and Japan.

Most of the garment factories operate in the Yangon region. According to the MGMA, half of the existing garment factories are located in Yangon, particularly in the Hlaing Thayar industrial zone, while others are situated in Thilawa Special Economic Zone, located around 25 km south of Yangon. Their concentration is explained by the convenient access to port infrastructures and the presence of many industrial zones. The remaining locations, by order of importance, are predominantly found respectively in Bago, Patheingyi, Hpa-An and Mandalay, though this latter is mostly focused on the production of textiles for the domestic market, as it is renowned for its longyi, the Myanmar traditional dress. Finally, the Kyaukpadaung Special Economic Zone, in Rakhine State, is still under development. The implementing consortium, led by Chinese investors, aims to attract a plurality of industries, including the textile sector. The Myanmar government also owns 13 textile industries, regrouped in a state-owned enterprise under Ministry of Industry in the No. 3 Heavy Industrial Enterprise (HIE-3), with other factories in paper and chemicals.

3.2 Profile of Myanmar Skyrun International Co., Ltd in Myanmar

Myanmar Skyrun International Co., Ltd is located in Shwe Pyi Thar industrial zone 3 which is included in Western Yangon district, within Shwe Pyi Thar Township. It was established in January 2016 and intended to operate as CMP (Cutting, Making and Packing) system for garment industry. It also trades with China, Japan, Europe and US to export garment products and import materials from these countries. Garment is one of the labor-intensive businesses and can give the job opportunity in an easy way. In this company there are 7 shareholders and duties are assigned to perform in five departments; Human Resource and Administration Department, Finance Department, Production Department, Quality control Department and Shipping Department. The function of HR Department is to select competent employees and to maintain effective workforce for the organization. The Finance Department is comprised of Account Division and Revenue Division, which performs the activities such as calculating payroll, expenditure, investment, etc. and the Production Department is composed of the sample section, warehouse section, cutting section, line section, finishing section and mechanic/ maintenance section. The Quality Control Department monitors the product outputs and inputs and makes sure that the finished product's quality by checking and comparing with the standardized norms or models. Shipping Department is to transport finished products and to receive the raw materials from abroad.

Figure 3.1 Organization Chart of Myanmar Skyrun International Co., Ltd.



Source: Myanmar Skyrun International Co., Ltd, 2019

3.3 HR Policies of Myanmar Skyrun International Co., Ltd

Myanmar Skyrun International Co., Ltd implements its human resource management practices based on the following human resource policies.

1. Human resources of the company must have all round development.
2. Each and every staff will be performed for the collective goal.
3. New and core talented employees will be recruited, trained and retained.
4. Reward and punishment must be fair and equal.

3.4 HRM Practices of Myanmar Skyrun International Co., Ltd.

All human resource management functions are under control of human resource manager who is driving the HR department. Myanmar Skyrun International Co., Ltd HR manager always collaborates with supervisors and the head of factory. HR department is responsible for monitoring to human resource management functions, such as HR planning, recruiting and selection, training and development, performance appraisal, compensation and benefits, safety and health and social welfare program.

The description of core employee including key qualities such as (1) possesses knowledge, skill and attributes (KSA) aligned with business operation and direction, (2) is integral to the productivity and well-being of the organization (3) provides a competitive edge to the organization, (4) supports the organizational culture and vision and (5) possesses skills, knowledge and abilities that are relatively rare or irreplaceable to ensure the success of the organization. The results indicated that all the descriptions seen to concentrate on KSA that are of strategic value to the organization.

Core employees need consisted of a satisfying working environment, training and career development opportunities, reward and recognition, good pay and conditions, good working relationships and good resources. And HR manager highlighted several salient needs of core employees and they included satisfactory work environment, training and career development opportunities, challenging of pay, reward and recognition. However, these differ dependent on age and gender of employees.

The five key factors influencing the HR practices of Myanmar Skyrun International Co., Ltd indicated by the answer by HR manager in order of importance included strategic focus of the organization, organization structure, competitiveness of the industry, type of industry and the type of worker included in the organization.

Based on the HR manager answers, there are five human resource management factors influencing retention. In order of importance, they included effective selection, reward and recognition, training and career development, challenging employment structures and opportunities and equity of compensation and benefits. The analyses of HR manager's responses highlighted some common issues. Firstly, older women workers are more interested in job security and benefits while young employees are more interested in pay and advancement opportunities. Secondly, identified recruitment, pay, recognition and reward, training and career development and challenging job opportunities are key HR factors that will influence retention

Myanmar Skyrun International Co., Ltd. forecasts the human resource needs of individual and matches with expected performing task. HRM department is responsible for choosing right employee who has capability and skill in sewing machines, cutting, making and packing processes to carry out the responsibility. HR manger also provides job descriptions for identifying the tasks, duties and responsibilities of the employments. In addition, HR manger prepares individual specification for describing technical skills and experiences needed for those jobs in details.

Recruitment and selection is a significant goal of all organizations to ensure that the people who are employed through the recruitment and selection process are the right people for the job. The recruitment process involves analyzing the requirements of a job, attracting employees to that job, screening and selecting applicants, hiring, and integrating the new employee to the organization. In the Myanmar Skyrun International Co., Ltd, when an employee is recruited, they are given on the job training. During the three month is training period for sewing, ironing, packing and representative monitoring and then evaluate with performance appraisal. In the training periods, their basic salary is balanced for 111,600 kyat except for attendance bonus and other rewards. After the training period they will get ranging from 200,000-300,000 kyat that their basic salary is 148,000 and will get attendance bonus (20,000), expertise rewards and other rewards if they can perform well. To recruit management staff, the company sometimes uses employment agency. But this method is rarely used in the company due to high expense. The main reasons for recruitment are to expand the company and to replace workers who resign from the company. Recruitment sources for Myanmar Skyrun International Co., Ltd. are as follows;

- a) Advertisement
- b) Employment agency
- c) Self-search
- d) Employee referral

At the Myanmar Skyrun International Co., Ltd., selection process is very simple and intended to fit the production process because most of garment factories target to the un-expensive labor and assigned process functions are also run on the job fit training. The selection process includes the initial screening interview, comprehensive interview, background investigation, physical & medical examination. Common selection process involves;

- a) Conduct C.V form and personal interview
- b) Attempt skill test for sewing machines and related process
- c) Managerial employee, some of executives and office employees have to take-tests like computer designing test, assignment, English test and etc.

Selection method differs from different job positions of employee. E.g. production workers need to take physical & medical test. Major decision maker in selection process depends on the employee's skill level. Although there are numerous HRM practices that can be initiated as practices, this study would concentrate on five practices namely, management-employee relationship, and work life balance, compensation and benefit, training and career development, employee policies and practices in Myanmar Skyrun International Co., Ltd.

