



## **THE IMPACT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON TURNOVER INTENTION WITH SPECIAL REFERENCE TO STAR GARMENTS PVT LTD, GALLE**

**W. W. I. Madhavi\***

*University of Ruhuna, Sri Lanka*

### **INTRODUCTION**

Human Resource factor is one of the most significant elements because the survival of the organizations is mainly decided by its human resources. Employees become the major resource of generating competitive advantage in the competitive business world. The significance of handling human resources has been increasing in academic world (Meyer & Smith, 2000). Hence, employee retention is significant to the accomplishment of the organizational goals and objectives. "Turnover has become a severe matter for organizations, hence academics interpret it as a persistent problem" (Ahmad & Omar, 2010). Therefore, employee turnover has become one of the main research areas among scholars and practitioners.

"Employee turnover is the permanent movement of employee outside the boundary of the organization" (Rahman & Nas, 2013). The turnover intention is the main source of employee turnover. "It is the form of withdrawal of individual from an organization" (Rahman & Nas, 2013). There are several reasons for turnover intention. Residency, civil status, appreciation, amount of work, societal image, work options are important predictors of employee turnover (Liyanage & Galhena, 2014).

In Sri Lankan economy, apparel industry has become the leading export industry. As per Dheerasinghe (2009), the garment industry offers more than 330,000 direct occupations or 5 % of Sri Lanka's overall employment. In Sri Lanka, there is a high demand for sewing machine operators. However, the problem is higher employee turnover in Sri Lankan apparel industry (Dheerasinghe, 2009). As per the findings, nearly 15% of employees are working in the garment sector and among them 85% are women. However, employee turnover has become a critical matter for Sri Lankan apparel organizations as per the research findings. In the Sri Lankan context, turnover intention of employees in the apparel industry is higher than the expected level and it is a risk to the existence of the industry (Rajapaksha & Kappagoda, 2017). The total average labour turnover is 60 % per annum (Dheerasinghe, 2009). Accordingly, employee turnover intention has become one of the main research areas among many scholars. Thus, there is a need to find the actual roots of leaving to reduce employee turnover (Rajapaksha, 2018). There are many researches in foreign contexts in relation to the impact of HRM practices on employee turnover intention. As per Ovadje (2009), a number of studies on turnover have been done in western contexts, for example, in the US, Canada, UK, and Australia (as cited in Joarder, Sharif, & Ahmmed, 2011). Moreover, it has been explained that their outcomes may not apply to an Asian context. In a Sri Lankan context, only a few researchers have conducted researches on HRM practices and turnover intention in relation to apparel industry. Thus, the purpose of this study is to fill those gaps empirically.

Previous studies have shown that there is a significant impact of HRM practices on turnover intention and when HRM practices are appropriately designed, HRM practices lay the foundation to reduce employees' turnover intention. Among the several reasons, HRM practices have become one of the noticeable factors of employee turnover (Rajapaksha, 2018). Among those various factors, the researcher focuses on HRM practices and the study aims to examine the impact of HRM practices on sewing machine operators' turnover intention.

### *Research Questions*

#### *General research question*

- Is there any significant impact of HRM practices on turnover intention of sewing machine operators?

#### *Specific research questions*

- Is there any significant impact of training on turnover intention of sewing machine operators?
- Is there any significant impact of working conditions on turnover intention of sewing machine operators?
- Is there any significant impact of compensation on turnover intention of sewing machine operators?
- Is there any significant impact of performance appraisals on turnover intention of sewing machine operators?

### *Research objectives*

#### *General research objective*

- To find out the impact of HRM practices on turnover intention of sewing machine operators.

#### *Specific research objectives*

- To find out the impact of training on turnover intention of sewing machine operators.
- To find out the impact of working conditions on turnover intention of sewing machine operators.
- To find out the impact of compensation on turnover intention of sewing machine operators.
- To find out the impact of performance appraisals on turnover intention of sewing machine operators.

### *Hypotheses*

H1: there is a significant impact of training on turnover intention of sewing machine operators.

H2: there is a significant impact of working conditions on turnover intention of sewing machine operators.

H3: there is a significant impact of compensation on turnover intention of sewing machine operators.

H4: there is a significant impact of performance appraisal on turnover intention of sewing machine operators.

## **METHODOLOGY**

As the researcher's objective is to describe impact of HRM practices on turnover intention, so the descriptive design was used. This study is correlational in nature. The researcher's aim is to find out the impact of HRM practices on sewing machine operators' turnover intention, so the researcher used a quantitative approach. The researcher used deductive method for this study. Among them, survey research strategy was employed for the present study as it helps to meet the researcher's research objectives and to answer the research questions well. The researcher used self-administered questionnaires because it is an efficient data collection tool for this type of research. As the present study was carried out in one shot, therefore this is a cross sectional analysis.



As this study was carried out by collecting data through questionnaire method, the existing working environment was not disturbed for data gathering mechanism. Thus, the present study was done in non-contrived setting, so it is non-contrived research study and it is a field study.

