

Human Resource Practices and Turn Over Intention: A Case on Apparel Industry in Katunayaka Export Processing Zone

V.T. Jayakody and K.M.M.C.B Kulathunga
Uva Wellassa University, Badulla, Sri Lanka

Introduction

Human resource has become a valuable and most significant asset for business organization due to its specific capability of guiding them towards achieving common goals. Moreover, Human resources (HR) often account for a large part of an organization's cost structure. Therefore, organizations should provide considerable attention on their Human resources. Turnover is referred as an individual's estimated probability that they will stay an employing organization (Cotton and Tuttle, 1986). Turn over intention is conscious willfulness to seek for other alternatives in other organizations (Tett and Meyer, 1993). Human resource management (HRM) is known as the central business concern, that shapes the behaviour, attitudes, and performance of the employees, hence, HR practices are important tools for organizational performance.

Firms have increasingly recognized the potential for their people to be a source of competitive advantage, creating competitive advantage through people requires careful attention to the practices that best leverage these assets (Patrick *et al*, 2003).

It is very much important to match people with the organization and to the job. Employers should aware about the dynamic and changing environment of the employees. Managers should highly focus on workers' turn over, because the success of the organization depends on the hands of the employees.

In the light of considering prior research articles, what makes clear is that there are limited research exists on the effects of human resources practices on turnover intention specially in Sri Lankan context. Consequently, this research investigated the relationship between HR practices and turnover intention.

Methodology

The sample was selected from garment factories which have been located in Katunayaka Export Processing Zone. The survey was conducted being based on a sample of 176 operational level employees in garment factories. Multi stage random sampling technique was used to select sample. Further self-administrated questionnaire was used to gather information from the sample. Questionnaire was based on five point likert Scale.

Both descriptive and inferential techniques were used to analyze data. Descriptive statistical techniques were used to discover and summarize the attributes of the sample. Furthermore, correlation coefficient analysis was used to measure the degree of linear association between two variables. Multiple regressions analysis was also used to combine contribution of each parts of the independent variable.

$$TI = \beta_0 + \beta_1 JI + \beta_2 JA + \beta_3 CD + \beta_4 WFB + \beta_5 SS + \beta_6 C + E$$

Where,

TI = Turnover Intention

JI = Job information

JA = Job analysis

WFB = Work family balance

C = Compensation

β_0 = Intercept of the equation

CD = Career Development

SS = Supervisor support

E = Error term

Results and Discussion

According to the descriptive analysis (Table 1), almost all input variable averages were in the range of 2.5<X<3.5. This illustrates that almost all participants are satisfied with the current practices.

Table 1 – Mean and standard deviation of HR practices dimensions

Dimension	Mean	Standard Deviation
Job information	3.0568	0.9323
Job analysis	3.4867	0.8038
Career development	3.3636	0.9477
Work family balance	2.7670	0.9138
Supervisor support	3.3333	0.6919
Compensation	2.7159	0.8365
Human resources practices	3.1206	0.6905

Furthermore, the correlation and regression analysis were conducted to determine the strength of relationship and relative contribution of independent variables on dependent Variables. Human resource practices (-0.810) have significance negative correlation on turnover intention. Apart from that, the R² between Human resource practices and turnover intention was 65.5. The fitted regression model can be expressed as follows.

$$TI = 5.94 - 0.0266 JI - 0.155 JA - 0.0610 CD - 0.162 WFB - 0.180 SS - 0.316 C$$

The above equation demonstrates that six dimensions of HR practice are having a negative relationship with turnover intention. Further, multiple regression proved that compensation was the major predictor of the turnover intention in apparel industry in Katunayaka EPZ.

Conclusion

As per the findings of the research, it was observed that the employees are satisfied with the existing human resource practices in the apparel industry. Further, according to the correlation coefficient analysis, it can be identified that there is a strong negative correlation between HR practice and turnover intention.

Moreover, it revealed that changes in human resources practices are affected to employee turnover intention. Further, it was revealed that all six human resources practices (job information, job analysis, career development, work family balance, supervisor support and compensation) identified within this study context, were affecting to employee turnover intention in a negative manner.

References

- Cotton J.L, Tuttle J.M, 1986. Employee Turnover: A Meta-Analysis and Review with Implications for Research the Academy of Management Review, Vol. 11, pp. 55-70, 1986.
- Patrick M.W, Timothy M.G, Lisa M.M, 2003. The impact of HR practices on the performance of business units, Human Resource Management Journal, Vol 13 No 3, 2003.
- Tett R, P, Meyer J. P, 1993. Job satisfaction, organizational commitment, turnover intention, and turnover: path analyses based on meta-analytic findings, personnel psychology, 1993.