3.4.1 Management and Employee Relationship

Effective teamwork during the workday can improve the ability of employees and supervisors to work together in the working environment. When employees work in small teams, they can often work quickly and effectively to meet objectives. A supervisor who rolls up her or his sleeves and joins the team can gain respect from her employees while also learning how they work best. It's often easier for employees to respect a supervisor who they consider a member of their team. Myanmar Skyrun International Co;Ltd values on respect among coworkers building the culture of continuous learning and changing together. In order to have the friendly relationship and mutual understanding among co-workers, team dinner is always held by relevant department once per every quarter. Skyrun trusts on its employees as adults; in otherwise, they can handle duties and responsibilities contained in their job description and take accountability on their results and performance. Skyrun believes that everyone is honest and conducts their work with the best effort. In addition; Skyrun is an equal opportunity employer and does not discriminate on race, nationality, religion, civil status, sex and sexual orientation. If the discrimination is found out, the action is immediately conducted for the complaint similarly as with the mandated policy and procedures.

3.4.2 Work life Balance

Myanmar Skyrun International Co.,Ltd offers employees to perform their work freely without any restriction but must comply with the company's ethical codes.

Employees are allowed to arrive on company late or early but must be fully time the working hours of eight. Except from driver, helper and cleaner, there is no overtime for supervisor and employees who can work happily and freely during their working hours. At the time of overload, it is the desire of employee who is satisfied to work after the working hours without any reinforcement and pressure to complete the work. So, company gave bonus for helping the work in the company. If employees demand time off for illness involving loved ones and themselves, Skyrun can give leave to employees. To have the balance on job and work life, Skyrun gives freedom to make choices to lead their lives the way they wish to, without being judgmental.

3.4.3 Compensation and Benefit

Compensation and benefits is an important aspect of HRM as it helps to keep the workforce motivated in Myanmar Skyrun International Co., Ltd. It helps give benefits to employees based on their performance and actions and brings the best out of the employees at workplace. There is transparency in every action and decision. The company's salary and reward structure is transparent and at par with the company. Myanmar Skyrun International Co., Ltd has a well-documented incentive scheme and bonus ration for all members of the company.

1) Compensation

Myanmar Skyrun International Co., Ltd usually associate compensation/pay ranges with job descriptions in the company. The ranges include the minimum and the maximum amount of money that can be earned per year in that role. Skyrun Co., Ltd usually provided compensation to employees as base pay and variable pay. Base pay is depends on the role in the company and the market for the expertise required to conduct that role. Variable pay is based on the performance of the individual in that role, for example, for how well that person accomplished their objectives for the year. Incentive plans, for example, bonus plans, are a form of variable pay. However, the proportion of bonus to employee is diverse at the end of the year.

2) Benefits

In addition to gazette holidays, employees are entitled to married leave, compassionate leave and paternal leave, now which is included in Social Security Board (SSB) law. Table (3.1) also describes the types of leave and its entitlement in Myanmar Skyrun International Co., Ltd.

Table (3.1) Leave System in Myanmar Skyrun International Co., Ltd.

No.	Types of Leave	Entitlement
1	Earned Leave	10 days
2	Casual Leave	6 days
3	Medical Leave	Employees are entitled to medical leave according to Social Security Board Law
4	Married Leave	3 days
5	Compassionate Leave	3 days
6	Maternity	98 days (6 weeks before birth and 8 weeks after birth)

Source: Myanmar Skyrun International Co., Ltd (2019)

In addition, the ferry is also arranged for employees to facilitate the transportation. The car allowance is also offered to managers. The canteen is also arranged for employees in the case the food is outsourced and subsidized by Myanmar Skyrun International Co., Ltd to some extent in order to save the money of employees.

Besides, educational allowance is also offered for two offsprings of supervisor and employees between the age of 5 and 18. However supervisor enjoys more education allowance than employees level in order to appreciate their position and get the motivation factor for the employee level that employees to promote their best performance in the environment.

Attendance Bonus is always offered to employees who regularly attendance to work in the company. Expert bonus is divided by three role, expert level A = 50,000, expert level B = 30,000 and expert level C = 20,000. The apartment is given to distance employees for relevant to work in the company. Long Service Award is given to employee who works together with Myanmar Skyrun International Co., Ltd starting from the work service of three years.

The medical benefits are also enjoyed to employees based on their service year within the range 30,000 Kyats than 200,000 Kyats. Therefore, the annual staff party is always held in ever year. The company provides the employees funfair based on is profit offers, bonus and appreciation for particular work.

3.4.4 Training and Career Development

Myanmar Skyrun International Co., Ltd. provides its employees training and career development programs in order to enhance performance, productivity the hard skill and soft skill of employees experienced. Since companies derive competitive advantage from training and development, Myanmar Skyrun International Co., Ltd dedicated to its personnel are given the opportunity to attend training necessary for their career development and life-long learning. Training and development program help to remove performance deficiencies in employees. Employees become efficient after undergoing training. Efficient employees contribute to the development of the organization. Training serves as an effective source of recruitment, training is an investment in human resource with a guarantee of better returns in future.

Career training and development of Myanmar Skyrun International Co., Ltd is conducted through the training need analysis, selecting trainers, training methods and evaluation of the training. Training programs of Myanmar Skyrun International Co., Ltd. can be many types, such as on-job training (OJT), off-job training, vestibule training, cross training, monthly regular training, and planned and unplanned training.

3.4.5 Employee Policies and Practices

The company offers equal employment opportunity, respect employee's rights, and develops and completely understands employees' potential in performing their tasks and duties and shall provide opportunities for employees to speak up some case for the situation they are not treated properly by providing a comment box or through the Human Resources Department. The company also implements equitable employment conditions and maintains a safe and conducive working environment. The Human Resource Department monitors and reviews employee benefits so as to maintain parity with the company. It is the company's policy to develop knowledge management so as to create consistent and continuous transfer of knowledge required for effective business operations throughout the organization. There is no one on the above of the Myanmar Skyrun International Co., Ltd rule, policies and procedures.

Chapter 4

Analysis of the Effect of HRM Practices on Employee Retention in the Myanmar Skyrun International Company Limited

In this chapter, finding from analysis of the data from survey are presented with four sections. The first section is concerned about research design for this study, and the second section mentioned demographic characteristics of respondents. The human resource management practices on employee retention in Myanmar Skyrun International Company Limited is described in third one. In the last section, the effectiveness of human resource management practices on employee retention of Myanmar Skyrun International Co., Ltd. is analyzed.

4.1 Research Design

The objectives of the study are to examine the current human resource management practices of Myanmar Skyrun International Co., Ltd. and to analyze the effect of human resource management practices on employee retention of Myanmar Skyrun International Co., Ltd. To carry out of these objectives, the primary data is used to obtained information and opinions directly and specifically from employee who are working in different departments of Myanmar Skyrun International Co., Ltd. The survey mainly uses descriptive analysis.