The researcher considered Sri Lankan apparel industrial context because in a Sri Lankan context, apparel industry has a significant place among other industries. The researcher selected Star Garments Pvt Ltd which is located in Galle as it is a large scale leading organization in Sri Lanka and another reason is that turnover has become a real issue for the organization. The researcher selected sewing machine operators as the sample because they are the backbone of the organization.

Here the unit of analysis is 'the individual' because questionnaires were distributed among sewing machine operators. When considering the theoretical population, the researcher generalizes the present study for all the sewing machine operators who are employed in Sri Lankan apparel industry. Among them as the study population, the researcher considered all the sewing machine operators who are employed in Star Garments Pvt Ltd. Thus, for the study population, four hundred sewing machine operators were selected as the theoretical population. Among them the researcher considered one hundred sewing machine operators in Star Garments Pvt Ltd as the sample.

As the researcher conducted a quantitative research with the purpose of testing the designed hypotheses in order to test impact of HRM practices on turnover intention, the researcher applied probability sampling method. Among the various probability sampling techniques, simple random sampling technique was used because the researcher believed that it is the most suitable method for this type of research as it provides equal chance for all the employees to represent the sample without any bias. Here the researcher selected sewing machine operators randomly from each sewing line. Among the data collection methods which are interactive and non-interactive, the researcher used non-interactive method as it is a more appropriate, easy and less time consuming method. Self-administered questionnaires were distributed among the sample of sewing machine operators to gather primary data. For the present study, both primary and secondary data were used.

## **RESULTS AND DISCUSSION**

Among the 400 sewing machine operators in the company, the surveys were distributed to the selected sample of 100 machine operators. The gender composition is 54% female employees and 46% male employees. The majority of respondents are female. When considering age distribution, the highest age group category is 16 - 25 age range and it represents 34% of total respondents. 32% respondents fall into 26-35 age range. Furthermore, both age categories of 35-45 and 46-55 present 17% respectively. When analysing their working experience, 44% of respondents have less than one-year experience. This category represents the majority of respondents of the sample. They are the new comers to the factory. As per the data, the respondents who have 1-4-year of experience is 29%. Moreover, both 5-10 years of experience and 11-15 year of period of service, represents 11% respectively. Only 5% represents more than 15 years of period of service which means, they have a strong bond with Star garment.

When considering reliability, the results showed that Cronbach's alpha is 0.939 for all the items. The reliability analysis of all the independent variables and dependent variable generated a Cronbach's alpha value higher than 0.7.

The correlation among the variables was measured using Pearson correlation coefficients. The highest correlation coefficient yielded -0.765 among turnover intention and compensation. The lowest correlation coefficient yielded -0.680 among turnover intention and training. Pearson correlation coefficient between training, working conditions, compensation and performance appraisal are -.680, -.745, -.765 and -.710 respectively. Therefore, training has



recorded a moderate negative relationship and all other variables, working conditions, compensation and performance appraisals have recorded a strong negative relationship. The sig. value is 0.000 for all the items. It means they have higher level of significance.

The Adjusted R square which means the coefficient of determination is 0.636 in the present study. It shows 63.6% variations in the dependent variable (turnover intention) are explained by the independent variable in the model. Moreover, in the above ANOVA test it shows a .000b value. Thus it indicates the significant value of the set variables as 0.000 which noticeably detects the fitness of the independent variables in this study. In regression analysis, the significance level of all the four independent variables are less than 0.05 which is highly significant with turnover intention. Significance level of compensation is (.000), significance level of Performance Appraisals is (.020), significance level of Training is (.003) and the significance level of working conditions is (.045). Accordingly, all the hypotheses which were previously established were supported.

## CONCLUSIONS/RECOMMENDATIONS

Correlation analysis showed a negative relationship between HRM practices and turnover intention. Regression analysis showed a significant impact of HRM practices on turnover intention.

- ❖ Finally, it can be concluded that all the variables in this study are statistically significant.

Correlation analysis showed negative relationship between HRM practices and turnover intention. Moreover, Regression analysis of this study showed statistically significant impact of HRM practices on turnover intention. It showed a 63.6% variation in dependent variable (turnover intention) by independent variable (HRM practices).

In the future researches, there is space for conducting research in other related fields. Thus, future researches are suggested for other respondent categories from diverse industries as well.

In future studies, it will be interesting to increase the size of the sample and to expand the population which would have a positive influence on the generalization matter and enhance the validity of the results. As well as for future studies, it is better to use other research approaches such as qualitative, pre-post analysis, comparative studies, or conceptual study to realize intensely about the significant variables and also the casual relationships between them. Moreover, it's better to collect data in several stages and periodically to enhance the respondent validity to increase the accuracy, credibility, validity, and transferability and to decrease any biases. In this research, the data collection was carried out by using closed ended questions which are unable to apprehend complete responses of the participants. Therefore, it is important to focus on longitudinal studies to gain in-depth information. Further, future researches should also be conducted to expand the research model by including other factors that impact turnover intention such as organizational factors, demographic factors, work related factors, other HRM practices in organizational context etc.