As a tool of research instrument, structured questionnaire has been used to obtain data by face to face data collection method. The study adapts the questionnaires from various part studied related to the topic and mainly used Likert scale measurement for all the variables constructed 41 question was made to collect data. It was organized into three section. Section A consisted of 6 questions regarding the personal details of respondents. Section B was designed to sampled employee's agreement level about the practice of human resource management (management-employee relationships, work-life balance, compensation and benefits, training and career development, and employee policies and practices) and section C was designed to sampled employee's agreement level about the employee retention of their company in the proposed theoretical framework. A five-point Likert scale has been used in this section to measure employee retention on human resource management practices. The scaling is: 5 for

strongly agree; 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree have been given in order to analyze data.

By way of sampling techniques, probability sampling techniques is employed in the research as it ensures good estimates of the population characteristics. Among total of 624 employees who are working at different department in Myanmar Skyrun International Co., Ltd., 230 number of employees (30% of the target population) are selected by simple random sampling method to obtain the information.

After collecting the data, the processed data are further analyzed by SPSS version 22. This thesis would utilize the following statistical tools:

1. Data organizing and description
2. Cronbach's Alpha for reliability statistics
3. Correlation analysis and
4. Multiple linear regression analysis.

4.2 Demographic Characteristic of the Respondents

This study described the analysis on demographic factors of the respondents in Myanmar Skyrun International Co., Ltd. The general information of respondents was analyzed by six sub heading. Gender, age, education level, monthly income, length of service and level of position were classified in the respondent's profile. All the data obtained from the questionnaires collected are interpreted and summarized in frequency distribution and percentage distribution. The frequency analysis of selected employee's demographic data is illustrated through the table of frequency counts, and their respective percentage.

4.2.1 Number of Respondents by Gender

According to nature of the business, Myanmar Skyrun International Co., Ltd. utilizes more female employee rather than male employee. Most of the sewing workers are female employees and male employees involve in warehouse section, finishing section and mechanic/maintenance section. Gender of respondents is shown in Table (4.1).

Table (4.1) Gender Classification of Respondents

Gender	Frequency	Percent
Male	49	21.3
Female	181	78.7
Total	230	100.0

Source: Survey Data, September 2019

According to the nature of job, Gender was founded that there are 49 male employees and 181 female employees in Table (4.1). In terms of percentage, 78.7% of respondents are female and the rest 21.3% of respondents are male. It shows that the number of female employees is higher than male in Myanmar Skyrun International Co., Ltd.

4.2.2 Number of Respondents by Age Group

The age groups respondents are divided into three groups. These three groups are between 18-30 years, between 31-40 years and between 41-50 years. The numbers of respondents according to each group are shown in Table (4.2).

Table (4.2) Age Distribution of Respondents

Age	Frequency	Percent
18-30	206	89.6
31-40	20	8.7
41-50	4	1.7
Total	230	100.0

Source: Survey Data, September 2019

According to Table (4.2), 89.6% of respondents are between 18 and 30, 8.7% of respondents are between 31 and 40, 1.7% of respondents are between 41 and 50 respectively. It shows that most of the employees in Myanmar Skyrun International Co., Ltd. are between 18 and 30 because the company needs young women employees who work activity in their job.

4.2.3 Number of Respondents by Education Levels

Perception and thinking are different by workforce regarding different levels of educational levels. Myanmar Skyrun International Co., Ltd has diverse educational status and Table (4.3) shows assorted participation percentage of respondents in this study.

Table (4.3) Education Levels of Respondents

Education Levels	Frequency	Percent
Under Graduate	222	96.5
Graduate	8	3.5
Total	230	100.0

Source: Survey Data, September 2019

According Table (4.3), the higher percentage of respondents are under graduate level have 96.5% and the rest 3.5% of respondents are graduated.

4.2.4 Number of Respondents by Monthly Income

Monthly income of respondents is divided into four groups. It is shown in Table (4.4).

Table (4.4) Monthly Income Distribution of Respondents

Monthly Income (Kyat)	Frequency	Percent
100,001-200,000	12	5.2
200,001-300,000	207	90.0
300,001-400,000	8	3.5
400,001 and above	3	1.3
Total	230	100.0

Source: Survey Data, September 2019

As shown in Table (4.4), Most of the employees receive between 200,001 and 300,000 kyats.

4.2.5 Number of Respondents by Length of Service

Employees' length of service is divided into three groups for the study. It is shown in Table (4.5).

Table (4.5) Length of service Distribution

Length of Service	Frequency	Percent
Under 1 year	56	24.3
1-2 years	139	60.5
2-3 years	35	15.2
Total	230	100.0

Source: Survey Data, September 2019

According to Table (4.7), most of the employees are between 1 and 2 years length of service.

4.2.6 Number of Respondents by position

Positions of respondents at Myanmar Skyrun International Co., Ltd. are shown in the following Table (4.6).

Table (4.6) Position of Respondents

Position	Frequency	Percent
Labor	220	95.7
Supervisor	10	4.3
Total	230	100.0

Source: Survey Data, September 2019

Based on the demographic data of the respondents, a total of 230 employees were surveyed and all respondents were most females and the rest of few males. The major age group of the respondents was 18-25 age group accounted for 89.6% of total respondents. 96.5 percent of respondents were under graduates in Myanmar Skyrun International Co., Ltd. Most of the employees receive between 200,001 and 300,000 kyats and most of the employees are between 1 and 2 years length of service. Out of 230 respondents, only 4.3% were supervisors.

4.3 Assessment of the Reliability of the Scale

This study has extensively used Likert scales. Thus, before they are used, it should be checked their reliability. . The reliability of a measure is an indication of the stability and consistency with which the instrument measures the concept and helps to

assess the goodness of the measure. Examining the internal consistency of the test enables the researcher to determine which item are not consistent with the test in measuring the phenomenon under investigation. The object is to remove the inconsistent items and improve the internal consistency of the test. The research used Cronbach's Alpha as a measure of internal consistency. Cronbach's Alpha is a reliability co-efficient that indicates how well items in a set are positively correlated to one another (Sekaran, 2003).

Cronbach's Alpha reliability coefficient normally ranges between 0 and 1. However, there is actually no lower limit to the coefficient. The closer Cronbach's Alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. Based upon the formula $\alpha = rk/(1 + (k - 1)r)$, where k is the number of items considered and r is the mean of the inter-item correlations. The size of alpha is determined by both the number of items in the scale and the mean inter-item correlations. George and Mallery (2003) give the following rules of thumb:

Table (4.7) Rule of Thumb for Results

Cronbach's Alpha	Internal Consistency
$\alpha > .9$	Excellent
$\alpha > .8$	Good
$\alpha > .7$	Acceptable
$\alpha > .6$	Questionable
$\alpha > .5$	Poor
$\alpha < .4$	Unacceptable

Source: George and Mallery, (2003)

If alpha value is high, then this suggests that all the items are reliable, and the entire test is internally consistent. If alpha is low, then at least one of items are unreliable and must be identified via item analysis procedure. However, as per DeVellis (2003), the Cronbach's alpha value should ideally be above 0.7.

Table (4.8) is a summary of the reliability test based on the Cronbach alpha co-efficient for the five scales items in the survey instrument. The Cronbach alpha value was mainly 0.9 and is thus considered as excellent.

Table (4.8) Results of Cronbach's Alpha Value

Practices	Type of Scale	No. of Items	Cronbach's Alpha Value
Management-Employee Relationship	5-point Likert	5	.769
Work-Life Balance	5-point Likert	5	.798
Compensation and Benefits	5-point Likert	7	.906
Training and Career Development	5-point Likert	6	.791
Employee Policies and Procedure	5-point Likert	7	.906

Source: Survey Data, September 2019

The results of the Cronbach's alpha value are between 0.769 and 0.906, suggesting very good internal consistency and reliability for the scale with this sample.

4.4 Analysis on Human Resource Management Practices

This part presents the employee's view of HRM practices in five key areas; management-employee relationships, work-life balance, compensation and benefits, training and career development, and employee policies and practices. The study objective was achieved by asking the respondents to indicate to what extent they concurred with statements presented to them relating to HRM practices used by their company on a five-point likert scale where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree.

4.4.1 Management-Employee Relationship

Human resources management practices relevant to factors of management-employee relationship are classified into five factors. This includes supervisor's equal treatment, focusing on teamwork, giving feedback to work, recognition for work well done and close relationships with co-workers.

The individual and overall mean scores for each statement are presented in Table (4.9).

Table (4.9) Management-Employee Relationship

No.	Statements	Mean value	Standard Deviation
1	My supervisor treats equally to us.	3.68	0.892
2	The working environment focuses on the team work.	3.92	0.824
3	The supervisor gives me 'feedback' about how well I complete my work.	4.00	0.857
4	My supervisor recognizes me for work well done.	3.99	0.828
5	I have close relationships with coworkers in my job.	3.99	0.967
	Overall Mean	3.92	

Source: Survey Data, September 2019

Table (4.9) presents measures of management-employee relationship which effects on employee retention. Among them, it was found that giving feedback to work in the job is the most satisfied factors with the mean value of 4.00. It is because the supervisor gives employees 'feedback' about how well they complete their work can create the psychological contracts and friendly working environment in their work.

Recognition for work well done and close relationships with co-workers were the second satisfied factors of HRM practices with the mean value of 3.99. It correlates with the giving feedback to work which is the most satisfied factor; therefore, recognition for work well done and close relationships with co-workers can achieve their job to be well done with different points of aspects. However, employees want supervisors to treat equally on the employees because it has the mean value of 3.68 which is the least satisfied factors. The overall mean score of management-employee relationship practices is 3.92 shows that all respondents are fairly agreed the management-employee relationship on employee retention in Myanmar Skyrun International Co., Ltd.

4.4.2 Work-Life Balance

Work-life balance programs recognize that employees have important family and other obligations that compete with their workplace commitments and they therefore need some level of flexibility in their work schedules so as to stabilize these needs. The results of employees' perception of work-life balance in their organizations are presented in Table (4.10).

Table (4.10) Work-Life Balance

No.	Statements	Mean value	Standard Deviation
1	I have flexible amount of time to spend at work.	3.47	0.875
2	I can easily take time off for illness involving loved ones and self.	3.44	1.021
3	I think that if employees have good work-life balance the organization will be more effective and successful.	3.76	0.934
4	Other job do not offer better work-life balance than my organization.	3.26	0.915
5	My work schedule is enough to meet the demands of my personal life and family.	3.28	1.083
	Overall Mean	3.44	

Source: Survey Data, September 2019

Table (4.10) presents analysis on work-life balance which effects on employee retention. Among them, it was found that having good work-life balance is the most satisfied factor with the mean value of 3.76. It is because getting a job and jumping to another company is not easy in this competitive working environment. Therefore, employees who are not fit their current job are arranged to shift to another job within the company based on their interest and qualification. So, the HR department should consider to create better work-life balance policies than other companies.

Moreover, the second satisfied factor of HRM practices is having flexible amount of time to spend at work with the mean value of 3.47. Therefore, employees have flexible amount of time to work with their job are happy to perform their work the best effort.

On the other hand, HRM practices relevant with do not offer better work-life balance than my organization is the least satisfied factor with the mean value of 2.26. Therefore, employees want better work-life balance in the company. The overall mean score of work-life balance practices is 3.44 shows that all respondents are fairly agreed the work-life balance on employee retention in Myanmar Skyrun International Co., Ltd.

4.4.3 Compensation and Benefits

Compensation was measured based on both intrinsic and extrinsic rewards or pay and benefits. It is not only in the form of money, but also in non-cash form. HRM practices to compensation and benefits are classified into seven. The results of

employees' perception of compensation and benefits in their organizations are presented in Table (4.11).

Table (4.11) Compensation and Benefits

No.	Statements	Mean value	Standard Deviation
1	I earn more than others who occupy similar position in other factories.	3.01	0.934
2	I believe that my salary is fair.	3.27	0.885
3	My salary is competitive with similar jobs I might find elsewhere.	3.21	0.930
4	People who are hard-working and results oriented are praised and reward in the organization.	3.65	0.949
5	The factory's benefits packages are attractive to me.	3.18	0.900
6	Employees are pleased to get the special reward and bonus every year.	3.37	0.909
7	Compensation is reviewed from time to time.	3.45	0.955
	Overall Mean	3.31	

Source: Survey Data, September 2019

Table (4.11) presents analysis on compensation and benefits which effects on employee retention. Among them, it was found that people who are hard-working and results oriented are praised and reward is the most satisfied factor with the mean value of 3.65 which create employee motivation for recognition for their excellent performance.

Moreover, compensation is reviewed from time to time was the second satisfied factor of HRM practices with the mean of 3.45 because the HR department always adjusts and analyzes the compensation and benefit every year to be competitive in the market.

However, earning more than others who occupy similar position in other company with the mean value of 3.01 is the least satisfied factor in the compensation system. Therefore, employees want good salary in their working environment. The overall mean score of compensation and benefits practices is 3.31 shows that all respondents are fairly agreed with the compensation and benefits on employee retention in Myanmar Skyrin International Co., Ltd.

4.4.4 Training and Career Development

Human resource management practices to training and career development are classified into six. This includes receiving sufficient training, providing regular training, applying many things in job from the training, having personal growth from training, being opportunities for career development and having career development activities. The individual and overall mean scores for each statement are presented in Table (4.12).