## REFERENCES

- Abeysekara, R. (2007). The Impact of Human Resource Management Practices on Marketing Executive Turnover of Leasing Companies in Sri Lanka. *Contemporary Management Research*, 3(3), 233-252.
- Aburumman, O., Salleh, A., Omar, K., & Abadi, M. (2020). The impact of human resource management practices and career satisfaction on employee's turnover intention. *Management Science Letters*, 10(1), 641–652.



Ahmad, C., Lemba, R., & Ismail, W. K.W. (2010). Performance appraisal politics and employee turnover intention. *Journal Kemanusiaan bil.*16.

Ahmad, A., & Omar, Z. (2010). Perceived Family-Supportive Work Culture, Affective Commitment and Turnover Intention of Employees. *Journal of American Science*, 6(12), 839-846.

Dheerasinghe, R. (2009). Garment Industry in Sri Lanka Challenges, Prospects and Strategies. *Staff studies*, 33(1), 33-72.

Joarder, M., Sharif, M., & Ahmmed, K. (2011). Mediating Role of Affective Commitment in HRM Practices and Turnover Intention Relationship: A Study in a Developing Context. *Business and Economics Research Journal*, 2(4), 135-158.

Joarder, M. H. R., & Sharif, D. M. (2011). The Role of HRM practices in Predicting Faculty Turnover Intention. *The South East Asian Journal Management*, 9(1). 159-178.

Kaya, H., & Abdioglu, H. (2010). An empirical study on employees' turnover tendency. *Amme Idaresi Dergisi*, 43(4), 129-165.

Kelegama, S. (2005). Ready-Made Garment Industry in Sri Lanka: Preparing to Face the Global Challenges. *Asia-Pacific Trade and Investment Review*, 1(1), 5167.

Liyanage, D., & Galhena, B. (2014). Determinants of turnover intention of sewing machine operators: Case from leading Apparel Company. *Kelaniya Journal of Management*, 1(2), 107-123.

Long, C., & Perumal, P. (2014). Examining The Impact of Human Resource Management Practices On Employees' Turnover Intention. *International Journal of Business and Society*, 15(1), 111 – 126.

Meyer, J., & Smith, C. (2000). HRM Practices and Organizational Commitment: Test of a Mediation Model. *Canadian Journal of Administrative Sciences*, 17(4), 319-331.

Rahman, W., & Nas, Z. (2013). Employee development and turnover intention. *European journal of training and development*, 37 (6), 564-.579.

Rajapaksha, U., & Kappagoda, U. (2017). Factors Affecting to Turnover Intention of Non-Manual Employees in Apparel Industry. *International Journal of Managerial Studies and Research*, 5(11), 76-82.

Rajapaksha, W. (2018). An Analysis of Major Factors Affecting Labor Turnover in the Apparel Industry in Sri Lanka: Policy Alternations for Solving the Problem. *International Journal of Academic Research in Economics and Management Sciences*, 7(3), 2226-3624.

Sujeewa, W. (2011). Relationship between Human Resource Management Practices, Non – Managerial Employee Intention to Turnover in Garment Industry in Sri Lanka. *International Conference on Management, Economics and Social Sciences*, 1(1), 535-539.

## Additional Data

Table 1.1: Correlation analysis

	COM	PA	TR	WC	TI
COM	1				
PA	.827**	1			
TR	.934**	.860**	1		
WC	.872**	.836**	.857**	1	
TI	-.765**	-.710**	-.680**	-.745**	1

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

Table 1.2: Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.083	.248		20.493	.000
	COM	-.773	.177	-.805	-4.373	.000
	PA	-.311	.131	-.303	-2.364	.020
	TR	.553	.183	.570	3.022	.003
	WC	-.260	.128	-.277	-2.028	.045

Source: Survey Data (2021)

Table 1.3 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.807 <sup>a</sup>	.651	.636	.71507

Source: Survey Data (2021)

Table 1.4: ANOVA test

Model		Mean Square	F	Sig.
1	Regression	22.606	44.210	.000 <sup>b</sup>
	Residual	.511		

Table 1.5- concluding findings

Variable	Correlational relationship	Level of Impact	Hypothesis	Supported/ Not
<b>Compensation</b>	Negative	-.805	There is a significant impact of compensation on turnover intention of sewing machine operators.	Supported
		80.5%		
<b>Training</b>	Negative	.570	There is a significant impact of training on turnover intention of sewing machine operators.	Supported
		57%		
<b>Performance Appraisals</b>	Negative	-.303	There is a significant impact of performance appraisal on turnover intention of sewing machine operators.	Supported
		30.3%		
<b>Working conditions</b>	Negative	-.277	There is a significant impact of working conditions on turnover intention of sewing machine operators.	Supported
		27.7%		