Table (4.12) Training and Career Development

No.	Statements	Mean value	Standard Deviation
1	I have received sufficient training in this organization to enable me do my job effectively.	3.23	0.898
2	The factory provides regular training.	3.21	0.891
3	I can apply many things in my job from the training I receive.	3.67	3.453
4	The training that has been provided enables my personal growth.	3.33	0.899
5	There are opportunities for me to advance my career.	3.37	0.966
6	The factory has career development activities to help an employee identify/ improve abilities, goals, strengths and weakness.	3.40	0.947
	Overall Mean	3.37	

Source: Survey Data, September 2019

Table (4.12) presents analysis on training and career development which effects on employee retention. Among them, it was found that applying many things in job from the training is the most satisfied factor with the mean value of 3.67. It shows that employees receive the effective training provided by the company. Moreover, the second satisfied factor of HRM practices is having career development activities with the mean value of 3.40. Therefore, it can be seen that the giving training fits with their job and can be applied to personal life as the career development.

On the other hand, HRM practice relevant with providing regular training was found the least satisfied factor with the mean value of 3.21. The overall mean score of training and career development practices is 3.37 shows that all respondents are fairly agreed the training and career development on employee retention in Myanmar Skyrin International Co., Ltd.

4.4.5 Employee Policies and Practices

Human resource management practices to employee policies and practices are classified into five. This includes being treated equally, satisfaction on rules and regulations regulated by the company, implementing rules, policies and guidelines clearly and uniformly, maintaining team spirit and working in close coordination with each other, and smooth and efficient coordination within cross-function.

The individual and overall mean scores for each statement are presented in Table (4.13).

Table (4.13) Employee Policies and Practices

No.	Statements	Mean value	Standard Deviation
1	In general, employees are being treated equally.	3.67	2.829
2	Employees satisfy the rules and regulations formulated by the factory.	3.20	0.909
3	Rules, policies and guidelines are clear and uniformly implemented across the organization.	3.37	0.759
4	Employees believe in maintaining team spirit and work in close coordination with each other.	3.59	0.866
5	The functions of all the departments are smoothly and efficiently coordinated and managed.	3.79	0.898
	Overall Mean	3.52	

Source: Survey Data, September 2019

The above Table (4.13) presents analysis on employee policies and practices which effects on employee retention. Among them, it was found that smooth and efficient coordination within cross-function is the most satisfied factor with the mean value of 3.79. It shows that employees smoothly coordinated the functions of all the departments in the company. Moreover, the second satisfied factor of HRM practice was employees are being treated equally with the mean value of 3.67. It can be seen that the company offers equal employment opportunities to every employee.

On the other hand, HRM practice relevant with satisfaction on rules and regulations regulated by the company was found the least satisfied factor with the mean value of 3.20. It can be seen that the company's rules and regulations are not easy assessable and dislike to employees. The overall mean score of employee policies and

practices is 3.57 shows that all respondents are fairly agreed the employee policies and practices on employee retention in Myanmar Skyrun International Co., Ltd.

4.5 Employee Retention in Myanmar Skyrun International Co., Ltd.

From Table (4.14), it can say that they will retain in their organization because they are satisfied most HRM practices that was used in their organization. The results of employee retention in the selected Myanmar Skyrun International Co., Ltd. are presented in Table (4.14). Respondents were asked to indicate the extent to which they agreed to statements relating to agreement of each factors on a five-point Likert scale (5= strongly agree, 1 = strongly disagree).

Table (4.14) Employee Retention

No.	Statements	Mean value	Standard Deviation
1	I am prepared to put in a great deal of effort beyond what is normally expected in order to help this factory to be successful.	3.39	0.936
2	I plan to make this company my own career.	3.13	0.994
3	I feel a lot of loyalty to this factory.	3.67	0.907
4	This is the best company for me to work for.	3.30	0.975
5	I would recommend this factory to a friend if he or she is looking for a job.	3.41	1.031
6	This company has a great deal of personal meaning for me.	3.24	1.002
7	I intend to stay with this company till retirement.	2.90	1.125
	Overall Mean	3.29	

Source: Survey Data, September 2019

As shown in Table (4.14), most of the respondents were satisfied with feeling a lot of loyalty to this company (Mean = 3.67, SD = 0.907), respondents agreed that they prepared to put in a great deal of effort beyond what is normally expected in order to help this factory to be successful (Mean = 3.39, SD = 0.936). Additionally, the respondents also agreed that they are planned to make this company their own career (Mean = 3.13, SD = 0.994), respondents agreed that this is the best company for them to work for (Mean = 3.30, SD = 0.975). Additionally, the respondents agreed that they would recommend this company to a friend if he or she is looking for a job (Mean =

3.41, SD = 1.031), respondents also agreed that this company has a great deal of personal meaning for them (Mean = 3.24, SD = 1.002). However, respondents were undecided with the argument that they are intended to stay with this company till retirement (Mean = 2.90, SD = 1.125) and was ranked the lowest. As a result of Table (4.12) the overall mean score of employee retention of Myanmar Skyrun International Co., Ltd in term of HRM practices is 3.29. It can be concluded that all respondents are agreed the Human resource management practices have dominant effect of employee retention in Myanmar Skyrun International Co., Ltd.

4.6 Effectiveness of Human Resource Management Practices on Employee Retention of Myanmar Skyrun International Co., Ltd

To examine the effect of human resource management practices on employee retention of Myanmar Skyrun International Co., Ltd, inferential analysis is used for the research by investigating the relationships between the five human resource management practices (management-employee relationship, work-life balance, compensation and benefits, training and career development and employee policies and practices) and dependent variable (employee retention). Statistical analysis of this section included are Pearson product moment correlation coefficient and multiple linear regression analysis.

4.6.1 Relationship between HRM practices and Employee Retention

To explore the relationship between human resource management practices and employee retention, the Pearson correlation coefficient are used. Pearson correlation is a statistical test that assesses the strength of the relationship between two numerical data variables (Saunders et al., 2009). Therefore, the relationship of independent variables and dependent variable is measured via Pearson Correlation. The significance level is 0.05 in the Pearson Correlation test, which means there is 95% of confidence level. Therefore, the hypotheses only can be accepted if the significant p-value is less than 0.05. The correlation coefficient was made to measure the strength and direction of relationship between two variables: the human resource management practices and the employee retention of Myanmar Skyrun International Co., Ltd. The Pearson correlation coefficient of the five type of human resource management practices and employee retention are illustrated in Table (4.15).

Table (4.15) Relationship between HRM practices and Employee Retention

HRM Practices		Employee Retention
Management-Employee Relationship	Pearson Correlation	.553**
	Sig. (2-tailed)	.000
Work-Life Balance	Pearson Correlation	.702**
	Sig. (2-tailed)	.000
Compensation and Benefits	Pearson Correlation	.734**
	Sig. (2-tailed)	.000
Training and Career Development	Pearson Correlation	.601**
	Sig. (2-tailed)	.000
Employee Policies and Practices	Pearson Correlation	.570**
	Sig. (2-tailed)	.000

Source: Survey Data, September 2019

**. Correlation is significant at the 0.01 level (2-tailed).

According to Table 4.15, all the HRM practices (management-employee relationship, work-life balance, compensation and benefits, training and career development and employee policies and practices) have positive association with the employee retention of Myanmar Skyrun International Co., Ltd. Through studying the relationship between management-employee relationship practices and employee retention, there is moderate and direct relationship between management-employee relationship practices and employee retention since the value of correlation coefficient between that variable is 0.553. The resulted P value (0.00) is less than $\alpha=0.01$ (1% level of significant). Moreover, there is direct relationship between work-life balance and employee retention since the value of correlation coefficient between that variable is 0.702. The relationship between work-life balance and employee retention is a significant at 1% level because the resulted p value is 0.000 that is less than alpha value 0.01. And, there is moderate and direct relationship between compensation and benefits practices and employee retention since the value of correlation coefficient between that variable is 0.734. The resulted P value (.000) is less than $\alpha=0.01$ (1% level of significant). Then, there is moderate and direct relationship between training and career development practices and employee retention since the value of correlation coefficient

between that variable is 0.601. The resulted P value (.000) is less than $\alpha=0.01$ (1% level of significant). And, there is moderate and direct relationship between employee policies and practices, and employee retention since the value of correlation coefficient between that variable is 0.570. The resulted P value (.000) is less than $\alpha=0.01$ (1% level of significant).

In summary, compensation and benefits has the strongest relationship with employee retention of Myanmar Skyrun International Co., Ltd ($r = 0.734$), followed by work-life balance ($r=0.702$). On the other hand, management-employee relationship has the weakest correlation with employee retention ($r=0.553$).

4.6.2 Regression Result of HRM practices on Employee Retention

It is important to consider which factors of human resource management practices out of the five factors can significantly explain employee retention of Myanmar Skyrun International Co., Ltd. In order to do this, the multiple linear regression model is applied to analyze the effect of HRM management practices on employee retention of Myanmar Skyrun International Co., Ltd. The output from generating multiple linear regression model is shown in Table (4.16).

Table (4.16) Regression Result of HRM practices on Employee Retention

Human Resource Management Practices	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.025	.210		.117	.907
Management-Employee Relationship	.078	.073	.062	1.074	.284
Work-Life Balance	.246*	.080	.222	3.084	.002
Compensation and Benefits	.403**	.072	.372	5.584	.000
Training and Career Development	.130*	.047	.153	2.783	.006
Employee Policies and Practices	.112*	.048	.126	2.356	.019
N=624, adj R ² = .619, F = 75.556 (p-value = 0.000)					

Source: Survey Data, September 2019

**. Correlation is significant at the 0.01 level

*. Correlation is significant at the 0.05 level

The above results show that all the coefficients in the model are jointly significant at 1% level and 5% level, which is indicated by the value of F-statistic ($F = 75.556$). In addition, individual coefficients have expected positive signs. Four HRM practices in the model namely work-life balance, compensation and benefits, training and career development and employee policies and practices are significant while management-employee relationship are not significant. The magnitude of each coefficient indicates the amount how much the score of the dependent variable will change if the score of an independent variable increases by 1 unit while other things remain unchanged. That is, if the score of work-life balance practices increases by 1 unit, while other thing remains unchanged, level of employee retention will increase by .246 unit. If the score of compensation and benefits practices increases by 1 unit, while other thing remains unchanged, level of employee retention will increase by .403 unit. If the score of training and career development practices increases by 1 unit, while other

thing remains unchanged, level of employee retention will increase by .130 unit. Finally, if the score of employee policies and practices increases by 1 unit, while other thing remains unchanged, level of employee retention will increase by .112 unit.

In term of the magnitude of standardized coefficient, compensation and benefits ($\beta = 0.372$) is relatively the most important in explaining the employee retention of Myanmar Skyrun International Co., Ltd. As the performance of regression model, the model can explain about 61.9% of the variation of the employee retention and human resource management practices.

Chapter 5

Conclusion

In the previous chapters, the profile of Myanmar Skyrin International Co., Ltd. and its human resources management practices and employee retention had already examined. In this chapter, the major findings and discussions in responding to the objectives of the study, recommendations and ends with suggestions for further research will be discussed.

5.1 Findings and Discussions

This study analyses the effect of human resource management practices on employee retention in Myanmar Skyrin International Co., Ltd. There are two main objectives in this study; to identify the current human resource management practices of Myanmar Skyrin International Company Limited and to analyze the effect of HRM practices on employee retention in Myanmar Skyrin International Co., Ltd. The target population for this study consists of various categories of employees working in the Myanmar Skyrin International Co., Ltd. The target respondents comprised of labors and supervisors. According to the data of Myanmar Skyrin International Co., Ltd. and responses of employees, the following conclusion can be drawn.

The initial analysis is concerned with demographic characteristic of employees. By the demographics of sample employees, it is found that more than half of the respondents in the sample are female, between the age of 18 and 30. In regard with the educational level, most of the respondents are under graduate. Majority of sample employees receive relevant salary between MMK 200,001 and 300,001 and now work in labor level.

The second part includes the questionnaires on human resource management practices of Myanmar Skyrin International Co., Ltd. and groups into five parts. The study sought to examine the effects of HRM practices on employee retention and has identified some practices that significantly affect retention and others those do not. Among these five parts, it is observed that most employees are satisfied with compensation and benefits and then followed by work-life balance, training and career development, employee policies and practices, and management-employee relationship. The conclusion drawn from the study are discussed below.

According to this surveys, conclusions from the study point to the fact that HRM practices such as compensation and benefits, work-life balance, and training and career development are important and indeed influence employee retention in Myanmar Skyrun International Co., Ltd.

Firstly, from this study, management-employee relationship does not have a significant effect on employee retention. Generally, supervisors need to treat equally to every employees and it is found that the co-workers relationship is weak in their job. Therefore, they are not enjoyable to work with the team and are not harmonious working together with the supervisors. It is found that subordinates does not get the feedback and information back from their supervisors to accomplish their work.

Secondly, work-life balance has a significant effect on employee retention. It is observed that unique feature for employees is that the company gives them the flexible working hours. The company wants employees work smart than hard to have a work-life balance. To be a work smart employee, the performance appraisal is also assessed in every year. Employees can easily take time off for illness involving their family and themselves. Company's work schedule is enough to meet the demands of their personal life and family. So work-life balance has an effect on retention of employee in Myanmar Skyrun International Co., Ltd.

Thirdly, this study provides evidence that compensation has a significant effect on employee retention in Myanmar Skyrun International Co., Ltd. Therefore, the company always conducts the market salary analysis to be fair and competitive from the local surveys and international surveys. Compensation is reviewed by the company from time to time. In the benefit package system, on the different level, the benefit packages are slightly differing. However, it is found that the company offers the same health package system and meal allowance for all employees.

Fourthly, Training and career development has a significant effect on employee retention. This means that if employees are given the needed training and career development they require, it will boost their morale and subsequently propel them to stay on the job. It also means that it is the reason for remaining with their company as they think that their organizations give the necessary training and development programs for their job.

Finally, with regard the factor of employee policies and practices, it is observed that its policy is to have employment opportunities for every employee. For instance, if the employee suffers from discrimination in regards with gender, ethnic or education,

there are grievance action procedures for that person who violates those policies. It is also found that the company provides the safe and conducive working environment for its employees.

5.2 Recommendations and Suggestions

After studying the effect of human resource management practices on employee retention in Myanmar Skyrin International Co., Ltd, the following recommendations and suggestions are made for the better improvement of its retention of employees.

In this competitive business environment the organization can achieve competitive advantage only by retaining its best, critical and most talented employees and make them committed towards the organization, as they are considered as a real asset for an organization. HRM practices considered as an organizational backbone, plays a significant and vital role for retaining the employees within the organization. Today, from time to time organizations must vary to improve the kind of HRM practices they initiate. Therefore, it is currently not enough for organizations to stick solely to the traditional HRM practices. The company must therefore explore other contemporary practices such as self-managed and effective teams, providing security to employees, opening book management style and creating a flat and egalitarian organization, those can equally make significant impact on retaining adroit employees.

With respect to training and career development, there is no formal system for evaluating the effectiveness of the regular training. Employers should provide appropriate training needs to their employees instead of providing generic and repetitive ones which may not be beneficial to them and may still affect their intention to stay long in the organization. In fact the impact of training on employee's performance should be reviewed by the end of each training course in order to determine whether employees are accomplishing specific training objectives.

Furthermore, from this study, although management-employee relationship do not have a significant effect on employee retention, it is important to know that these HRM practice also play a significant role for employee retention. Therefore, company should provide close relationship with co-workers in their job. Supervisors should give fair and equal treatment on every employees and recognition to subordinates in regard with job accomplishment for their effort privately or opening in front of others. Therefore, subordinates should get the feedback and information back from their

supervisors to accomplish their work. Being a healthy management-employee relationship is also important for employee retention.

5.3 Need for Further Research

Due to the time and financial limitations, this study focused only on the effect of human resource management practices on employee retention in Myanmar Skyrun International Co., Ltd. Employees leave organizations for many reasons, often times these reasons are unknown to their employers. Employers need to listen to employees' needs and implement HRM practices to make employees feel valued and engaged in order to keep them. Therefore, further studies are expected to explore on the other HRM practices of Myanmar Skyrun International Co., Ltd. and it may also need to analyze the other garment companies in this industry.

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Appendix I

Questionnaire Surveys

The purpose of this questionnaire is to collect information on the Retention Employees of Myanmar Skyrun International Company Limited as part of the requirements for a Master of Commerce thesis at the Yangon University of Economics. I will be most grateful if you could take time off your busy schedule to respond to the questions. Please answer all of the questions. These data in the survey is keep fully privacy and confidential.

Section A

Please tick the appropriate answer.

1. Gender

☐

Male

☐

Female

2. Age

☐

18 – 30 years

☐

31 – 40 years

☐

41 – 50 years

☐

50 years and above

3. Education Level

☐

Under Graduate

☐

Graduated

☐

Post Graduate

☐

Other----- (Please

specify)

4. Monthly Income

☐

Below MMK 100,000

☐

MMK 100,001-200,000

☐

MMK 200,001-300,000

☐

MMK 300,001-400,000

☐

MMK400,001 and above

5. Length of service-----

6. Position

☐

Labor

☐

Supervisor

Section B

Human Resources Management Practices

Instruction: Please choose one of the following numbers on each line according to the index:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

1. Management-Employee Relationships

No.	Statements	1	2	3	4	5
1	My supervisor treats equally to us.	1	2	3	4	5
2	The working environment focuses on the team work.	1	2	3	4	5
3	The supervisor gives me 'feedback' about how well I complete my work.	1	2	3	4	5
4	My supervisor recognizes me for work well done.	1	2	3	4	5
5	I have close relationships with coworkers in my job.	1	2	3	4	5

2. Work-life balance

No.	Statements	1	2	3	4	5
1	I have flexible amount of time I spend at work.	1	2	3	4	5
2	I can easily take time off for illness involving loved ones and self.	1	2	3	4	5
3	I think that if employees have good work-life balance the organization will be more effective and successful.	1	2	3	4	5
4	Other job do not offer better work-life balance than my organization.	1	2	3	4	5
5	My work schedule is enough to meet the demands of my personal life and family.	1	2	3	4	5

3. Compensation and Benefits

No.	Statements	1	2	3	4	5
1	I earn more than others who occupy similar position in other factory.	1	2	3	4	5
2	I believe that my salary is fair.	1	2	3	4	5
3	My salary is competitive with similar jobs I might find elsewhere.	1	2	3	4	5
4	People who are hard-working and results oriented are praised and reward in the organization.	1	2	3	4	5
5	The factory's benefits packages are attractive to me.	1	2	3	4	5
6	Employees are pleased to get the special reward and bonus every year.	1	2	3	4	5
7	Compensation is reviewed from time to time.	1	2	3	4	5

4. Training and Career Development

No.	Statements	1	2	3	4	5
1	I have received sufficient training in this organization to enable me do my job effectively.	1	2	3	4	5
2	The factory provides regular training.	1	2	3	4	5
3	I can apply many things in my job from the training I receive.	1	2	3	4	5
4	The training that has been provided enables my personal growth.	1	2	3	4	5
5	There are opportunities for me to advance my career.					
6	The factory has career development activities to help an employee identify/ improve abilities, goals, strengths and weakness.	1	2	3	4	5

5. Employee Policies and Practices

No.	Statements	1	2	3	4	5
1	In general, employees are being treated equally.	1	2	3	4	5
2	Employees satisfy the rules and regulations formulated by the factory.	1	2	3	4	5
3	Rules, policies and guidelines are clear and uniformly implemented across the organization.	1	2	3	4	5
4	Employees believe in maintaining team spirit and work in close coordination with each other.	1	2	3	4	5
5	The functions of all the departments are smoothly and efficiently coordinated and managed.	1	2	3	4	5

Section C

Employee Retention

Instruction: Please choose one of the following numbers on each line according to the index:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

Retention

No.	Statements	1	2	3	4	5
1	I am prepared to put in a great deal of effort beyond what is normally expected in order to help this factory to be successful.	1	2	3	4	5
2	I plan to make this factory my own career.	1	2	3	4	5
3	I feel a lot of loyalty to this factory.	1	2	3	4	5
4	This is the best factory for me to work for.	1	2	3	4	5
5	I would recommend this factory to a friend if he or she is looking for a job.	1	2	3	4	5
6	This factory has a great deal of personal meaning for me.	1	2	3	4	5
7	I intend to stay with this factory till retirement.	1	2	3	4	5

Thank you for your Co-operation

Appendix II

Frequency Table

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	49	21.3	21.3	21.3
	Female	181	78.7	78.7	100.0
	Total	230	100.0	100.0	

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	206	89.6	89.6	89.6
	31-40	20	8.7	8.7	98.3
	41-50	4	1.7	1.7	100.0
	Total	230	100.0	100.0	

		Education Level			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under Graduate	222	96.5	96.5	96.5
	Graduated	8	3.5	3.5	100.0
	Total	230	100.0	100.0	

		Monthly Income			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	100001-200000	12	5.2	5.2	5.2
	200001-300000	207	90.0	90.0	95.2
	300001-400000	8	3.5	3.5	98.7
	400001 and above	3	1.3	1.3	100.0
	Total	230	100.0	100.0	

		Length of Services			
		Frequency	Percent	Valid Percent	Cumulative Percent
Under 1 Year	.10	1	.4	.4	.4
	.20	3	1.3	1.3	1.7
	.30	7	3.0	3.0	4.8
	.40	7	3.0	3.0	7.8
	.50	7	3.0	3.0	10.9
1-2 year	.60	17	7.4	7.4	18.3
	.70	3	1.3	1.3	19.6
	.80	6	2.6	2.6	22.2
	.90	5	2.2	2.2	24.3
	1.00	62	27.0	27.0	51.3
	1.20	1	.4	.4	51.7
	1.40	3	1.3	1.3	53.0
	1.50	11	4.8	4.8	57.8
	1.70	2	.9	.9	58.7
	1.90	1	.4	.4	59.1
2-3 year	2.00	59	25.7	25.7	84.8
	2.30	2	.9	.9	85.7
	2.50	1	.4	.4	86.1
	3.00	32	13.9	13.9	100.0
Total		230	100.0	100.0	

		Position			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Labor	223	97.0	97.0	97.0
	Supervisor	7	3.0	3.0	100.0
	Total	230	100.0	100.0	

Descriptive

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Relationship 1	230	1	5	3.68	

Relationship 2	230	1	5	3.92	
Relationship 3	230	1	5	4.00	
Relationship 4	230	1	5	3.99	
Relationship 5	230	1	5	3.99	
Valid N (listwise)	230				

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Devia
Work-Life Balance 1	230	1	5	3.47	
Work-Life Balance 2	230	1	5	3.44	
Work-Life Balance 3	230	1	5	3.76	
Work-Life Balance 4	230	1	5	3.26	
Work-Life Balance 5	230	1	5	3.28	
Valid N (listwise)	230				

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Devia
Compensation 1	230	1	5	3.01	
Compensation 2	230	1	5	3.27	
Compensation 3	230	1	5	3.21	
Compensation 4	230	1	5	3.65	
Compensation 5	230	1	5	3.18	
Compensation 6	230	1	5	3.37	
Compensation 7	230	1	5	3.45	
Valid N (listwise)	230				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Training 1	230	1	5	3.23	.898
Training 2	230	1	5	3.21	.891
Training 3	230	1	54	3.67	3.453
Training 4	230	1	5	3.33	.899
Training 5	230	1	5	3.37	.966
Training 6	230	1	5	3.40	.947
Valid N (listwise)	230				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Factory Policies 1	230	1	44	3.67	2.829
Factory Policies 2	230	1	5	3.20	.909
Factory Policies 3	230	1	5	3.37	.759
Factory Policies 4	230	1	5	3.59	.866
Factory Policies 5	230	1	5	3.79	.898
Valid N (listwise)	230				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Retention 1	230	1	5	3.39	.936
Retention 2	230	1	5	3.13	.994
Retention 3	230	1	5	3.67	.907
Retention 4	230	1	5	3.30	.975
Retention 5	230	1	5	3.41	1.031
Retention 6	230	1	5	3.24	1.002
Retention 7	230	1	5	2.90	1.125
Valid N (listwise)	230				

Reliability Relationship

Case Processing Summary

		N	%
Cases	Valid	230	100.0
	Excluded ^a	0	.0
	Total	230	100.0

a. Listwise deletion based on all variables in the procedure.

Scale: Work Life Balance

Reliability Statistics

Cronbach's Alpha	N of Items
.769	5

Scale: Work Life Balance

Reliability Statistics

Cronbach's Alpha	N of Items
.798	5

Scale: Compensation

Reliability Statistics

Cronbach's Alpha	N of Items
.906	7

Scale: Training and Development

Reliability Statistics

Cronbach's Alpha	N of Items
.791	6

Scale: Factory Policies

Reliability Statistics

Cronbach's Alpha	N of Items
.691	6

Scale: Retention

Reliability Statistics

Cronbach's Alpha	N of Items
.906	7

Correlations

		Correlations			
		Management- Employee Relationship	Work Life Balance	Compensation	Training and Development
Management- Employee Relationship	Pearson Correlation	1	.667	.530	.533
	Sig. (2-tailed)		.000	.000	.000
	N	230	230	230	230
Work Life Balance	Pearson Correlation	.667	1	.754	.603
	Sig. (2-tailed)	.000		.000	.000
	N	230	230	230	230
Compensation	Pearson Correlation	.530	.754	1	.577
	Sig. (2-tailed)	.000	.000		.000
	N	230	230	230	230
Training and Development	Pearson Correlation	.533	.603	.577	1
	Sig. (2-tailed)	.000	.000	.000	
	N	230	230	230	230
Factory Policies	Pearson Correlation	.510	.521	.580	.533
	Sig. (2-tailed)	.000	.000	.000	.000
	N	230	230	230	230
Retention	Pearson Correlation	.553	.702	.734	.603
	Sig. (2-tailed)	.000	.000	.000	.000
	N	230	230	230	230

Regression

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	Factory Policies, Management-Employee Relationship, Training and Development, Compensation, Work Life Balance ^b	.	Enter

a. Dependent Variable: Retention

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.792 ^a	.628	.619	.49231	1.905

a. Predictors: (Constant), Factory Policies, Management-Employee Relationship, Training and Development, Compensation, Work Life Balance

b. Dependent Variable: Retention

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	91.560	5	18.312	75.556	.000 ^b
	Residual	54.290	224	.242		
	Total	145.850	229			

a. Dependent Variable: Retention

b. Predictors: (Constant), Factory Policies, Management-Employee Relationship, Training and Development, Compensation, Work Life Balance

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	.025	.210		.117	.907
	Management-Employee Relationship	.078	.073	.062	1.074	.284
	Work Life Balance	.246	.080	.222	3.084	.002
	Compensation	.403	.072	.372	5.584	.000
	Training and Development	.130	.047	.153	2.783	.006
	Factory Policies	.112	.048	.126	2.356	.019

a. Dependent Variable: Retention